

AMENDMENT NO. 1
MEMORANDUM OF UNDERSTANDING
FOR SUBMISSION
TO BOARD OF SUPERVISORS
REGARDING
FRINGE BENEFITS

THIS MEMORANDUM OF UNDERSTANDING, made and entered into this 3rd day of November, 2010,

BY AND BETWEEN

Authorized Management Representatives
(hereinafter referred to as ("Management") of
the County of Los Angeles (hereinafter
referred to as "County")

AND

THE COALITION OF COUNTY UNIONS,
AFL-CIO (hereinafter referred to as
"Coalition")

WHEREAS, on the 15th Day of December, 2009, the parties entered into a Memorandum of Understanding regarding Fringe Benefits, which MOU was subsequently approved and ordered implemented by the County's Board of Supervisors; and

WHEREAS, as a result of mutual agreement, the parties desire to Amend the Articles as set forth hereafter;

NOW, THEREFORE, the parties agree as follows:

1. Amend Article 3 – Term to reflect an extension of the Term of the MOU for one (1) year until September 30, 2012, as appended hereto.
2. Amend Article 4 – Renegotiation to reflect revisions necessary to correspond to an extension of the Term on the MOU as appended hereto.
3. Amend Article 8 – The Choices Plan, Section 1 to reflect revisions necessary to correspond to an extension of the Term of the MOU as appended hereto.
4. Amend Article 12 – Sick Leave, Section 2 to reflect revisions in the dates necessary to correspond to an extension of the Term of the MOU, and to continue to provide sick leave buy back provisions in year 2012 as appended hereto.
5. Amend Article 18 – Deferred Compensation and Thrift Plan, Section 2 (C) to reflect negotiated County savings concept change to the County

matching contribution from 4% to 2% during period of July 1, 2011, through June 30, 2012, as appended hereto.

Section 2 (F) to reflect negotiated cap not to exceed \$56 million during period July 1, 2011, through June 30, 2012, as appended hereto.

6. Amend Article 28 – Paid Leave for Temporary Employees, to reflect revisions in the dates necessary to correspond to an extension of the Term of the MOU as appended hereto.

7. Amend Attachment A – The Choices Plan,

Section 2 – Delta Dental Subsidy, to reflect County monthly contributions for Delta Dental insurance participants for plan year 2012 to correspond to an extension of the Term of the MOU as appended hereto.

Section 6(b) – Dependent Care Spending Account, to reflect revisions in the dates necessary to correspond to an extension of the Term of the MOU as appended hereto.

Section 7 – Contributions, to reflect County monthly contributions for health insurance coverage in plan year 2012 to correspond to an extension of the Term of the MOU, as appended hereto.

Section 7 – Maintenance of Benefits, to reflect revisions necessary to correspond to an extension of the Term of the MOU as appended hereto.

8. Amend Attachment B – Health Insurance for Temporary and Recurrent Employees, Section 1, to reflect County monthly contributions for health insurance temporary and recurrent employees in plan year 2012 to correspond to an extension of the Term of the MOU as appended hereto.

This Amendment No. 1 to said Memorandum of Understanding constitutes a mutual recommendation to be jointly submitted to the County's Board of Supervisors and this Amendment No. 1 will be effective when and if approved by said Board of Supervisors in the same manner provided in Article 2, which was applicable to the implementation of the original Memorandum of Understanding.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Memorandum of Understanding the day, month, and year first above written.

AUTHORIZED
COALITION OF COUNTY UNIONS
REPRESENTATIVE

COUNTY OF LOS ANGELES
MANAGEMENT AFL-CIO

By _____
BLAINE MEEK, Chairman,
Coalition of County Unions

By _____
WILLIAM T FUJIOKA
Chief Executive Officer

By _____
IUOE, Local 501

By _____
AFSCME, Council 36

By _____
AFSCME, Local 685

By _____
Committee of Interns and Residents

TO BE JOINTLY SUBMITTED TO COUNTY’S BOARD OF SUPERVISORS

SIGNATURE PAGE (Continued)
COALITION OF COUNTY UNIONS AFL-CIO

By _____
Union of American Physicians and Dentists

By _____
Los Angeles County Fire Fighters, Local 1014

By _____
California Association of Professional
Employees

By _____
Association for Los Angeles Deputy Sheriffs

By _____
Los Angeles Building and Construction
Trades Council

By _____
Los Angeles County Lifeguard Association

TO BE JOINTLY SUBMITTED TO COUNTY'S BOARD OF SUPERVISORS

ARTICLE 3 TERM

The term of this Memorandum of Understanding shall commence on the date when the terms and conditions for its effectiveness, as set forth in Article 2, Implementation, are fully met; but in no event shall said Memorandum of Understanding become effective prior to 12:01 a.m. on January 1, 2011. This Memorandum of Understanding shall expire and otherwise be fully terminated at 12:00 midnight on September 30, 2012.

ARTICLE 4 RENEGOTIATION

In the event either party hereto desires to negotiate a successor Memorandum of Understanding, such party shall serve upon the other during the period from May 15, 2012, through May 31, 2012, its written request to commence negotiations.

Upon receipt of proposals, negotiations shall begin no later than June 15, 2012.

ARTICLE 8. THE CHOICES PLANSection 1.

The parties agree to recommend jointly to the County's Board of Supervisors for adoption and implementation by amendment to the County Code that the Choices Plan be continued during the period January 1, 2009, through December 31, 2012, as set forth in Attachment A.

Section 2.

The parties further agree to recommend jointly to the County's Board of Supervisors for adoption and implementation by amendment to the County Code that the County contribution toward health insurance for certain temporary and recurrent employees who are not eligible for the Choices Plan be continued during the period January 1, 2009, through December 31, 2012, as set forth in Attachment B.

Section 3.

The Labor and Management Committee which jointly administers the benefits provided to employees through the Choices Benefit Plan (Plan) shall be known as the Employee Benefits Administration Committee (Committee).

The Employee Benefits Administration Committee shall be comprised of five Labor Representatives designated by the Coalition of County Unions and five Management Representatives designated by the Chief Executive Officer.

The Committee shall have the authority, subject to CEO and Board of Supervisors approval when required, to:

- a) Develop its own internal procedures, including the scheduling of meetings and reports of contacts with insurance carriers.
- b) Negotiate with carriers of County-sponsored Choices insurance plans regarding premium rates and benefit plan design for all benefits provided to employees under the Choices Plan. In addition, during 1999, the parties agree that EBAC will develop strategies to mitigate future health insurance premium increases.
- c) Review utilization and claims experience of all County-sponsored Choices benefit plans, which may require access to all relevant reports, and face to face discussions with both providers and the appropriate agencies. This does not preclude the Committee from requesting similar information for other plans.
- d) Engage its own consultant. If it does, the cost of such consultant shall be negotiated by the County and the Coalition.
- e) Recommend to the CEO which County-sponsored benefit options, plans, and plan carriers will be offered through the Choices plan.

Members may use their individual resources to analyze, research, and develop recommendations to the Committee regarding new benefit plan options.

EBAC shall develop and have responsibility for administering a communications program to educate employees about utilization of the County-sponsored health plans.

Retiree Health Committee

Thirty days following Board approval of the Coalition of County Union's Fringe Benefit MOU. EBAC will meet to develop and make joint labor-management advisory recommendations to mitigate and control the cost of future retiree health insurance. The recommendations shall be submitted to the CEO no later than July 1, 2007. The CEO shall review the Committee's recommendations and prepare an analysis and report to the Board of Supervisors for review and consideration.

Coalition of County Unions (CCU) reserves its right to negotiate with the County any Retiree Health recommendation that affects wages, hours, and other terms and conditions of employment.

Plan Design Changes

The parties further agree to meet during 2007 to develop additional plan design changes for Kaiser and Cigna for plan years 2008 and 2009. If the parties cannot reach

agreement by July 1, 2007, for plan 2008, or July 1, 2008, for plan year 2009, default minimum plan design changes equivalent to other represented County-sponsored health plans shall be implemented for 2008 and 2009.

The Coalition of County Unions and the County adopts and incorporates by reference herein the Cost Mitigation Goals and Objectives dated December 14, 2006.

EBAC shall use the Cost Mitigation Goals and Objectives as a guideline in the development and design of benefit plans.

ARTICLE 12. SICK LEAVESection 1.

The parties acknowledge that the following modifications to the County's full-pay sick leave program were agreed to in the 1985-87 Fringe Benefit Memorandum of Understanding between the Coalition and the County and the parties agree that said modifications shall be continued during the term of this Memorandum of Understanding.

- a) Employees Hired Prior to July 1, 1986: Employees hired prior to July 1, 1986 who are otherwise eligible to earn sick leave benefits shall earn and accrue full-pay sick leave in accordance with the following:
 - 1) Effective January 1, 1986, each eligible employee with less than 12 months aggregate service shall earn one day of full-pay sick leave for each 30 cumulative days of "active service" commencing from the date of hire; provided, however, that such leave shall not be credited to the books until the first day of the month following the completion of said active service. "Active service" shall mean (i) compensated service arising from continuous active on-the-job performance of an employee's assigned duties, and/or (ii) any authorized paid leave of absence. In no event shall active service include any period during which an employee is receiving

only those benefits authorized by the Workers' Compensation Laws of the State of California unless such benefits are authorized by Section 4850 of the California Labor Code.

- b) On the first of January following the completion of 12 months of continuous service, each eligible employee shall be credited with full-pay sick leave in accordance with the following table:

Number of Calendar Days of Active Service Required		
<u>Sick Leave Days Earned</u>	<u>Full-Pay Monthly Employees</u>	<u>Daily Employees</u>
1	30	21
2	60	42
3	90	64
4	120	85
5	150	107
6	180	128
7	210	150
8	240	171
9	270	192
10	300	214
11	330	235
12	358	255

The provisions of this subparagraph (2) shall (i) apply in lieu of the provisions of subparagraph (1) for employees with the requisite service, and (ii) apply to all full-pay sick leave that is earned and accrued on or after January 1, 1987, by such employees including full-pay sick leave that would otherwise have been earned and credited to the books on January 1, 1987, on the basis of qualifying service performed in calendar year 1986.

- c) Employees hired on or after July 1, 1986: Employees hired on or after July 1, 1986 ,who are otherwise eligible to earn sick leave benefits shall earn and accrue full-pay sick leave in accordance with the following:
- 1) Subject to the limitations set forth in subparagraph (2) below, each eligible employee shall earn and accrue one day of full-pay sick leave for each calendar month in which he/she completes at least 16 days of active service (or 11 days of active service in the case of daily employees). Each day of earned full-pay sick leave shall be credited to the books on the first day of the calendar month following the month in which it was earned.
 - 2) A sick leave anniversary date shall be established for each employee based on his/her date of hire. This shall be accomplished in identical fashion to the way each employee's vacation anniversary date is

established (i.e., anniversary date falls on the first day of the month of hire if employee is hired between the 1st and 15th of the month or on the first day of the month following hire if employee is hired between the 16th and the end of the month). During the 12-month period preceding each anniversary date, no employee shall earn full-pay sick leave in amounts that exceed the amounts shown in the following table:

<u>Sick Leave Anniversary Date</u>	<u>Maximum Number of Full-Pay Sick Leave Days That May Be Earned During Preceding 12 Months</u>
1st	10
2nd	11
3rd	11
4th	11
5th and beyond	12

Section 2.

The parties further agree to recommend jointly to the County's Board of Supervisors for adoption and implementation through amendment to said County Code that during the term of this agreement only, full-time, permanent employees may be paid for unused full pay sick leave as follows:

- a) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from July 1, 2009, through December 31, 2009, and if, by December 31, 2009, he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on December 31, 2009.

- b) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from January 1, 2010, through June 30, 2010, and if, by June 30, 2010, he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on June 30, 2010.

- c) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from July 1, 2010, through December 31, 2010, and if, by December 31, 2010, he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on December 31, 2010.

- d) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from January 1, 2011, through June 30, 2011, and if, by June 30, 2011, he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on June 30, 2011.
- e) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from July 1, 2011, through December 31, 2011, and if, by December 31, 2011, he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on December 31, 2011.

Further, an employee who elects to receive payment for unused sick leave as provided in this Article, shall make his/her election known in a manner prescribed by management within one month following the date said employee qualifies for said payment.

- f) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from January 1, 2012, through June 30, 2012, and if by June 30, 2012, he/she had

completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on June 30, 2012.

- g) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from July 1, 2012, through December 31, 2012, and if, by December 31, 2012, he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on December 31, 2012.

Section 3.

For purposes of this Article, a day of full-pay sick leave shall be defined as:

- a) Eight (8) hours for persons employed on a forty (40) hour per week basis.
- b) A pro rata portion of eight (8) hours in the case of one-half time or more permanent employees.
- c) Twelve (12) hours for persons employed on a fifty-six (56) hour per week basis in the Probation Department, the Fire Protection Districts, and the Forester & Fire Warden's Department.

- d) Eleven (11) hours for all other persons employed on a fifty-six (56) hour per week basis.

Section 4.

The parties further agree to recommend to the County's Board of Supervisors that Section 6.20.040 of the County Code shall continue to provide part pay sick leave benefits based on length of service. Such benefits shall be at the rate of 65% and 50% pay and shall be available for use subject to the conditions and limitations set forth in said County Code.

Section 5.

Notwithstanding Sections 1 and 2 of the Article, the parties agree that any person employed on a daily recurrent basis as an Ocean Lifeguard (Item No. 2923E) or on an hourly recurrent basis as a Lake Lifeguard, Parks and Recreation (Item No. 2948H) or Senior Lake Lifeguard, Parks and Recreation (Item No. 2949H) shall earn and accrue full-pay sick leave at the rate of one day (8 hours) of full-pay sick leave for each 22 days (176 hours) of cumulative active service rendered on or after July 1, 1981, in the case of Ocean Lifeguards and July 1, 1985, in the case of Lake Lifeguards, Parks and Recreation and July 1, 1987, in the case of Senior Lake Lifeguards, Parks and Recreation. The parties further agree that any such person who is reinstated pursuant to Civil Service Rules following a release from recurrent status shall be entitled to have restored to him/her any previously earned and unused full-pay sick leave; provided,

however, that such leave shall otherwise be deemed available for use in accordance with the same conditions and limitations that affect full-pay sick leave benefits earned and accrued by other eligible employees.

Section 6.

Notwithstanding the provisions of Section 1 above, the parties agree that on the effective dates listed below, full pay sick leave shall be earned on accrued as follows:

Employees hired prior to July 1, 1986, shall, effective January 1, 1994, earn 0.050 of an hour of full pay sick leave (0.075 of an hour for employees working a 56 hour shift) for each qualifying hour of service during a pay period. Qualifying hours include all active service hours, but do not include regular days off or overtime. Full pay sick leave earned is available for use on the first day of the subsequent pay period. There is no change to the maximum number of days of full pay sick leave that may be earned each calendar year. Employees will no longer receive a lump of sick leave on January 1 of each calendar year.

Such employees will receive, on January 1, 1994, a number of days of special usage only sick leave on a one-time only basis. This number of days is equal to such employees' annual maximum number of full pay sick leave days. This special sick leave can be used only after all other full pay sick leave subject to 50% payoff at termination is used, (that sick Leave earned on or after January 1, 1971), but may be used before full

pay sick leave subject to 100% payoff is used (that sick leave earned prior to January 1, 1971). This special sick leave is not paid off at termination. Upon termination, an employee who otherwise qualifies for payoff of unused full pay sick leave is, in addition to all previously accrued and unused full pay sick leave, paid off for 50% of his or her current annual maximum number of sick leave days less any full pay sick leave taken in the year of termination.

Employees hired on or after July 1, 1986, shall, effective upon the implementation of phase 2 of the County-wide Timekeeping and Payroll-Personnel System (CWTAPPS) earn 0.050 of an hour (0.075 of an hour for employees working a 56 hour shift) for each qualifying hour of service worked during a pay period. Full pay sick leave earned is available for use on the first day of the subsequent pay period. There is no change to the maximum number of days of full pay sick leave that may be earned each calendar year.

Section 7. Personal Leave

Beginning January 1, 2007 , employees may use up to 96 (ninety-six) working hours (up to 144 working hours for those employees employed on a 56-hour workweek) of accrued full-pay sick leave in any one calendar year for personal reasons pursuant to County Code Section 6.20.030 A(2).

It is understood and mutually agreed that all employees covered by this MOU shall be entitled to use all Sick Personal days provided for herein.

ARTICLE 18. DEFERRED COMPENSATION AND THRIFT PLAN

Section 1.

The parties have mutually agreed to the provisions of the Deferred Compensation and Thrift Plan ("Plan"), also known as Horizons, which is fully set forth in Chapter 5.25 of the County of Los Angeles Code as it was restated on August 19, 2003. With respect to employees covered by this Memorandum of Understanding, the Plan provides benefits mutually agreed upon by the parties. The parties intend that Horizons shall operate as an eligible deferred compensation plan pursuant to Section 457 of the Internal Revenue Code and other applicable laws.

Section 2.

The parties further agree on the following matters which provide operational details concerning Plan operation, or are related to the Plan but are outside the scope of its provisions:

- A. The provisions of Chapter 5.25 are not subject to the Grievance Procedure set forth in Article 26 of this MOU,

- B. The monthly matching contributions provided in Section 5.25.050 of the Plan, beginning on January 1, 2001, shall be dollar-for-dollar to a maximum of 4% of the participant's compensation, as defined in the Plan.

- C. During the period July 1, 2011, through June 30, 2012, the County's matching contribution shall be dollar-for dollar to a maximum of 2% of the participant's compensation, as defined in the Plan.
- D. Beginning on July 1, 2012, and continuing thereafter, the County's matching contributions shall be dollar-for dollar to a maximum of 4% of the participant's compensation, as defined in the Plan.
- E. As set forth in Section 5.25.050 of the Plan, this Memorandum of Understanding provides for a dollar cap on matching County contributions and said cap establishes an annual expenditure limit that operates on a July 1 to June 30 cycle as set forth below:
- F. The General County plus special fund and special district contributions provided by the Plan for represented employees shall not exceed \$61 million during the period July 1, 2010, through June 30, 2011, and \$56 million during the period July 1, 2011, through June 30, 2012. Any unspent monies will be carried over to the next fiscal year.
- G. On July 1, 2012, through June 30, 2013, the General County plus special fund and special district contributions provided by the Plan for represented employees

shall not exceed \$112 million, and shall continue at this amount through succeeding July 1 and June periods, or until amended by the parties. Any unspent monies will be carried over to the next fiscal year.

- H. To the extent that employees represented Coalition of County Unions are impacted, the termination of the Horizons Plan or the amendment of any Plan provisions that are subject to negotiation shall be negotiated between the parties.

- I. In the event that the County is mandated by Federal or State law to re-enter the Social Security system during the term of the current Fringe Benefits Memorandum of Understanding, at the request of either party, the parties agree to open negotiations within 45 days of such request regarding the impact of such mandate on the matching contributions of the employees represented by Coalition of County Unions be covered by Social Security.

- J. In the event that applicable law is changed to require the Plan be terminated or merged into another form of deferred compensation program during the term of the current Fringe Benefits Memorandum of Understanding, at the request of either party, the parties agree to open negotiations within 45 days of such request regarding the impact of such termination or merger on Plan participants who are Coalition of County Unions.

Section 3.

It is agreed between the parties that any conflict between this Article and the Horizons Plan provisions of the County Code be resolved in favor of the Memorandum of Understanding provisions.

ARTICLE 28. PAID LEAVE FOR TEMPORARY EMPLOYEES

The parties agree to recommend jointly to the County's Board of Supervisors for adoption and amendment to the County Code that hourly temporary employees shall be eligible to receive paid leave in accordance with the following provisions:

- 1) **Eligibility:** Except as otherwise provided in this Article, any temporary employee subject to this Memorandum of Understanding who is employed exclusively on a hourly as-needed ("F" item), or hourly recurrent ("H" item) basis during the calendar years 2009-2012 shall be eligible for paid leave pursuant to this Article.
- 2) **Earning And Accrual Of Leave:** An eligible employee shall earn paid leave to a maximum of 24 hours per calendar year based on the total number of days worked during the year of eligibility, as shown below. For this purpose at least one hour of work per day shall constitute one day of work.

<u>Minimum Number of Days Worked</u>	<u>Amount of Paid Leave</u>
60 days	8 hours
100 days	16 hours
140 days	24 hours

Paid leave as shown above shall be credited to the employee on January 1 following the year in which it was earned.

- 3) Use Of Leave: Paid leave, in increments of 8 hours only, may be taken off, subject to prior approval of Management, or paid for at the employee's request during the calendar year in which it was credited to the employee, and shall not be carried over to any subsequent year.

- 4) Pay For Unused Leave: Unused credited leave shall be paid for under any one or more of the following conditions:
 - a. At the employee's request.
 - b. At the end of the calendar year in which it was credited to the employee.
 - c. At the employee's termination from County service.

Pay for unused leave shall be at the employee's work day rate in effect at the time of payment.

- 5) Exclusions: The provisions of this Article shall not apply to anyone employed on the following items:

<u>Item No.</u>	<u>Title</u>
2923E	Ocean Lifeguard
2948H	Lake Lifeguard, Parks and Recreation
2949H	Senior Lake Lifeguard, Parks and Recreation

The provisions of this Article do not apply to retirees of the County of Los Angeles.

ATTACHMENT A

SUMMARY DESCRIPTION OF THE CHOICES PLAN

The Choices Plan will be operated as a cafeteria benefit plan pursuant to Section 125 of the Internal Revenue Code.

PLAN YEAR

The Choices Plan became effective on July 1, 1989 pursuant to mutual agreement between the County and the Coalition. The Plan operates on a "Plan Year" basis as required by Section 125. The first Plan Year (hereinafter referred to as the "1989 Plan Year") consists of the six-month period spanning July 1, 1989, through December 31, 1989.

The second Plan Year (hereinafter referred to as the "1990 Plan Year") consists of the 12-month period spanning January 1, 1990, through December 31, 1990. The third Plan Year will be January 1, 1991, through December 31, 1991. It is the intent of the parties that all subsequent Plan Years and periods of coverage will consist of twelve (12) months, January 1 through December 31, of each year.

ELIGIBLE EMPLOYEES

Eligible employees will include all full-time permanent employees who are:

1. Represented by the Coalition;
2. Employees in bargaining units covered by the Coalition Fringe Benefit Memorandum of Understanding;
3. Non-represented employees who are ineligible to participate in the County's Flexible Benefit Plan for non-represented employees. For purposes of this Plan, "full-time permanent employee" means any employee appointed to an "A", "D", "M," or "N" item, as defined in Title 6 of the County Code. An eligible employee shall become a "Participant" in the Choices Plan upon meeting all of the requirements for participation set forth below.

HOW THE PLAN WORKS

It is the purpose of the Choices Plan to allow Participants to choose among the various benefits contained within the Plan in a manner that best meets their personal needs, and, further, to choose, to the maximum extent permitted by applicable law, between taxable and nontaxable compensation. The benefit options available, and various rules relating to those options are set forth below:

1. **HEALTH INSURANCE:** Participants may purchase one of the following County-sponsored, or County-approved union-sponsored, health insurance plans.

(Beginning plan year 2008, pediatric office/urgent care co-pays will be zero dollars (\$0) for children up to age five (5):

a. Kaiser Foundation Health Plan

Effective January 1, 2008, a \$10.00 mandatory office/urgent care co-pay, a \$10.00-generic/ \$20.00-brand name prescription co-pay and a \$50.00 emergency room co-pay for the Kaiser health plan.

b. Cigna Health Plans

Effective January 1, 2008, Choices will no longer offer Cigna's PPO as one of the Medical Plan selections.

Effective January 1, 2008, a mandatory \$10.00 office/urgent care co-pay and a \$10.00 generic/\$20.00 brand name prescription plan. Effective January 1, 2007, \$25.00 urgent care co-pay and a \$50.00 emergency room co-pay.

c. California Association of Professional Employees (CAPE) Health Plan

d. Los Angeles County Fire Fighters Local 1014 Health and Welfare Plan

e. Association for Los Angeles Deputy Sheriffs (ALADS) Health Plan.

Enrollment Rules:

- a. The two County-sponsored health insurance plans (Plans (a) and (b) above) will be fully open to all Participants, and their dependents, with no evidence of insurability required. The premiums in effect on January 1 of each Plan Year for the County-sponsored health insurance plans will remain unchanged for the duration of that Plan Year unless mid-year premium increases are required due to imposition of state or federal taxes. The premiums for the County-approved union-sponsored health insurance plans may be adjusted during each Plan Year at the request of the sponsoring union, subject to approval by the County.
- b. The CAPE Health Plan will be available to all Choices Participants, and their dependents, subject to evidence of insurability as required by CAPE.
- c. The Fire Fighters Plan is only available to Fire Fighter personnel who are members of Local 1014. It will be open to new hires (i.e., Fire Fighter recruits still within their first 60 days of employment), and their dependents, and to veteran Local 1014 members, and their dependents, with evidence of insurability as required by Local 1014.

- d. The ALADS Health Plan is only available to Peace Officers who are eligible to be members of ALADS and Lifeguards and any employee in a bargaining unit represented by PPOA, including #621 and #614. It will be fully open to members of those groups, and their dependents, with no evidence of insurability required.

- e. Every Participant in the Choices Plan must be enrolled in one of the above plans or certify that he/she has other health insurance coverage. Such certification must state the name of the other insurance plan, the name of the subscriber, and the Social Security number of the subscriber.

Effective January 1, 2011, in the event a participant fails to provide the required health insurance certification, they will be enrolled by default into a health insurance plan as follows:

- Participants represented by CAPE will be enrolled in the lowest cost CAPE health insurance plan subject to the terms of subsection b.

- Participants eligible for participation in the Local 1014 plan will be enrolled in the lowest cost Local 1014 health insurance plan subject to the terms of subsection c.

- Participants eligible for participation in the ALADS Health Plan will be enrolled in the lowest cost ALADS health insurance plan subject to the terms of subsection d.

- All other participants will be enrolled in the lowest cost County-sponsored Choices health insurance plan.

2. DENTAL INSURANCE: Choices Participants may purchase one of the following County-sponsored dental plans:

- a. Delta Dental
- b. DELTACare
- c. Safeguard Dental Plan

Enrollment rules: All three dental plans will be fully open to all Participants. As with health insurance, every Participant must be enrolled in one of the above dental plans or certify that he/she has other dental coverage. Such certification shall require the name of the dental plan, the name of the subscriber and the Social Security number of the subscriber. The premiums in effect on January 1 of each Plan Year for the dental plans will remain unchanged for the duration of each Plan Year, unless mid-year adjustments are required due to imposition of state or federal taxes, or unless adjustments are otherwise agreed to by the County and Coalition.

Beginning January 1, 2007, the premiums for these plans will be on a three tier basis.

County contribution subsidy rates for Delta Dental during the term of the agreement as follows:

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Employee Only	\$20.59	\$20.59	\$20.59
Employee plus one dependent	\$36.02	\$36.02	\$36.02
Employee plus two or more dependents	\$56.58	\$56.58	\$56.58

If the County discontinues the buy down of Delta Dental, the cost of such buy down will be added proportionately to the contribution rate of all Choices participants, whether such participants purchase Delta Dental or not.

3. LIFE INSURANCE: All Choices Participants will automatically receive \$2,000 of term life insurance coverage if they are members of Retirement Plan A, B, C, or D and \$10,000 of term life insurance coverage if they are members of Retirement Plan E. This coverage is fully paid by the County outside of the Choices Plan.

Participants may purchase optional County-sponsored term life insurance in amounts up to –eight times their annual salary. The County will subsidize the

three-year rate guarantee for optional term life quoted by the insurer at a 15% subsidized rate for the term of this agreement. Employees in Retirement Plan E may purchase up to \$40,000 of this coverage on a pretax basis through the Plan. Employees in Retirement Plan A, B, C, or D, may purchase up to \$48,000 of coverage on a pretax basis through the Plan. Coverage in excess of \$40,000 or \$48,000, whichever is applicable, must be purchased on an after-tax basis outside the Plan.

Employees may elect to purchase optional life insurance in increments of \$5,000 to a maximum of \$20,000 for their spouse or domestic partner. The effective date of this option is January 1, 2005. Additional coverage of lesser amounts is available for dependents and domestic partners.

The premiums in effect on January 1 of each plan year for the life insurance program will remain unchanged for the duration of that Plan Year, unless mid-year adjustments are required due to imposition of state or federal taxes.

4. ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE:

Participants may purchase County-sponsored AD&D insurance in specified amounts from \$10,000 to \$250,000, but not more than ten times their annual salary. Additional coverage in lesser amounts is available for dependents.

Enrollment Rules:

Participants may increase or decrease coverage, or continue existing coverage. No evidence of insurability is required. The premiums in effect on January 1 of each plan year for the AD&D program will remain unchanged for the duration of that Plan Year, unless mid-year adjustments are required due to imposition of state or federal taxes.

5. HEALTH CARE SPENDING ACCOUNT: Each Participant may allocate from \$10.00 to \$400.00 per month to a Health Care Spending Account. Changes to these limits for subsequent Plan Years shall be recommended by the Committee. Money allocated to a Health Care Spending Account may be expended on behalf of a Participant, or of his/her dependents, for "medical expenses," as defined in the Internal Revenue Code, incurred during the current Plan Year. Payments for such expenditures will be made directly to the Participants pursuant to claims procedures established by the Committee. Such procedures will provide that claims must be submitted no later than six months after the close of the Plan Year in which the medical expenses were incurred.

6. DEPENDENT CARE SPENDING ACCOUNT:
 - a. Each Participant may allocate from \$10.00 to \$400.00 per month to a Dependent Care Spending Account. Increases or decreases in the limits will be recommended by the Committee. Money allocated to a Dependent

Care Spending Account may be expended on "employment-related" dependent care expenses, as defined in the Internal Revenue Code. As with the Health Care Spending Account, payments for such expenditures will be made directly to the Participants pursuant to claims procedures established by the Committee. Such procedures will provide that claims must be submitted no later than six months after the close of the Plan Year in which the dependent care expenses were incurred.

- b. Effective with the Plan year beginning January 1, 2008, the County shall provide a monthly contribution to each participant's Dependent Care Spending Account based on the employee's annual salary as follows:

Employee Gross Annual Salary	Employer Contribution per month
Less than \$29,999	\$375
\$30,000-\$34,999	\$300
\$35,000-\$39,999	\$275
\$40,000-\$44,999	\$200
\$45,000-\$49,999	\$125
\$50,000 or more	\$75

The County contribution towards Dependent Care Spending Account for CCU members is subject to an annual limit not to exceed \$3.330 Million Dollars for plan years 2011 and 2012 (for a total of \$6.660 Million Dollars). Any remaining amount not used in the Plan Year will be returned to the County's General Fund.

Participants in the Choices Dependent Care Spending Account will be able to use their account for eligible Child Care and/or Elder Care expenses up to the maximum allowable contribution amount. Participants would be required to sign up for the Dependent Care Spending Account subject to existing administrative rules, IRS regulations, and other requirements governing flexible spending accounts. The implementation of the County contribution towards Choices Dependent Care Spending Account shall not change any of the IRS guidelines and/or claims procedures as established by the Committee and outlined in the Health Care and Dependent Care Spending Accounts booklet. The CCU and Chief Executive Office Employee Relations Division will be responsible for making recommendations regarding the administration of the Dependent Care Spending Account and developing communication materials and election information. The provisions for the Choices Dependent Care Spending Account will be provided during the term of this MOU agreement.

7. TAXABLE CASH: Any portion of any County contribution which is not used to pay for the costs of nontaxable benefits available under this Plan shall be paid to the Participant as taxable cash.

HEALTH INSURANCE CONTRIBUTIONS

The County will make contributions on behalf of each Participant pursuant to the following three rate structure for the term of this agreement:

<u>Coverage</u>	<u>Monthly Contribution</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Employee who waives health insurance coverage	\$244.00	\$244.00	\$244.00
Employee Only	\$573.56	\$614.86	\$659.13
Employee plus one dependent	\$1046.49	\$1121.84	\$1202.61
Employee plus two or more dependents	\$1236.23	\$1325.24	\$1420.66

In addition, in Plan Years 2011 and 2012, the County will buy down the premium of every County or Union sponsored health plan so the premium is decreased \$5.44 per month for Employee Plus One Dependent and Employee Plus Two Or More Dependents.

No employee may receive multiple contributions from the Choices Plan, the Los Angeles County Flexible Benefit Plan, or any other County contribution toward any health or dental insurance plan during the same month. An employee who would otherwise be eligible for more than one such contribution during any month will be entitled to the contribution to which his/her status on the last day of the month entitles him/her.

If an employee's nontaxable benefit selections cost the employee more than the amount of the applicable County contribution except as noted in Section 2 (Dental Insurance) of this Attachment A, the difference will be made up with pretax salary reduction contributions.

Salary reduction contributions are additional contributions made by the County in exchange for an equivalent reduction in an employee's taxable compensation. No County contribution or salary reduction contribution will be made on behalf of any Participant if he/she has not been in a pay status for at least eight hours during the preceding month. Unless otherwise required by State or Federal law, salary reduction contributions shall have no adverse effect on County retirement benefits authorized by the 1937 Retirement Act, or any other employee benefit.

ELECTION PROCEDURES

Eligible employees shall make their benefit elections on forms provided by the County pursuant to procedures established by the Chief Executive Office.

Employees hired prior to January 1, 1990, shall have 90 days to enroll. Employees hired on or after January 1, 1990, shall have 60 days to enroll.

An employee shall become a Participant effective on the first day of the month following the date on which the enrollment document is submitted. A newly hired employee who

fails to act within the above time limit will be deemed ineligible to participate in the Plan until the next Plan Year. For purposes of this Plan, "hired" means appointment to a position eligible for the Plan.

Employees who fail to submit the required enrollment documentation during an annual open enrollment within the established time frame will be subject to the default rules set forth below:

- a) If the defaulting employee is currently enrolled in a County-sponsored or County-approved union sponsored health insurance plan, he/she will become a Participant

in the Choices Plan for the subsequent Plan Year, and will be deemed to have elected to perpetuate his/her existing benefit coverage relative to health insurance, dental insurance, optional life insurance, and AD&D insurance. The "existing coverage" for this purpose will be the coverage reflected on each Participant's December 15 pay warrant for the current year. Such employee will not be entitled to receive coverage under a Health Care or Dependent Care Spending Account, and he/she will not receive any taxable cash unless the cost of his/her perpetuated nontaxable benefit coverage is less than the amount of the County contribution.

- b) If the defaulting employee is not enrolled in a County-sponsored or County-approved union sponsored health insurance plan, he/she will be deemed ineligible to participate in the Choices Plan until the next Plan Year.

MAINTENANCE OF BENEFITS

Unless otherwise agreed to by the County and the Coalition, all insurance coverage sponsored by County shall retain the levels of benefits in effect on January 1, 2010, through December 31, 2012. In cases where a recognized employee organization sponsors a County-approved health insurance plan, such employee organization shall secure prior re-approval for the health plan contribution from the County whenever it plans to change the level of benefits and/or premium structure of its health insurance plan.

MISCELLANEOUS RULES:

1. Unpaid Leaves of Absence:

As stated above, an employee loses the monthly County contribution if he/she is not in a pay status at least eight hours in the preceding month. In all other respects, however, an employee who goes on an unpaid leave of absence will continue to be a Participant in the Plan. If the employee pays for his/her insurance premiums while on leave, coverage(s) will continue and all deductions will resume upon the employee's return to an eligible pay status. However, if the employee allows his/her insurance coverage(s) to be cancelled, when he/she

returns to an eligible pay status, coverage(s) will resume with a new effective date which will be the 1st of the month after the employee has been in a pay status at least eight hours in the preceding month.

2. Breaks in Service:

An employee who breaks service and then re-enters during the same Plan Year will be required to complete the current Plan Year with the benefit election in place at the time of the break. If the employee returns during a different Plan Year, he/she will be treated as a new hire. An employee who breaks service and who has elected coverage under the Health Care Reimbursement or Dependent Care Reimbursement options will be deemed to be a Participant in the Plan through the end of the current Plan Year for the limited purpose of claiming any amounts set aside for said benefits prior to the break.

3. Change in Family Status:

A. Change Form must be submitted to your Benefit Services, Personnel, Human Resources, or Union Office if applicable, within 90 days from the date of a qualified change in family status to be eligible for any increase in, or alternate use of, the County Contribution. Changes involving increases in medical insurance premiums which are submitted after expiration of the 90 days must be paid with after-tax dollars. No refund of premium

overpayments will be made if a Change Form is not received within the 90-day period.

The employee must check with his/her medical plan as to the time period in which that plan will accept a change in family status without proof of insurability, which may be less than 90 days.

ADMINISTRATIVE FEE

A monthly administrative fee of \$3.00 will be charged to each Participant; provided, however, that such fee shall be waived for any Participant who is (a) hired prior to July 1, 1989, and (b) appointed to a classification designated as eligible for the Plan effective July 1, 1989. Such fee shall be collected via tax-free salary reduction contributions.

ATTACHMENT BCOUNTY CONTRIBUTION TOWARD HEALTH INSURANCE FOR
CERTAIN TEMPORARY AND RECURRENT EMPLOYEESSection 1.

The maximum monthly County contribution toward health insurance to be paid on behalf of employees designated in Section 2 shall be the premium of the County sponsored health insurance plan in which they are enrolled, or the premium of the County approved union sponsored health insurance plan in which they are enrolled, whichever is applicable, not to exceed the limits set forth below:

<u>Coverage</u>	Maximum Monthly County Contribution		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Employee only	\$481.56	\$516.23	\$553.40
Employee plus one dependent	\$855.31	\$916.89	\$982.91
Employee plus two or more dependents	\$981.80	\$1052.49	\$1128.27

No employee shall receive a County contribution toward more than one health insurance plan during the same month.

In addition, the parties agree that the County will provide the same health insurance subsidy listed above to non-student part-time employees as described below:

HEALTH INSURANCE SUBSIDY FOR NON-STUDENT PARTIME EMPLOYEES

Employees Eligible For Participation

An employee will be eligible to enroll in subsidized health coverage if the employee is in a non-student position and is in a pay status for an average of 20 hours a week for the three consecutive months prior to enrollment.

An employee will be deemed to be in a pay status for an average of 20 hours a week for the three consecutive months prior to enrollment if:

the employee is on a daily or hourly item and the employee's total pay status hours for the three consecutive months prior to enrollment is equal to or greater than 249 hours.

the employee is on a 3/4 or 4/5 monthly item and the employee's total pay status hours for the three consecutive months prior to enrollment is equal to or greater than 360 hours.

Initial Enrollment

The initial enrollment will allow for health benefits to be effective July 1, 2001.

To determine eligibility for the initial enrollment, the months of January, February and March of 2001 will be used to determine if an employee is in a pay-status for an average of twenty (20) hours a week.

Effective January 1, 2010, employees in a pay-status for an average of twenty (20) hours a week during any three (3) consecutive month period will be eligible to enroll in subsidized health coverage.

Ongoing Eligibility

To receive a contribution to a health insurance for a month, an employee must be in a pay status for at least eight hours in the prior month. Effective January 1, 2007 an employee will be taken off of this benefit effective July 1, if an employee is in a pay-status for an average of less-than 20 hours a week during January, February, and March.

Management agrees not to reduce work hours of such employees of sole purpose of denying them this benefit.

If, during the term of this agreement, the County's monthly contribution for health insurance for represented employees not covered by Choices is increased in an amount above the monthly contribution provided for in Attachment B, the employees covered by Attachment B shall receive the higher monthly contribution.

Section 2.

The contribution provided for in Section 1 shall be paid on behalf of any employee who a) is employed on a monthly temporary ("O" Item), or monthly recurrent ("B" Item), as defined in Section 6.28.020 of the County Code, b) satisfies the requirements set forth in Section 5.36.050 of said County Code, and c) is not a participant in the Choices Plan. In no event shall a County contribution be made on behalf of any employee who has not been in a pay status for at least eight hours during the preceding month.

Section 3.

The County contribution provided for in this Attachment B shall first be reflected in County pay warrants issued on the payday occurring on or about the fifteenth of the month following the indicated effective dates.