

MANAGEMENT AND CONFIDENTIAL EMPLOYEES
BENEFITS BOOKLET
(revised 7/11/11)

1. Positions Covered

This booklet includes summary benefits for all management and confidential employees of the City of Albany and the Albany Municipal Services Joint Powers Authority (“Employers”). Management and confidential employees include the City Manager, Assistant City Manager, Department Heads, Department Managers and Supervisors, and all other management and confidential positions as designated by the City Manager/Executive Director or his/her designee.

2. Dental Plan

The Employer agrees to contribute 100% of the dental insurance premium for a full-time employee and his/her eligible dependents. Regular part-time employees – employees working a minimum of 1,000 hours per fiscal year, but working less than full-time – shall receive a pro-rated dental premium contribution depending on their designated hours of work, with the remaining premium to be deducted from the second payroll check of the month for the following month’s coverage.

3. Orthodontia Care

The Employer will contribute up to \$7,716.00 for each fiscal year into a fund to provide reimbursement for employees’ receipted costs for family orthodontia expenses over the dental payment limit of \$1,500.00. Eligible employees can be reimbursed up to \$500.00 per individual per lifetime for orthodontia upon proof of expense and limit reached on primary and second insurance. Reimbursement will be at the same percentage rate as the dental coverage (currently 60%). For one to reach the maximum dental coverage, expenses will have to exceed \$2,500.00 ($\$2,500 \times 60\% = \$1,500$). Maximum reimbursement can be attained by having orthodontia costs equaling or exceeding \$3,333.33 ($\$3,333.33 \times 60\% = \$2,000$). The orthodontia reserve account will be on a first come first serve basis. If funds are unavailable in one fiscal year, expenses may be submitted in the next fiscal year.

4. PERS Health

The Employer’s monthly contribution to provide health insurance benefits for the individual employee and the employee’s eligible dependents shall be equal to the required minimum level set by PERS (our health insurance broker). The Employer shall provide retiree medical insurance at the minimum levels set by PERS.

5. Flexible Benefits Plan

The Employer shall offer an Internal Revenue Code Section 125 Plan that contains the components of benefits allowance, premium conversion, health care reimbursement account, and dependent care reimbursement account. Effective December 1, 2010 (for January 2011 premiums) the Employer shall contribute the below-listed amount per month toward each employee’s Section 125 Plan benefits allowance:

| | |
|---------------------------|------------|
| Employee only | \$568.99 |
| Employee plus one | \$1,137.98 |
| Employee plus two or more | \$1,479.37 |

This Employer’s contribution includes the PERS Health contribution from item 4 above, and will cover the entire premium for the Kaiser HMO plan, or can be applied toward another health maintenance organization (HMO) plan or a preferred provider organization (PPO) plan.

Regular part-time employees shall receive a pro-rated health premium contribution depending upon their designated hours of work, with the remaining premium to be deducted from the second payroll check of the month for the following month’s coverage.

6. Deferred Compensation in Lieu

An employee eligible for PERS Health who opts to waive participation because the employee has health plan coverage as a result of being an eligible dependent, or through other means, shall have an Employer contribution of the “employee only” flexible benefits plan rate contributed into the Employer’s deferred compensation plan. This amount is prorated for eligible part-time employees. To participate in this program, the employee shall sign a waiver, provided by the Employer, of health plan coverage and shall

provide proof of health plan coverage for him/herself that shall be confirmed annually, before January 1 of each year.

7. Deferred Compensation Program

The Employer sponsors a deferred compensation program that meets the requirements of the Internal Revenue Service (IRS) Code Section 457. This program is administered by ICMA Retirement Corporation, which offers a variety of investment vehicles for deferred funds, as well as retirement planning assistance. All regular employees are eligible to defer up to a maximum of \$16,500.00 per year through this program. (Employees age 50 or older may have a higher maximum.) Deferred funds are not taxable until withdrawn from the deferred compensation program.

8. Life Insurance

The Employer shall provide, at its expense, a term life insurance and term accidental death and dismemberment insurance policy for each employee at the coverage amount of one times the employee's annual salary up to a maximum coverage amount \$50,000.

9. Pension

Non-safety management and confidential employees of the Albany Municipal Services Joint Powers Authority, who were hired before July 26, 2011, will be provided the PERS "2.5% at 55" retirement program and retirement benefits are based on the employee's 36-month average monthly compensation. The Albany Municipal Services Joint Powers Authority shall pay one-half of the employee's 8% employee contribution.

Non-safety management and confidential employees of the Albany Municipal Services Joint Powers Authority, who are hired on or after July 26, 2011, will be provided the PERS "2% at 60" retirement program and retirement benefits are based on the employee's 36-month average monthly compensation. The Albany Municipal Services Joint Powers Authority shall pay one-half of the employee's 7% employee contribution.

Fire and Police safety management employees of the City of Albany will be provided the PERS retirement program as is provided to employees represented under the Memorandum of Understanding between the City of Albany and the Albany Fire Fighters' Association/Albany Peace Officers' Association. For the Fire Battalion Chief, the City of Albany shall pay one-half of the employee's 9% employee contribution. For the Police Chief, the City of Albany shall pay the employee's 9% employee contribution and the employee shall pay 9% of the employer contribution.

10. Social Security

Management and confidential employees do not contribute to or participate in the Federal Social Security system.

11. Holidays

All employees will be entitled to the following 14 holidays per year:

| <u>Day/Date</u> | <u>Holiday Name</u> |
|-----------------------------|-----------------------------------|
| January 1 | New Year's Day |
| Third Monday in January | Martin Luther King Jr.'s Birthday |
| Third Monday in February | Presidents' Day |
| Last Monday in May | Memorial Day |
| July 4 | Independence Day |
| First Monday in September | Labor Day |
| November 11 | Veterans' Day |
| Fourth Thursday in November | Thanksgiving |
| day after Thanksgiving Day | Thanksgiving part two |
| December 24 (1/2 day) | Christmas Eve |
| December 25 | Christmas |
| December 31 (1/2 day) | New Year's Eve |

3 floating holidays to be taken at the mutual convenience of the Employer and the employee.

Should the State and Federal governments change the date of which any of the above holidays are to be celebrated, the Employer schedule would be modified accordingly. However, if only one of these entities makes a change, no modification in the schedule will result.

Should any holiday fall on a Sunday, the Monday following will be observed as the holiday. Should any holiday fall on a Saturday, the Friday preceding will be observed as the holiday. In the case of an employee having days off other than Saturday and Sunday, said employee will be afforded one additional day off for each holiday that falls on his/her regular day off. Time for taking such holiday will be scheduled at the discretion of the City Manager/Executive Director or designee.

Floating holidays must be taken during the calendar year in which earned or will be lost. Floating holidays may be taken in increments of one hour or more.

Regular part-time employees will receive a pro-rated basis depending upon their designated hours of work.

12. Vacations

12.1 Accrual

The purpose of annual vacation is to enable each eligible employee to return to his/her work physically and mentally refreshed. The time at which an employee shall take his/her vacation during a calendar year shall be determined with due regard to the wishes of the employee, the date of application for a specific vacation period, the seniority of employees, both in the department and in the City, and with particular regard for the needs of the department.

The vacation accrual rate for regular, full-time employee shall be:

| <u>Year of Service</u> | <u>Accrual Rate</u> |
|------------------------|---|
| 0 through 3 | Accrue 3.38 hours per pay period. (11 days) |
| 4 through 8 | Accrue 4.92 hours per pay period. (16 days) |
| 9 through 13 | Accrue 5.54 hours per pay period. (18 days) |
| 14 through 18 | Accrue 6.15 hours per pay period. (20 days) |
| 19 and thereafter | Accrue 6.77 hours per pay period. (22 days) |

Regular part-time employees shall accrue vacation in the amount proportionate to the ratio of scheduled hours of work per week to the standard workweek.

12.2 Vacation/Miscellaneous Requirements

The City Manager/Executive Director or designee is allowed to change vacation leave to sick leave in the event an employee, while on vacation, becomes ill to the point the City Manager/Executive Director or designee is convinced such employee would not normally be capable of performing his/her work duties were he/she at work.

When the total vacation ends with a fraction of a working day, the vacation shall be computed to the nearest one-half hour.

The vacation privileges granted by this section shall be confined to regular salaried employees who have worked for the Employer during the year for normal hours of work for employees. In computing time, no deductions shall be made for holidays, paid vacation, normal sick leave, and industrial disability leave. In computing vacation leave, no accumulation shall be made for leaves of absence without pay.

If an employee is unable to take his/her scheduled annual vacation because of circumstances within the department or for personal reasons, such annual vacation may be allowed at a later date when convenient to the department. This will allow consideration by the Employer of a request from an employee to carry over vacation solely for the convenience of the employee to facilitate a longer vacation period in a subsequent year, providing the City Manager/Executive Director or designee agrees for such a vacation carry over.

The maximum allowable vacation accrual will be 300 hours as of December 31st of each year. Employees may accrue more than 300 hours during the calendar year provided that the employee's accrual is not more than 300 hours by December 31st of each year. Should an employee have an accrual in excess of 300 hours on any December 31st, such employee will not accrue any further vacation until his/her accrual is at 300 hours.

An employee nearing or over the vacation accrual cap may request of the City Manager/Executive Director or designee accrual beyond the cap. Each case will be considered individually and the City Manager/Executive Director or designee may authorize accrual beyond the cap.

13. Administrative Leave

13.1 Amount

Management employees receive a maximum of 72 hours Administrative Leave each calendar year. Said hours are credited to the employee's Administrative Leave time bank; the maximum number of hours an employee may have in the leave time bank is 72.

In effect, the Employer has a "use it or lost it" approach to the Administrative Leave. A management employee is credited with 72 hours Administrative Leave each calendar year *if* the balance is zero hours; otherwise, the management employee is credited with the difference between 72 hours and what remains credited.

A newly hired or newly promoted management employee will receive a proportional amount of Administrative Leave. Said amount is determined by taking the number of full pay periods remaining in the calendar year divided by the number of total pay periods for that calendar year and multiplying that ratio to the total number of Administrative Leave hours available. The result is rounded to the nearest hour and credited to the employee's leave bank.

"Calendar year" means January 1 through December 31 with modifications as related to the beginning of the first pay period of the year. For example, December 27, 2010 was the beginning of the "calendar year" for payroll year 2011.

Administrative Leave is not a vested benefit. Except as expressly described under Cash Option, below, there is no payout of Administrative Leave.

13.2 Use of Administrative Leave

The use of Administrative Leave requires the prior approval of the employee's immediate supervisor. Administrative Leave may be used during any pay period of the calendar year.

13.3 Cash Option

A maximum of 32 hours Administrative Leave may be taken as additional salary in lieu of paid time off. An employee who wishes to exercise the Cash Option must have been employed by the City in a management position a minimum of three months and must submit an *Administrative Leave Cash Option* form to payroll that has been approved and signed by his/her immediate supervisor.

Additionally, if a management employee had a satisfactory performance evaluation during the last rating period, in lieu of taking paid time off, the employee may submit an *Administrative Leave Cash Option* form to payroll that has been approved and signed by his/her immediate supervisor to cash out an additional:

| <u>Years of Service Between</u> | <u>Administrative Leave</u> |
|---------------------------------|-------------------------------------|
| 0 to 4 years of service | no additional pay out |
| 5 to 9 years of service | may cash out an additional 20 hours |
| 10 or more years of service | may cash out an additional 40 hours |

"Years of service" is defined as with the City of Albany and/or the Albany Municipal Services Joint Powers Authority. A management employee moves his/her eligibility to the next tier, for example, following his/her four or nine year anniversary and entering into his/her fifth or tenth year of City of Albany and/or Albany Municipal Services Joint Powers Authority employment.

Payroll will process the cash option request with the next available payroll cycle. Only two Cash Option requests per calendar year will be honored.

14. Sick Leave

14.1 Entitlement

All regular employees who work more than 1,000 hours per fiscal year with Employer shall be entitled to a leave of absence for sickness, accident or disability with full pay to the extent of 8 hours for each calendar month of employment with Employer, accumulative to 1,440 hours.

When the leave provided for in this section extends to more than 3 working days, the employee shall furnish his/her supervisor or the City Manager/Executive Director or designee with satisfactory medical evidence that the leave was necessary.

The supervisor or the City Manager/Executive Director or designee shall have the right to investigate and determine the extent of an employee's illness who is claiming benefits under this section.

In computing sick leave, no accumulation shall be made for leaves of absence without pay.

Regular part-time employees shall be eligible to accrue sick leave in the same proportion as their scheduled and worked hours per week relate to the standard workweek.

14.2 Family Illness

An employee may, at the discretion of his/her supervisor or City Manager/Executive Director or designee, use Sick Leave for serious illness, injury, or childbirth in his/her immediate household. Immediate household is defined as an employee's parent, spouse, registered domestic partner, child (including adopted, foster or step child), parent-in-law, sister, brother, sister-in-law, brother-in-law, grandparents, or anyone who has acted in the capacity of an immediate family member. Such usage of Sick Leave shall be within the amounts allowed to be accumulated under this Section. This is not considered additional days off.

14.3 Use of Vacation

Vacation leave may be used toward an employee's absence from work due to sickness, accident, or disability if the employee does not have available accrued sick leave.

14.4 Sick Leave Buyback

Upon retirement from regular Employer service, as defined by PERS, an employee shall be entitled to compensation for one-quarter of the accumulated Sick Leave on the books at the time of such retirement, and at his/her regular salary on said retirement date.

15. Disability Benefits

15.1 Disability Leave Benefits

Employees are covered by Workers' Compensation benefits pursuant to the statutes of the State of California. Over and above the Workers' Compensation statutory benefits, the Employer will pay benefits on the first day of work loss due to an on-the-job injury and will provide Workers' Compensation benefits for the first year up to two-thirds of the monthly salary per month for on-the-job injuries. After the first year (defined as calendar year), benefits will be paid pursuant to the statutes of the State of California.

15.2 Long-Term Disability Plan

The City provides a long-term disability plan for management and confidential employees. This plan provides for two-thirds of the monthly salary, to a maximum of \$7,500.00 per month after a 90-day waiting period, for disabilities occurring on and off the job. The long-term disability benefit will be integrated at the employees' option with sick Leave and Vacation benefits, if any.

15.3 State Disability Insurance

Management and confidential employees do not participate in the State of California's State Disability Insurance (SDI) program.

16. Bereavement Leave

The City Manager/Executive Director or designee may grant leave of absence, with pay, to employees as follows:

- (1) In the event of the death of a member of the immediate family, a leave not to exceed 7 calendar days, for employees. Immediate family means spouse, registered domestic partner, child (including adopted, foster or step child), parent, parent-in-law, sister, brother, sister-in-law, brother-in-law, grandparents, or anyone who has acted in the capacity of an immediate family member.
- (2) In special cases, bereavement leave may be granted to attend funeral and memorial services of persons not included with the immediate family.

17. Jury Duty

An employee called for service as a juror, or as a witness under a subpoena in a criminal case, is hereby granted a leave for that period required by the court. During such period, the employee shall be entitled to normal pay; however, he/she shall remit to the Employer the jury or witness fee (excluding mileage allowance) received for jury or witness duty served while on such full pay status with the Employer.

18. Military Leave

Military leave will be granted in accordance with minimum requirements of the statutes of the State of California and applicable federal laws.

19. Educational Reimbursement

The Employer will provide reimbursement for employees' receipted costs for tuition, fees and books incurred by attending educational programs/classes that are directly related to the present or known future needs of the City. Reimbursement will be limited to a maximum of \$2,000.00 per employee per fiscal year, subject to approval by the City Manager/Executive Director. In order to be reimbursed for such costs, the employee should submit a reimbursement request form, prior to beginning the program/class, to the employee's Department Head for approval (along with the City Manager/Executive Director's approval). The employee must then present a passing grade of "C" or better (or a "pass" in a pass/fail program, or a certificate of completion), along with receipts for costs, in order to be reimbursed.

20. Professional Association Dues

The Employer pays for membership dues in applicable professional associations, subject to approval of the City Manager/Executive Director.

21. Vehicle Allowance

The Employer will provide a vehicle allowance of \$200 per month to Department Heads who have not been assigned a City vehicle. The vehicle allowance will be paid in lieu of the existing mileage reimbursement provision, for travel within the nine Bay Area counties (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, And Sonoma).

22. Longevity Pay / Retiree Medical

The Employer established a Longevity Pay Step on December 31, 2007. The Longevity Pay Step applies to an employee who has been employed by the Albany Municipal Services Joint Powers Authority and City of Albany for twenty-nine full years. (Safety Management employees follow the guidelines listed in the applicable MOU.) The Longevity Pay Step is equal to the employee's current pay plus 5% of the current Fire Engineer's Step 5 pay.

The Employer established a Post Employment Retiree Health Savings Plan (HSP) on December 31, 2007. The HSP consists of reimbursement accounts for employees who meet the eligibility requirements for the three types of contributions listed below.

The Employer contributes an amount equal to the difference between Step 5 and the Longevity Pay Step to HSP accounts for eligible employees.

Employees contribute to the HSP accounts as follows: Upon the first salary range increase after the start of an employee's thirtieth year, a contribution of Seventy-Five Dollars per pay period.

Upon separation of service or retirement, an amount equal to the value of one hundred percent of the employee's accrued vacation leave and administrative leave will be contributed to the employee's HSP account. This contribution only applies to employees with an existing HSP account (see above).