

AMENDMENT NO. 2  
MEMORANDUM OF UNDERSTANDING  
FOR JOINT SUBMISSION  
TO BOARD OF SUPERVISORS  
REGARDING  
THE COALITION OF COUNTY UNIONS, AFL-CIO  
FRINGE BENEFITS

THIS AMENDMENT NO. 2 TO THE MEMORANDUM OF UNDERSTANDING made  
and entered into this 19<sup>th</sup> day of October 2021,

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 the "Coalition").

WHEREAS, on the 20<sup>th</sup> day of November 2018, the parties entered into a Memorandum of Understanding (MOU) regarding the COALITION OF COUNTY UNIONS, AFL-CIO (hereinafter referred to as the "Coalition") Fringe Benefits Agreement, and that 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 extend the MOU by nine (9) months, maintaining all current provisions and terms as status quo under the MOU. Accordingly, the parties agree to adjust all relevant dates in the MOU necessary to accommodate the extension, and to amend the MOU only as set forth hereafter:

ARTICLE 3	TERM
ARTICLE 4	RENEGOTIATION
ARTICLE 5	RETIREMENT
ARTICLE 17	HOLIDAYS
ARTICLE 31	MILEAGE REIMBURSEMENT
ATTACHMENT A	SUMMARY OF DESCRIPTION OF THE CHOICES PLAN
ATTACHMENT B	COUNTY CONTRIBUTION TOWARD HEALTH INSURANCE FOR CERTAIN TEMPORARY AND RECURRENT EMPLOYEES

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 July 1, 2021. This Memorandum of Understanding shall expire and otherwise be fully terminated at 12:00 midnight on March 31, 2022.

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 January 1, 2022 through January 31, 2022, its written request to commence negotiations.

Upon receipt of proposals, negotiations shall begin no later than February 1, 2022.

ARTICLE 5      RETIREMENTSection 1.

The parties agree to recommend jointly to the County Board of Supervisors that pursuant to Section 31581.1 of the California Government Code, said Board adopt a resolution that effective July 1, 2020, and for the term of this agreement only, provides that the County shall pay to the Retirement Fund the amount necessary which, based on actuarial determination, is sufficient to fund the difference between:

- a. The employee contributions that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in the Fringe Benefit MOU costs based on the June 30, 2019 Actuarial Valuation dated March 2, 2020, by Milliman USA, were implemented, and

Section 2.

The parties agree that, contingent upon action by the Board of Supervisors to adopt a resolution to implement the provision of Section 1 of this article, the negotiated employee contribution rates for the term of this agreement for employees who entered the Los Angeles County Employees Retirement Association on and after January 4, 1982.

1. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

**GENERAL MEMBERS – RETIREMENT PLAN A**  
Negotiated Employee Contribution Rates  
Effective July 1, 2020

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	4.72%
17	4.80%
18	4.85%
19	4.92%
20	4.97%
21	5.03%
22	5.09%
23	5.15%
24	5.23%
25	5.27%
26	5.37%
27	5.45%
28	5.60%
29	5.68%
30	5.79%
31	5.96%
32	6.08%
33	6.24%
34	6.40%
35	6.59%
36	6.78%
37	6.96%
38	7.15%
39	7.36%
40	7.55%
41	7.76%
42	7.97%
43	8.21%
44	8.41%
45	8.63%
46	8.85%
47	9.04%
48	9.23%

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
49	9.34%
50	9.39%
51	9.41%
52 & above	9.41%

2. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of Los Angeles County Employees Retirement Association between September 1, 1977, and September 30, 1978, (hereinafter referred to as Plan B for General Members):

**GENERAL MEMBERS – RETIREMENT PLAN B**  
Negotiated Employee Contribution Rates  
Effective July 1, 2020

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	6.75%
17	6.90%
18	7.04%
19	7.19%
20	7.34%
21	7.49%
22	7.65%
23	7.82%
24	7.98%
25	8.15%
26	8.32%
27	8.50%
28	8.67%
29	8.86%
30	9.05%
31	9.24%
32	9.44%
33	9.64%
34	9.85%
35	10.05%
36	10.25%
37	10.45%
38	10.66%
39	10.87%
40	11.08%
41	11.29%
42	11.52%
43	11.73%
44	11.95%
45	12.16%
46	12.38%
47	12.55%
48	12.70%
49	12.82%
50	12.88%
51	12.90%
52 & above	12.90%



3. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977, (hereinafter referred to as Plan A for Safety Members):

**SAFETY MEMBERS – RETIREMENT PLAN A**  
 Negotiated Employee Contribution Rates  
 Effective July 1, 2020

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
18	7.80%
19	7.95%
20	8.12%
21	8.27%
22	8.44%
23	8.63%
24	8.80%
25	8.87%
26	8.95%
27	9.11%
28	9.30%
29	9.51%
30	9.62%
31	9.73%
32	9.94%
33	10.12%
34	10.33%
35	10.54%
36	10.76%
37	10.97%
38	11.19%
39	11.40%
40	11.62%
41	11.87%
42	12.07%
43	12.28%
44	12.45%
45	12.54%
46 & above	12.54%

4. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association between September 1, 1977 and December 31, 2012, (hereinafter referred to as Plan B for Safety Members) or who are otherwise eligible to redeposit into Plan B for Safety Members or entitled to reciprocal membership in Plan B for Safety Members pursuant to reciprocity provisions of said Retirement Association:

**SAFETY MEMBERS – RETIREMENT PLAN B**  
Negotiated Employee Contribution Rates  
Effective July 1, 2020

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
18	8.09%
19	8.31%
20	8.53%
21	8.77%
22	9.01%
23	9.25%
24	9.50%
25	9.61%
26	9.70%
27	9.97%
28	10.24%
29	10.50%
30	10.68%
31	10.84%
32	11.11%
33	11.41%
34	11.69%
35	11.99%
36	12.29%
37	12.59%
38	12.90%
39	13.22%
40	13.54%
41	13.85%
42	14.17%

<b>NEAREST YEAR OF AGE AT MEMBERSHIP</b>	<b>EMPLOYEE CONTRIBUTION RATE</b>
43	14.45%
44	14.69%
45	14.83%
46 & above	14.83%

Section 3.

The parties further agree that, for the term of this agreement, the employee contribution rates listed below shall apply to the retirement plan for employee who became General Members of the Los Angeles County Employees Retirement Association between October 1, 1978, and May 31, 1979 (hereinafter referred to as Plan C for General Members), and, to the retirement plan for employees who became General Members of said Retirement Association between June 1, 1979 and December 31, 2012 (hereinafter referred to as Plan D for General Members) or who are otherwise eligible to redeposit into Plan D or entitled to reciprocal membership in Plan D pursuant to reciprocity provisions of said Retirement Association); provided, however, such contribution rates shall not apply to employees who are covered by Plan E.

**GENERAL MEMBERS – RETIREMENT PLAN C**  
**Negotiated Employee Contribution Rates**  
**Effective July 1, 2020**

<b>NEAREST YEAR OF AGE AT MEMBERSHIP</b>	<b>EMPLOYEE CONTRIBUTION RATE</b>
16	5.80%
17	5.91%
18	6.04%
19	6.18%
20	6.30%
21	6.43%
22	6.57%
23	6.71%
24	6.85%
25	7.00%
26	7.14%
27	7.29%
28	7.44%
29	7.61%
30	7.76%
31	7.93%
32	8.09%
33	8.27%
34	8.45%
35	8.62%
36	8.81%
37	9.00%
38	9.19%
39	9.38%
40	9.57%
41	9.76%
42	9.95%
43	10.16%
44	10.36%
45	10.56%
46	10.77%
47	10.98%
48	11.18%
49	11.39%
50	11.59%
51	11.79%
52	11.96%
53	12.10%
54	12.21%
55	12.28%
56	12.30%
57 & above	12.30%

**GENERAL MEMBERS – RETIREMENT PLAN D**  
**Negotiated Employee Contribution Rates**  
**Effective July 1, 2020**

<b>NEAREST YEAR OF AGE AT MEMBERSHIP</b>	<b>EMPLOYEE CONTRIBUTION RATE</b>
16	5.76%
17	5.87%
18	5.99%
19	6.13%
20	6.26%
21	6.39%
22	6.52%
23	6.66%
24	6.80%
25	6.95%
26	7.09%
27	7.24%
28	7.39%
29	7.56%
30	7.71%
31	7.87%
32	8.03%
33	8.21%
34	8.39%
35	8.56%
36	8.75%
37	8.94%
38	9.13%
39	9.32%
40	9.51%
41	9.70%
42	9.89%
43	10.09%
44	10.29%
45	10.49%
46	10.69%
47	10.91%
48	11.11%
49	11.31%
50	11.51%
51	11.71%
52	11.88%
53	12.01%
54	12.13%
55	12.19%
56	12.22%
57 & above	12.22%

ARTICLE 17HOLIDAYSSection 1.

The parties jointly agree to recommend to the County's Board of Supervisors for adoption and implementation through amendment to the County Code that the following dates be observed as holidays during the term of this agreement:

New Year's Day	January 1
Martin Luther King Jr.'s Birthday	Third Monday in January
Presidents' Day	Third Monday in February
Cesar Chavez Day	Last Monday in March (effective 2017)
Memorial Day	Last Monday in May
Juneteenth	June 19
Independence Day	July 4
Labor Day	First Monday in September
Indigenous Peoples Day	Second Monday in October
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Fourth Friday in November
Christmas	December 25

Section 2.

In the event an employee covered by this agreement is scheduled to work a named holiday on or after January 1, 1996, such holiday may be accrued and taken off at a time chosen by the employee, subject to the approval of management. All unused holiday time, not taken after two years from the date of the individual holiday, may be paid at the employee's current rate at the option of management. All accrued holiday time shall be paid at the employee's current rate when the employee separates from County service.

ARTICLE 31

MILEAGE REIMBURSEMENT

Section 1

Definitions A. "PERMITTEE" means those employees as defined in Section 5.40.190 of the County Code of the County of Los Angeles.

Section 2. Mileage Rates

- A. The parties jointly agree to recommend to County's Board of Supervisors that said Board provide mileage reimbursement for mileage permittees as follows: a) 52 cents per mile for all miles driven in a month (claiming period), effective - January 1, 2021.
- B. Adjustment of Rates The parties agree that reimbursement rates may be adjusted by the cents per mile adjustment on dates other than July 1 of each year to coincide with the adjustments in the standard mileage reimbursement rate as established by the Internal Revenue Service (IRS rate).



**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.

The Coalition of County Unions ("CCU") established a tax-exempt retiree health benefits trust ("Trust") for the administration of a post-retirement medical expense reimbursement plan ("Plan") for employees represented by CCU member unions, and to hold mandatory contributions from such employees to fund the Plan. The Board of Trustees ("BOT") of the Trust, as designated by the CCU unions that participate in the Trust, shall be solely responsible for the operation and administration of the Trust, for adopting and amending the substantive terms of the benefits paid under the Plan, and for the operation and administration of the Plan. CCU represents and warrants that the Trust qualifies as a voluntary employees beneficiary association within the meaning of Internal Revenue Code Section 501(c)(9), and that the Trust otherwise was established in accordance with all applicable federal, state, and local law.

The County will be the sole employer participating in the Trust and Plan and only the County's retired employees and certain family members are eligible for benefits under the Plan and Trust. The Trust and Plan are not multiemployer plans as defined by Section 3(37) or Section 4001 of the federal Employee Retirement Income Security Act of 1974 ("ERISA"). Each bargaining unit that is a member of CCU may agree with the County pursuant to a memorandum of understanding to participate in the Trust and Plan (a "Participation Provision"). In order for a bargaining unit to participate in the Trust and Plan, its Participation Provision must authorize the County to allow the

BOT (or its agent or delegate) access to its payroll system to deduct, on a pretax basis, the dollar amount specified in the Participation Provision from each employee in the class of employees specified in such Participation Provision, and to permit the BOT or its agent to transfer such deducted amounts to the CCU Trust (the "Mandatory Contributions"), and must include indemnification provisions satisfactory to the County. Individual employees shall not have the ability to opt in or out of making Mandatory Contributions. The County will establish the necessary deduction codes in its payroll system to accommodate such Mandatory Contributions. The deductions and transfers of Mandatory Contributions made by the BOT (or its agent or delegate) shall be made in accordance with, and subject to, the terms of a special participation agreement entered between the County and the BOT ("Special Agreement"), which shall include, among other provisions, indemnification provisions satisfactory to the County. Mandatory Contributions shall not be made unless and until both an applicable Participation Provision and the Special Agreement have been entered.

The County's sole obligation is to permit Mandatory Contributions to be made through its payroll system as described above and consistent with the Special Agreement ("Payroll Obligations"). The CCU, the member unions of the CCU, and the County shall have no responsibility for the operation and administration of the Trust or the Plan. The County shall have no responsibility or liability for: (i) funding of the Trust except with regard to its Payroll Obligations, (ii) the benefits due from the Trust and/or Plan or (iii) compliance by the Trust and Plan with applicable law. The County shall bear none of the costs associated with establishing, designing, maintaining, or administering the Trust or the Plan, except such costs as are required to meet its Payroll Obligations.

CCU agrees that it shall indemnify, defend and hold harmless the County, and its Special Districts, elected and appointed officers, employees, agents, volunteers and affiliates, from and against any and all losses, claims, actions, damages, liabilities, costs, taxes, interest, penalties and expenses

(including without limitation, reasonable attorneys' fees and costs) (collectively "Liabilities") that arise out of or relate to the establishment of the Trust, including, but not limited to, Liabilities that arise out of or relate to any claim or assertion that the terms of the Trust have resulted in violation of any applicable law.

#### 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; and 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", "N" or "Z" 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 a County-sponsored, or one of the following County-approved union-sponsored health insurance plans.

- a. Group Model HMO

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 health plan.

The parties jointly agree that effective January 1, 2019, the Kaiser HMO plan is no longer a "grandfathered health plan" under the Affordable Care Act (ACA). Accordingly, the Kaiser HMO plan now includes all consumer protections required by the ACA, including zero-dollar (\$0.00) copays for preventive health services.

b. Traditional HMO/Narrow Network HMO/Point of Service

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. Two County-sponsored health insurance plans will be fully open to all Participants, and their dependents, subject to evidence of dependent eligibility as defined by the County. 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 dependent eligibility as defined by the County. Effective the 2020 plan year, the CAPE Health Plan will be available to all Coalition Member Unions' members, subject to evidence of member eligibility (which shall be provided to the County by August 1 each year in a form as specified by the County), and their dependents, subject to evidence of dependent eligibility as defined by the County, during each annual enrollment for the plan year. If the Participant ceases to be a member of the Coalition mid-year, but remains eligible under the Choices plan, the Participant shall remain eligible for and enrolled in the CAPE Health Plan until the end of the plan year, subject to applicable IRC 125 rules.

- c. The Fire Fighters Plan is only available to Fire Fighter personnel who are eligible to be members of Local 1014 (BU 601, 602, 603, and 604). 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, subject to evidence of dependent eligibility as defined by the County.
- 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, subject to evidence of dependent eligibility as defined by the County.
- 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 that is similar to what Choices offers through another employer, a spouse/domestic partner's employer-sponsored medical plan, veteran's benefits, retirement plan, or Medicare to receive the waiver contribution. Such certification must state the name of the other insurance plan, name of the employer or retirement plan, and the name, Social Security Number and medical record number of the subscriber.

Beginning in January 2015, participants may decline coverage to enroll in an individual health insurance plan (including enrolling in health insurance coverage through a health care exchange); however, there will be no waiver contribution for participants who choose to decline coverage and enroll in an individual plan.

The provisions of the above paragraph shall not apply to participants who decline coverage and enroll in an individual health insurance plan prior to January 2014.

The County agrees to indemnify and hold the members of the Coalition harmless from any liabilities of any nature which may arise as a result of the application of the provisions of this section.

Medical Waiver Default Rules

Effective January 1, 2020, 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 who are members of 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 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 that the participant is eligible for.



2. DENTAL INSURANCE: Choices Participants may purchase a County-sponsored PPO or HMO dental plan:

**Enrollment Rules:**

All dental plans will be fully open to all Participants. As with health insurance, every Participant must be enrolled in a County-sponsored dental plan 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>PPO Dental Subsidy</u>				
<u>Coverage</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Employee Only	\$20.59	\$20.59	\$20.59	\$20.59
Employee plus one dependent	\$36.02	\$36.02	\$36.02	\$36.02
Employee plus two or more dependents	\$56.58	\$56.58	\$56.58	\$56.58

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

3. LIFE INSURANCE: All Choices Participants will automatically receive \$2,000 of term life insurance coverage if they are General Members of Retirement Plan A, B, C, D, or G or Safety Members of Retirement Plan A, B, or C. General Members of Retirement Plan E are entitled to receive \$10,000 of term life insurance coverage. 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. General Members of Retirement Plan A, B, C, D, or G or Safety Members of Retirement Plan A, B, or C 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 \$200.00 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.

Effective with Plan Year 2022, up to \$550 of unused Health Care Spending Account funds from the prior Plan Year will be carried over to the next Plan Year.

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:

<b>Employee Gross Annual Salary</b>	<b>Employer Contribution per month</b>
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 2019, 2020, 2021, and 2022 (for a total of \$9.990 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. Effective the 2020 plan year, the Participant may receive up to a maximum of \$325 of taxable cash. Effective the 2021 plan year, the Participant may receive up to a maximum of \$244 of 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>7/2019</u>	<u>11/2019</u>	<u>2021</u>	<u>2022</u>
Employee who waives health insurance coverage	\$244.00	\$244.00	\$244.00	\$244.00
Employee Only	\$986.26	\$1,005.99	\$1,031.14	\$1,056.92
Employee plus one dependent	\$1,799.45	\$1,835.44	\$1,881.33	\$1,928.36
Employee plus two or more dependents	\$2,125.70	\$2,168.21	\$2,222.42	\$2,277.98

In addition, in Plan Years 2019, 2020, 2021 and 2022, 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, the Public Employees' Pension Reform Act of 2013 (PEPRA), or any other employee benefit.

#### CHOICES SUSTAINABILITY BONUS\*

Effective January 1, 2020, the County agrees to pay full time, permanent employees<sup>1</sup> a four (4) level (approximately 1%) Choices Sustainability Bonus, as acknowledgement of CCU members cooperation with maintaining the bona fide status of the Choices Cafeteria Plan.

<sup>1</sup> Full time permanent employees as defined in attachment A.

#### CHOICES SUSTAINABILITY STEP\*

Effective January 1, 2021, the County agrees to add a half-step (11 levels, approximately 2.75%) to the range for all full-time, permanent<sup>1</sup> classifications as acknowledgment of cooperation with maintaining the bona fide status of the Choices Cafeteria Plan.



Advancement to the additional step shall be granted upon completion of 12 months of service, at the final step, and receipt of a Competent or better Performance Evaluation. Employees who have been on the final step for one year and who have received a Competent or better PE will receive the additional step on January 1, 2021.

<sup>1</sup> Full time, permanent employees as defined in attachment A.

The parties agree the CHOICES Sustainability Step and 1% Bonus is funded from negotiated changes to the Cafeteria Plan. The County is also negotiating economic benefits from program changes to other Cafeteria plans. Therefore, CCU and its members specifically acknowledge and waive all "me too"/parity claims related to all economics given as a result of Changes to the County Cafeteria Plans.

The parties agree that the Choices Sustainability Step and 1% Bonus is funded from negotiated changes to the Cafeteria Plan. As such, if the County is ordered to pay economic damages in excess of \$20 million dollars based on a determination of non-bona fide plan status under the FLSA, the parties agree to immediately begin negotiations pursuant to County Code over reductions to the Choices sustainability step and bonus.

All full time permanent employees employed by the County covered by this agreement as of April 30, 2019 will receive: \*

1.) \$500 bonus

2.) 8 hours leave credit (to holiday bank or otherwise <sup>2</sup>)

<sup>2</sup> Employees represented by the Committee of Interns and Residents (CIR) Unit 323 will receive an extra 8 hours to be added to the 192 hours of Post Graduate Time off for a total of 200 hours, on a one-time basis.

\* Compensation adjustments and credited hours to address changes in the Choices benefit plan (e.g., the choices sustainability Bonus and Step) are not applicable to the Court. Court compensation is negotiated separately from County negotiations.

\* Does not apply to any MegaFlex participants, except that the \$500 bonus and 8 hours leave will be given to the employees in the UAPD Unit 324 (Physicians) and the AFSCME Unit 321 (Physician Assistants).

**Bonus for Working during the Pandemic\* (Does not apply to Courts)**

**\$1000- One time- Bonus for full time (Part-time employee \$500)**

- Full-time in service at the time of payment- As defined under Attachment A
  - Must have been employed with the County as of 07/01/21
  - Must remain in-service through time of payment
  - Payment issued via regular payroll warrant
- Part-time employee \$500
  - No hiring hall/contract staff or retirees

**\$500 COVID Appreciation Bonus (requires employee to submit electronic attestation)**

- Employed as of on or before 7/1/2020
- If part-time, I worked on average more than 20 hours a week.
- I acknowledge that I must be employed by the County Los Angeles at the time of my bonus payment.

- My job with Los Angeles County placed me at an elevated risk of COVID 19 exposure. For purposes of this submission, “elevated risk” means that my job duties required me to be within 6 feet or less of co-workers, patients, county clients, or the general public for periods of 15 minutes or greater.

Additional Attestation-

- I certify that my answers to the previous questions accurately reflect my job duties during the applicable periods. I understand that my responses to these questions are subject to audit and confirmation. Should my answers be determined to be unverifiable, any monies issued due to this submission are subject to repayment.

**DHS EMPLOYEE ONLY (PRF)** employees will qualify for only one PRF bonus -  
(Including Part-time).

**(Does not apply to Courts)**

**\$150 Tier 1**

- During the period from March 1, 2020, to June 30, 2021, I worked primarily in an administrative or telehealth capacity and did not perform job duties that placed me at an elevated risk of COVID 19 exposure.
- In service at time of payment
- \$75 Part-time- worked an average of 20/hours per week during the relevant time

**\$650 Tier 2**

- In service at the time of payment
- Must be employed from March 1, 2020, to June 30, 2021
- My job with Los Angeles County placed me at an elevated risk of COVID 19 exposure. For purposes of this submission, "elevated risk" means that my job duties required me to be within 6 feet or less of co-workers, patients, county clients, or the general public for periods of 15 minutes or greater.
- \$325 Part-time- worked an average of 20/hours per week during the relevant time

**Additional Attestation-**

- I certify that my answers to the previous questions accurately reflect my job duties during the applicable periods. I understand that my responses to these questions are subject to audit and confirmation. Should my answers be determined to be unverifiable, any monies issued due to this submission are subject to repayment.

\* The requirement to be in County service at the time of payment will not apply to former CIR members who were employed with the County as of March 1, 2020 but have since graduated and left County service prior to the date of payment. Similarly, the parties intend to make eligible physicians that would have otherwise qualified for the Countywide or DHS PRF bonus but graduated on either 6/30/20, or 6/30/21 and are no longer in County service. Parties agree that the Union will provide a list of individuals made eligible under the above-described exceptions to CEO and DHS within 30 days of reaching a Tentative Agreement on the CCU Fringe Benefit Agreement. Should an individual on this list be eligible for a Countywide or DHS PRF bonus as

a current County employee, payment will be governed by current employees and not as a prior CIR member. The application of payments under this provision for graduates no longer in County service shall not be subject to grievance or arbitration

\*Graduates from 6/30/20 class are not eligible for the \$1,000 countywide bonus.

### ELECTION PROCEDURES

Eligible employees shall make their benefit elections 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. For employees who are enrolled in CAPE health plan as of December 15 but are not eligible for the CAPE health plan in the following plan year, the medical waiver default rules shall apply. 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, 2016, through December 31, 2018. 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.

In recognition of the elimination of the names of the County-sponsored insurance plans for this Memorandum of Understanding, the parties agree that the County has an obligation to negotiate over the changes to the medical and dental plans contained in this Attachment. Changes to the plans include modification to any and all economic components, networks, medical providers, plan design and all aspects of pharmacy costs. The parties agree that any changes to benefits covered by this Attachment during the term of the 2021-2022 Memorandum of Understanding shall require the mutual agreement of the parties prior to implementation.

#### 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, coverage(s) will resume when he/she returns to an eligible pay status 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:

The employee must submit a change in coverage or life event to Benefit Services, Personnel, Human Resources, or his/her 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. No refund of premium overpayments will be made if a change in coverage or life event 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 B****COUNTY CONTRIBUTION TOWARD HEALTH INSURANCE FOR  
CERTAIN TEMPORARY AND RECURRENT EMPLOYEES****Section 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 not to exceed the limits set forth below:

<u>Coverage</u>	Maximum Monthly County Contribution			
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Employee Only	\$860.68	\$912.32	\$967.06	\$991.24
Employee plus one dependent	\$1,528.68	\$1,620.40	\$1,717.62	\$1,760.56
Employee plus two or more dependents	\$1,754.75	\$1,860.04	\$1,971.64	\$2,020.93

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:

- a) 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 244 hours.
- b) The employee is on a monthly permanent  $\frac{1}{2}$  time ("U"),  $\frac{3}{5}$  time ("V"),  $\frac{5}{8}$  time ("W"), or  $\frac{2}{3}$  time ("X") sub-item as defined in Section 6.28.020 of the County Code and the employee's total pay status hours for the three consecutive months prior to enrollment is equal to or greater than 256 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 for 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 for the 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.

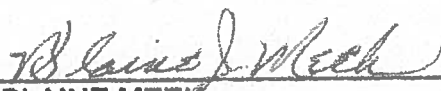
The contribution provided for in Section 1 shall be paid on behalf of any employee who a) is employed on a monthly temporary ("O" sub item), or monthly recurrent ("B" sub item), or monthly permanent  $\frac{3}{4}$  time ("Y" sub item) as defined in Section 6.28.020 of the County Code, and b) is not a 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.

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

COALITION OF COUNTY UNIONS AFL-CIO

By   
BLAINE MEEK  
Chairman

COUNTY OF LOS ANGELES AUTHORIZED  
MANAGEMENT REPRESENTATIVE

By   
FESIA DAVENPORT  
Chief Executive Officer

TO BE JOINTLY SUBMITTED TO COUNTY'S BOARD OF SUPERVISORS