

CITY OF MILPITAS



UNREPRESENTED EMPLOYEE BENEFIT HANDBOOK

This handbook is for use as a reference guide only. The contents here-in are not binding and may be changed at any time without prior notice.

REVISED: EFFECTIVE JULY 1, 2018

Revision Date January 2019

Table of Contents

MISCELLANEOUS UNREPRESENTED BENEFITS

Miscellaneous Exempt Classifications	1
Vacation and Management Incentive Pay	2
Management Leave Sick Leave,	3
Holidays & Types of Leaves	4
Health Benefits & Miscellaneous Programs/Benefits	5
Retirement Plans & Retirement Benefits	6
Retirement Benefits cont'd	7

POLICE UNREPRESENTED BENEFITS

Police Exempt Classifications	8
Vacation & Management Incentive Pay	9
Management Leave & Sick Leave,	10
Holidays & Types of Leaves	11
Health Benefits & Miscellaneous Programs/Benefits	12
Retirement Plans & Retirement Benefits	13
Retirement Benefits cont'd	14-15

FIRE UNREPRESENTED BENEFITS

Fire Exempt Classifications	16
Vacation & Management Incentive Pay	17
Management Leave & Sick Leave	18
Holidays & Types of Leaves	19
Health Benefits & Miscellaneous Programs/Benefits	20
Retirement Plans & Retirement Benefits	21
Retirement Benefits cont'd	22

MISCELLANEOUS UNREPRESENTED EMPLOYEES
MISCELLANEOUS EXEMPT CLASSIFICATIONS

Executive Staff

City Manager

Assistant City Manager

Deputy City Manager

City Clerk

Building and Housing Director

Economic Development Director

Engineering Director "City Engineer"

Financial Services Director

Human Resources Director

Information Services Director

Planning Director

Public Works Director

Recreation and Community Services Director

Unrepresented Staff

Assistant Director of Finance

Building Official

CIP Manager

Community Services Engagement and Inclusion Administrator (Asst. Director Recreation & Community Services)

Deputy Public Works Director

Housing Authority Administrator

Planning Manager

Plan Review Manager

Public Information Officer

Public Works Manager

Transportation and Traffic Manager

Miscellaneous Unrepresented

Vacation Leave

Accruals:	<u>Years of Service</u>	<u>Annual Accruals</u>
	0 – 4	16 Days
	5 – 9	21 Days
	10 – 14	26 Days
	15 – 19	31 Days
	20 +	36 Days

Eligibility: Unrepresented employees who have prior public (paid) service employment will be able to use that time towards their accrual rate as Years of Service for the purpose of calculating their Vacation Annual Accruals per the chart above. No minimum waiting period for use of accrued vacation hours.

Carryover: Maximum number of vacation hours that can be carried over is 260. Accruals in excess of 260 hours at the end of the pay period that includes June 1 will be cashed out by Payroll.

Cash Out: **IRS Constructive Receipt:** Unrepresented Employees can choose to cash out up to 80 hours of accrued vacation time each calendar year. An employee must have used at least one day of paid vacation in the calendar year they are cashing out from. Per Constructive Receipt request to cash out vacation hours must be made the year prior to the cash out date and the vacation hours to be cashed out must have already been accrued in the year that the hours are being cashed out before the hours can be cashed out. For example: In 2019 if a deduction of 24 hours is requested to be cashed out. Per the IRS the request must be made in 2018 and the 24 hours must already be accrued in 2019 prior to be getting cashed out. This is referred to as Constructive Receipt. Please complete the Vacation Cash-Out "lection Form" and submit to HR no later than December 23rd of the year prior to cashing out. The employee is required to identify the date(s) they would like to have their vacation cashed-out which shall be set forth on the Vacation Cash-Out Election Form provided by the City.

MANAGEMENT INCENTIVE PAY – Executive Staff only

Accruals: Eligible employees will accrue 5 hours of Management Incentive Paid Leave for each full pay period worked.

Eligibility: Executive Staff shall be eligible for Management Incentive Paid Leave as soon as the hours have been accrued. Prior approval must be received from the City Manager in order to utilize.

Carryover: Maximum number of Management Incentive hours that can be carried over is 260. Accruals in excess of 260 hours at the end of the pay period that includes December 31 will be removed by Payroll.

Cash Out: Employees cannot cash out Management Incentive hours. Remaining balance will not be available for cash out during termination, resignation, or retirement.

Miscellaneous Unrepresented

MANAGEMENT LEAVE – Unrepresented Staff only (not applicable to Executive Staff)

- Accruals:** Eligible employees will receive 40 hours of Management Leave added to their Floating Holiday Bank on pay period following December 31.
- Employees appointed to an eligible classification mid-year will have the hours pro-rated based on date of hire or promotion.
- Hours can be taken in any increments, a full 8-hour day is not required.
- Eligibility:** All employees shall be eligible for Management Leave beginning with their date of appointment. Prior approval must be received from the City Manager and/or Department Head in order to utilize.
- Carryover:** All hours must be used by the end of the pay period that includes December 31 or they will be removed by Payroll.
- Cash Out:** Employees cannot cash out Management Leave hours. Remaining balance will not be available for cash out during termination, resignation, or retirement.

SICK LEAVE:

- Accruals:** 12 work days annually (8 hours = 1 work day)
- Cash Out:** **IRS Constructive Receipt:** Employees hired before July 17, 1999, with 5 or more years of service may choose to cash out a portion of their accrued sick leave each calendar year. Payout shall be in accordance with appropriate pay out formulas and per IRS Laws. Request to cash out must be made by December 23rd of each year for the following calendar year. Hours cashed out must have been accrued in the year that the hours are being cashed out. The maximum annual amount shall not exceed 50% of employees sick leave balance. Employees eligible for this benefit shall at all times maintain a sick leave balance of at least 240 hours.
- Pay Off:** Employees hired before July 18, 1999, with five years of service, separating in "good standing" as determined by the City Manager, may elect to cash in sick leave using this formula: $2.5\% * \text{Yrs. of Service} * \text{highest hourly rate} * \text{sick leave hours accrued}$.
- Sick Leave Credit:** Upon retirement with PERS, all employees shall be eligible for the PERS Credit for Unused Sick Leave provision (20965). Employees hired prior to July 17, 1999 may choose a cash out or Credit for Unused Sick Leave.
- Family Leave:** Each employee shall be allowed to use a maximum of eighty (80) hours of sick leave per calendar year for this purpose.
- Eligible family members include: mother, father, spouse, brother, sister, son/daughter, grandparents, or domestic partner, whether the immediate family member is of the employee's or spouse's family, including step or adopted relatives. It also includes concurrent use of sick leave accruals for self or other accruals for eligible family members under the FMLA or CFRA, Refer to: "**Type of Leaves.**"
- Birth/Adoption: Refer to: "**Type of Leaves**" section.

Miscellaneous Unrepresented

HOLIDAYS:

City Holidays:

THE CITY OBSERVES 12 HOLIDAYS:

January 1 (New Year's Day)
Third Monday in January (Observance of Martin Luther King's Birthday)
February 12 (President Lincoln's Birthday)
Third Monday in February (Observance of President's Day)
Last Monday in May (Observance of Memorial Day)
July 4 (Independence Day)
First Monday in September (Observance of Labor Day)
November 11 (Veteran's Day)
Thanksgiving Day
Day after Thanksgiving
Christmas Eve (to be observed last working day prior to Christmas)
Christmas Day

Floating Holiday:

Each calendar year 8 hours of floating holiday is to be used by December 31 of each year otherwise it will be lost.

TYPE OF LEAVES:

All leaves must be approved.

Compassionate:

City will provide up to 40 hours of paid leave in the event of the death of an eligible family member (as defined in Family Sick Leave).

Military:

Paid military leave is provided for active and temporary duty in accordance with City policy and provisions of the State and Federal Laws.

Jury Duty:

City provides paid time upon jury summons if called to duty.

Unpaid Leave:

Unpaid personal leave is available upon approval of the City Manager.

Workers' Comp:

First 80 hours of lost work time is covered at 100% pay. Next 240 hours at 80% pay.

Birth/Adoption:

Each employee may use 14 days of accrued sick leave (without medical note) for birth or adoption of a child.

FMLA/CFRA

May take up to 12 weeks paid/unpaid family or medical leave within a 12 month period for the following: birth, adoption, or serious illness of a child; self, parent or spouse of an employee under FMLA or CFRA.

Available leave balances must be exhausted prior to leave without pay.

City will provide benefit coverage for all time paid/unpaid covered under FMLA or CFRA.

Miscellaneous Unrepresented

HEALTH BENEFITS:

- Health Plans:** The City provides CalPERS medical insurance. City-paid premium capped at the Kaiser rates for each level of coverage. Only active employees who have eligible dependents enrolled in the plan are eligible for City-paid premium above the single plan rate.
- Health Plan Waiver:** Employees who are covered as an eligible dependent under another health insurance plan may waive health coverage and receive a total of \$125 per month in lieu of medical plan coverage with appropriate documentation.
- Dental Insurance:** City provides a self-funded dental plan administered through Delta Dental with graduated benefits based on years of service, including preventative, routine, major, and orthodontia.
- Vision Insurance:** The City provides a vision plan for eye examination, lenses, and frames.
- Life Insurance:** The City provides \$50,000 for full-time employees. Supplemental employee-paid life insurance is available up to \$500,000, based on carrier acceptance.
- Short Term Disability:** City provides a plan similar to State Disability Insurance coverage.
- Long Term Disability:** After first 60 days, coverage at 60% of base salary up to \$1,500/mo. Additional buy-up available.
- Flexible Spending:** City offers employees who wish to participate in a pre-tax deduction for an IRS Section 125 plan for medical expenses, premiums that are currently not pre-taxed; child or elder care expenses; or traffic and vanpooling.
- Employee Assistance:** The City provides 10 visits annually to a confidential employee assistance program.
- Medicare:** Both City and employee contribute, if hired after March 31, 1986.

MISCELLANEOUS PROGRAMS/BENEFITS:

- Safety Equipment:** The City provides appropriate safety equipment needed to perform the job. The employee is responsible for maintaining the equipment in good order.
- Eyeglass Reimbursement:** Reimbursement up to \$175 per fiscal year for eyeglasses and \$200 for bifocals when prescribed by a physician for use at a video display terminal, provided the glasses are not covered by health or vision plan.
- Tuition & Training:** City provides reimbursement for educational expenses (tuition and books) up to \$3000 per fiscal year. This can also cover work-related training costs outside of the department budget.
- Mileage Reimbursement:** Use of personal vehicle for City business will be reimbursed at the IRS established rate.
- Fitness Program:** Employees are offered free access to City-sponsored sports and fitness programs.

Miscellaneous Unrepresented

RETIREMENT PLANS:

- CalPERS Retirement:**
- 1. Classic Tier 1 employees (Employees hired before October 9, 2011):**
2.7% at 55 Retirement Plan including the highest final compensation amendment.
(Employee pays 8% contribution rate)
 - 2. Classic Tier 2 employees (Employees hired on or after October 9, 2011 and before January 1, 2013, or who qualify for CalPERS pension reciprocity):**
2% @ 60 Retirement Plan including three year final average compensation period (Employee pays 7% contribution rate)
 - 3. Public Employee Pension Reform Act (PEPRA) employees hired on or after January 1, 2013:**
2% @ 62 Retirement Plan including three year final average compensation period (Employee contribution rate as stated in annual CalPERS actuarial report)

PERS Enhancements: Military Service Buy-back (GC 21024)
PERS Credit for Unused Sick Leave (GC 20965)
Death Benefit (GC 21620)
Prior Service Credit (GC 20055)
1959 Survivor's Benefit (GC 21573)

Deferred Compensation: City contributes \$900 per year to deferred compensation account. Employees can defer additional amount up to IRS annual maximum.

RETIREMENT BENEFITS:

Eligibility for retiree benefits is based upon retirement from the PERS Retirement System.

Sick Leave Credit: Upon retiring with PERS, all employees are eligible for the PERS Credit for Unused Sick Leave provision (20965). Employees hired prior to July 18, 1999 may choose a payout (below) or Credit for Unused Sick Leave.

Sick Leave Payout: Employees hired before July 18, 1999, the City will pay the retiree or estate for unused accrued sick leave using this formula: 2.5% * Yrs. of Service * highest hourly rate * sick leave hours accrued.

Health Insurance: Employees hired before July 1, 1995 are eligible for City-paid medical premiums up to the single premium rate (at a rate no higher than any single plan paid for by the City for active employees), as long as the retiree maintains enrollment in one of the City's eligible health plans.

Employees hired after July 1, 1995, are eligible for City-paid medical premiums up to the single premium rate (at a rate no higher than any single plan paid for by the City for active employees), as long as the retiree maintains enrollment in one of the City's eligible health plans, based on the following schedule:

<u>Years of Service</u>	<u>% of Premium</u>
Less than 5 years	PEMHCA Minimum Only
5 but less than 10	Up to 25% of the Benefit Cap
10 but less than 15	Up to 50% of the Benefit Cap
15 but less than 20	Up to 75% of the Benefit Cap
20 +	Up to 100% of the Benefit Cap

Miscellaneous Unrepresented

RETIREMENT BENEFITS continued:

Dental Insurance: Benefits may be continued at the retiree's expense at 50% of the premium.

Vision Insurance: Benefits may be continued at the retiree's expense.

Spousal/Dependent: Effective June 5, 2018, City contributes 1% of payroll plus benefits contributed to a specific fund to assist in paying for spousal/dependent medical premiums for the Miscellaneous Unrepresented employees. If fund is depleted, reimbursement will end in that specific Fiscal Year and the retiree is responsible for the remaining cost. Retirees will then be eligible for Spousal/Dependent reimbursement the following fiscal year until depleted, etc...

	<u>Years of Service</u>	<u>% of Premium</u>
5 but less than 9	Up to 25%	of the family/dependent premium
9 but less than 14	Up to 50%	of the family/dependent premium
14 but less than 19	Up to 75%	of the family/dependent premium
At least 19	Up to 100%	of the family/dependent premium

POLICE UNREPRESENTED EMPLOYEES
POLICE EXEMPT CLASSIFICATIONS

Executive Staff

Police Chief

Unrepresented Staff

Assistant Police Chief

Police Captain

Police Unrepresented

VACATION LEAVE

Accruals:	<u>Years of Service</u>	<u>Annual Accruals</u>
	0 – 4	16 Days
	5 – 9	21 Days
	10 – 14	26 Days
	15 – 19	31 Days
	20 +	36 Days

Eligibility: Unrepresented police employees who have prior public (paid) service employment will be able to use that time towards their accrual rate as Years of Service for the purpose of calculating their Vacation Annual Accruals per the chart above. No minimum waiting period for use of accrued vacation hours.

Carryover: Maximum number of vacation hours that can be carried over is 336 hours. Accruals in excess of 336 hours at the end of the pay period that includes June 1 will be cashed out by Payroll.

Cash Out: **IRS Constructive Receipt:** Unrepresented Employees can choose to cash out up to 80 hours of accrued vacation time each calendar year. An employee must have used at least one day of paid vacation in the calendar year they are cashing out from. Per Constructive Receipt request to cash out vacation hours must be made the year prior to the cash out date and the vacation hours to be cashed out must have already been accrued in the year that the hours are being cashed out before the hours can be cashed out. For example: In 2019 if a deduction of 24 hours is requested to be cashed out. Per the IRS the request must be made in 2018 and the 24 hours must already be accrued in 2019 prior to be getting cashed out. This is referred to as Constructive Receipt. Please complete the Vacation Cash-Out "lection Form" and submit to HR no later than December 23rd of the year prior to cashing out. The employee is required to identify the date(s) they would like to have their vacation cashed-out which shall be set forth on the Vacation Cash-Out Election Form provided by the City.

Management Incentive Pay – EXECUTIVE STAFF ONLY

Accruals:	Eligible employees will accrue 5 hours of Management Incentive Paid Leave for each full pay period worked.
Eligibility:	All Executive Staff shall be eligible for Management Incentive Paid Leave as soon as the hours have been accrued. Prior approval must be received from the City Manager in order to utilize.
Carryover:	Maximum number of Management Leave hours that can be carried over is 260. Accruals in excess of 260 hours at the end of the pay period that includes December 31 will be removed by Payroll.
Cash Out:	Employees cannot cash out these hours. Remaining balance will not be available for cash out during termination, resignation, or retirement.

Police Unrepresented

MANAGEMENT LEAVE – Unrepresented Staff only (not applicable to Executive Staff)

Accruals: Eligible employees will receive 40 hours of Management Leave added to their Floating Holiday Bank on pay period following December 31.

Employees appointed to an eligible classification mid-year will have the hours pro-rated based on date of hire or promotion.

Hours can be taken in any increments, a full 8-hour day is not required.

Eligibility: All Unrepresented employees shall be eligible for Management Leave beginning with their date of appointment. Prior approval must be received from the City Manager and/or Department Head in order to utilize.

Carryover: All Management Leave hours must be used by the end of the pay period that includes December 31 or they will be removed by Payroll.

Cash Out: Employees cannot cash out Management Leave hours. Remaining balance will not be available for cash out during termination, resignation, or retirement.

SICK LEAVE:

Accruals: 12 work days annually (8 hours = 1 work day)

Cash Out: **IRS Constructive Receipt:** Employees hired before July 17, 1999, with 5 or more years of service may choose to cash out a portion of their accrued sick leave each calendar year. Payout shall be in accordance with appropriate pay out formulas and per IRS Laws. Request to cash out must be made by December 23rd of each year for the following calendar year. Hours cashed out must have been accrued in the year that the hours are being cashed out. The maximum annual amount shall not exceed 50% of employees sick leave balance. Employees eligible for this benefit shall at all times maintain a sick leave balance of at least 240 hours.

Pay Off: Employees hired before July 18, 1999, with 5 years of service, separating in "good standing" as determined by the City Manager, may elect to cash in sick leave using this formula: 2.5% * Yrs. of Service * highest hourly rate * sick leave hours accrued.

Family Sick: Up to 80 hours of sick leave may be used to care for an eligible family member per calendar year for this purpose.

Eligible family members include: mother, father, spouse, brother, sister, son/daughter, grandparents, or domestic partner, whether the immediate family member is of the employee's or spouse's family, including step or adopted relatives. It also includes concurrent use of sick leave accruals for self or other accruals for eligible family members under FMLA or CFRA. Refer to: "**Type of Leaves**".

Birth/Adoption: Refer to: "**Type of Leaves**" section.

Police Unrepresented

HOLIDAYS:

City Holidays:

THE CITY OBSERVES 12 HOLIDAYS:

January 1 (New Year's Day)
Third Monday in January (Observance of Martin Luther King's Birthday)
February 12 (President Lincoln's Birthday)
Third Monday in February (Observance of President's Day)
Last Monday in May (Observance of Memorial Day)
July 4 (Independence Day)
First Monday in September (Observance of Labor Day)
November 11 (Veteran's Day)
Thanksgiving Day
Day after Thanksgiving
Christmas Eve (to be observed last working day prior to Christmas)
Christmas Day

Floating Holiday:

Each calendar year 8 hours of floating holiday is to be used by December 31 of each year otherwise it will be lost.

TYPE OF LEAVES:

All leaves must be approved.

Compassionate:

City will provide up to 40 hours of paid leave in the event of the death of an eligible family member (as defined in Family Sick Leave).

Military:

Paid military leave is provided for active and temporary duty in accordance with City policy and provisions of the State and Federal Laws.

Jury Duty:

City provides paid time upon jury summons if called to duty.

Unpaid Leave:

Unpaid personal leave is available upon approval of the City Manager.

Workers' Comp:

Sworn Police and Fire employees are eligible for up to one year paid workers' compensation leave per labor code 4850.

Birth/Adoption:

Each employee may use 15 days of accrued sick leave (without medical note) for birth or adoption of a child.

FMLA/CFRA:

May take up to 12 weeks paid/unpaid family or medical leave within a 12 month period for the following: birth, adoption, or serious illness of a child; self, parent or spouse of an employee under FMLA or CFRA.

Available leave balances must be exhausted prior to leave without pay.

City will provide benefit coverage for all time paid/unpaid covered under FMLA or CFRA.

Police Unrepresented

HEALTH BENEFITS:

- Health Plans:** The City provides CalPERS medical insurance. City-paid premium capped at the Kaiser rates for each level of coverage. Only active employees who have eligible dependents enrolled in the plan are eligible for City-paid premium above the single plan rate.
- Health Plan Waiver:** Employees who are covered as an eligible dependent under another health insurance plan may waive health coverage and receive a total of \$125 per month in lieu of medical plan coverage with appropriate documentation.
- Dental Insurance:** City provides Delta Dental coverage.
- Vision Insurance:** The City provides a vision plan for eye examination, lenses, and frames.
- Life Insurance:** \$50,000 for full-time employees. Supplemental employee-paid life insurance is available up to \$500,000, based on carrier acceptance.
- Short Term Disability:** Coverage provided through MPOA Trust Fund, Police Captains only.
- Long Term Disability:** Coverage provided through California Law Enforcement Association (CLEA).
- Flexible Spending:** City offers employees who wish to participate a pre-tax deduction for an IRS Section 125 plan for medical expenses, premiums; child or elder care expenses; or traffic and vanpooling.
- Employee Assistance:** The City provides 15 visits annually to a confidential employee assistance program.
- Medicare:** Both City and employee contribute, if hired after March 31, 1986.

MISCELLANEOUS PROGRAMS/BENEFITS:

- Safety Equipment:** The City provides appropriate safety equipment needed to perform the job. The employee is responsible for maintaining the equipment in good order.
- Eyeglass Reimbursement:** Reimbursement up to \$175 per fiscal year for eyeglasses and \$200 for bifocals when prescribed by a physician for use at a video display terminal, provided the glasses are not covered by health or vision plan first.
- Tuition & Training:** City provides reimbursement for educational expenses (tuition and books) up to \$3000 per fiscal year. This can also cover work-related training costs outside of the department budget.
- Mileage Reimbursement:** Use of personal vehicle for City business will be reimbursed at the IRS established rate.
- Fitness Program:** Employees are offered free access to City-sponsored sports and fitness programs.
- Uniform Allowance:** \$1350 per year for 40 hour employees
- Trust Fund:** City contributes \$50 per month to the MPOA Trust Fund for spousal/dependent coverage and Short Term Disability coverage.

Police Unrepresented

RETIREMENT PLANS:

Police PERS Retirement: 1. Classic Tier 1 employees (Employees hired before April 8, 2012):

3% @ 50 Retirement Plan including the highest final compensation amendment.
(Employee pays 9% contribution rate)

2. Classic Tier 2 employees (Employees hired on or after April 8, 2012 and before January 1, 2013, or who qualify for CalPERS pension reciprocity):

3% @ 55 Retirement Plan including highest final compensation (Employee pays 9% contribution rate)

3. Public Employee Pension Reform Act (PEPRA) employees hired on or after January 1, 2013:

2.7 % @ 57 Retirement Plan including three year final average compensation period (Employee pays half of normal cost, July 2018 at 10% contribution rate)

PERS Enhancements:

Military Service Buy-back (GC 21024)
PERS Credit for Unused Sick Leave (GC 20965)
Death Benefit (GC 21620)
Prior Service Credit (GC 20055)
1959 Survivor's Benefit (GC 21573)
Non-Industrial Disability Plan (GC 21427)

Deferred Compensation: City contributes \$900 per year to deferred compensation account. Employees can defer additional amount up to IRS annual maximum.

RETIREMENT BENEFITS:

Eligibility for retiree benefits is based upon retirement from the PERS Retirement System.

Sick Leave Credit: Upon retiring with PERS, all employees are eligible for the PERS Credit for Unused Sick Leave provision (20965). Employees hired prior to July 18, 1999 may choose a payout (below) or Credit for Unused Sick Leave.

Sick Leave Payout: Employees hired before July 18, 1999, the City will pay the retiree or estate for unused accrued sick leave using this formula: $2.5\% * \text{Yrs. of Service} * \text{highest hourly rate} * \text{sick leave hours accrued}$.

Health Insurance: Employees hired before July 1, 1995 with a minimum of 5 years of service credit is eligible for City-paid medical premiums up to the single premium rate (at a rate no higher than any single plan paid for by the City for active employees), as long as the retiree maintains enrollment in one of the City's eligible health plans.

Employees hired after July 1, 1995, are eligible for City-paid medical premiums up to the single premium rate (at a rate no higher than any single plan paid for by the City for active employees), as long as the retiree maintains enrollment in one of the City's eligible health plans, subject to the following provisions:

<u>Years of Service</u>	<u>% of Premium</u>
Less than 5 years	PEMHCA Minimum Only
5 but less than 10	Up to 25% of the Retiree Cap
10 but less than 15	Up to 50% of the Retiree Cap
15 but less than 20	Up to 75% of the Retiree Cap
20 +	Up to 100% of the Retiree Cap

Police Unrepresented

RETIREMENT BENEFITS continued:

Employees hired before January 1, 1996 and retired after July 1, 2003, the City agrees to contribute up to 15% more than the cap on the City's single, medical premium contribution for active employees (hereafter, "retiree cap amount"), so long as the retiree is enrolled in an eligible health plan.

For permanent employees hired on or after January 1, 1996, the City agrees to contribute up to the following percentages of the "retiree cap amount" so long as the retiree is enrolled in an eligible health plan:

- a) Upon PERS retirement, the City shall pay up to a maximum of 25% of the "retiree cap amount" on behalf of employees who completed less than nine full years of service, so long as the retiree remains in one of the eligible health care plans. [Example: If the current employee cap is \$210, the cap for a retiree with less than nine full years of service is \$60.38 $[(\$210 + 15\%) \times 25\% = \$60.38]$.
- b) Upon PERS retirement, the City shall pay up to a maximum of 50% of the "retiree cap amount" on behalf of employees who completed nine full years of service but less than fourteen full years of service, so long as the retiree remains in one of the eligible health care plans. [Example: Use formula in "a" above using 50%.]
- c) Upon PERS retirement, the City shall pay up to a maximum of 75% of the "retiree cap amount" on behalf of employees who completed fourteen full years of service but less than nineteen full years of service, so long as the retiree remains in one of the eligible health care plans. [Example: Use formula in "a" above using 75%.]
- d) Upon PERS retirement, the City shall pay up to a maximum of 100% of the "retiree cap amount" on behalf of employees who completed nineteen full years of service, so long as the retiree remains in one of the eligible health care plans.

Disability Retirement: **For Medical Coverage: employees on disability retirement who had at least 5 years of full-time or equivalent service with the City and retired after June 30, 2003, the City agrees to contribute up to "the retiree cap amount" or until the retiree is re-employed.**

Dental Insurance: Benefits may be continued at the retiree's expense. (Contact MPOA for details)

Vision Insurance: Benefits may be continued at the retiree's expense. (Contact MPOA for details)

Spousal/Dependent: City contributes 1% of payroll plus benefits to a Police Command Fund to assist in paying for spousal/dependent medical premiums. If the fund is depleted, then the retiree is responsible for the remaining cost.

Employees hired before January 1, 1996 and retired after June 30, 2003, 100% of funds available for family/dependent premiums.

Employees hired after December 31, 1995 and retired after June 30, 2003, who have at least 5 years of full-time or equivalent service with the City:

<u>Years of Service</u>	<u>% of Premium</u>
5 but less than 9	Up to 25% of the family/dependent premium
9 but less than 14	Up to 50% of the family/dependent premium
14 but less than 19	Up to 75% of the family/dependent premium
At least 19	Up to 100% of the family/dependent premium

Police Unrepresented

RETIREMENT BENEFITS continued:

Safety Equipment:

Upon retirement, the city shall give a command officer his/her service weapon and holsters without charge if either (1) the Milpitas Police Chief endorses an identification certificate approving the officer carrying a concealed and loaded firearm or (2) a hearing board determines that, under Penal Code section 12027.1, at the time the officer retired from the Milpitas Police Department, the employee had a right to a certificate permitting the carrying of a concealed and loaded firearm.

FIRE UNREPRESENTED EMPLOYEES
FIRE EXEMPT CLASSIFICATIONS

Executive Staff

Fire Chief

Unrepresented Staff

Deputy Fire Chief

Chief Fire Enforcement Officer

Assistant Fire Marshal

VACATION LEAVE

Fire Unrepresented

Accruals:		40-Hour Schedule	56-Hour Schedule
	<u>Years of Service</u>	<u>Annual Accruals</u>	<u>Annual Accruals</u>
	1 – 4	16 Days	5 Shifts
	5 – 9	21 Days	7 Shifts
	10 – 14	26 Days	9 Shifts
	15 – 19	31 Days	10 Shifts
	20 +	36 Days	12 Shifts

Eligibility: Unrepresented fire employees who have prior public (paid) service employment will be able to use that time towards their accrual rate as Years of Service for the purpose of calculating their Vacation Annual Accruals per the chart above. No minimum waiting period for use of accrued vacation hours.

Carryover: Maximum number of hours that can be carried over is 260 hours if working a 40-hour schedule or 480 hours if working a 56-Hour schedule. Accruals in excess of 260 hours for a 40-hour schedule or 480 hours for a 56-hour schedule at the end of the pay period that includes June 1 will be cashed out by Payroll.

Vacation Cash Out: **Constructive Receipt:** Unrepresented fire employees can elect to cash out up to 80 hours of accrued vacation time each calendar year. An employee must have used at least one day of paid vacation in the calendar year they are cashing out from. Request to cash out vacation hours must be requested the year prior to the cash out date and the vacation hours must have been accrued in the year that the hours are being cashed out. For example: In 2019 if a deduction of 24 hours is requested to be cashed out. Per the IRS the request must be made in 2018 and the 24 hours must already be accrued in 2019. This is referred to as Constructive Receipt. Please request vacation cash out to HR no later than December 23rd of the year prior to cashing out. The employee is required to identify the date(s) they would like to have their vacation cash-out which shall be set forth on the Vacation Cash-Out Election Form provided by the City

MANAGEMENT INCENTIVE PAY – Executive Staff only

Accruals: Eligible employees will accrue 5 hours of Management Incentive Paid Leave for each full pay period worked.

Eligibility: All employees shall be eligible for Management Incentive Paid Leave as soon as the hours have been accrued. Prior approval from the City Manager is required.

Carryover: Maximum number of hours that can be carried over is 260. Accruals in excess of 260 hours at the end of the pay period that includes December 31 will be removed by Payroll.

Cash Out: Employees cannot cash out these hours. Remaining balance will not be available for cash out during termination, resignation, or retirement.

Fire Unrepresented

MANAGEMENT LEAVE — Deputy Fire Chief's, Asst. Fire Marshal and Chief Fire Enforcement Officer

Accruals: Eligible employees will receive 40 hours of Management Leave added to their Floating Holiday Bank on pay period following December 31.

Employees appointed to an eligible classification mid-year will have the hours pro-rated based on date of hire or promotion.

Hours can be taken in any increments; a full 8-hour day is not required.

Eligibility: All employees in classifications listed above shall be eligible for Management Leave beginning with their date of appointment. Prior approval must be received from the City Manager and/or Department Head in order to utilize.

Carryover: All hours must be used by the end of the pay period that includes December 31 or they will be removed by Payroll.

Cash Out: Employees cannot cash out these hours. Remaining balance will not be available for cash out during termination, resignation, or retirement.

SICK LEAVE:

Accruals: 12 work days annually (8 hours = 1 workday)

Cash Out: Each January, an employee with 5 years of service may elect to cash out a portion of their sick leave based on the appropriate Sick Leave Pay-Off formula, with a maximum of 50% of accruals leave a minimum balance of 240 hours.

Pay Off: Upon retirement, disability retirement, or death, for those employees who were hired on or before 01/1/1995, and who had at least 5 years of service, the City shall pay retiree or estate for unused accrued sick leave using this formula: 2.5% x years of service x highest hourly rate x sick leave hours.

Employees hired after January 1, 1995 with 5 years of service, separating in "good standing" as determined by the City Manager, may elect to cash in sick leave using this formula:

<u>Years of Service</u>	<u>Pay Off Formula</u>
5 – 9	0.25%/year * hourly rate * accrued sick leave
10 – 14	0.50%/year * hourly rate * accrued sick leave
15 – 19	0.75%/year * hourly rate * accrued sick leave
20 +	1.00%/year * hourly rate * accrued sick leave

** Fire Unrepresented with 56 hour bank shall first have their accrued sick leave converted by a factor of 1 to 3 and hourly rate converted by a factor of 1.4 to 1.

Family Sick: Up to 80 hours of sick leave may be used to care for an eligible family member per calendar year for this purpose.

Eligible family members include: mother, father, spouse, brother, sister, son/daughter, grandparents, or domestic partner, whether the immediate family member is of the employee's or spouse's family, including step or adopted relatives. It also includes concurrent use of sick leave accruals for self or other accruals for eligible family members under FMLA or CFRA. See "Types of Leaves".

Birth/Adoption: Refer to Types of Leave section.

Fire Unrepresented

HOLIDAYS:

City Holidays:

40-Hour Schedule THE CITY OBSERVES 12 HOLIDAYS:

January 1 (New Year's Day)
Third Monday in January (Observance of Martin Luther King's Birthday)
February 12 (President Lincoln's Birthday)
Third Monday in February (Observance of President's Day)
Last Monday in May (Observance of Memorial Day)
July 4 (Independence Day)
First Monday in September (Observance of Labor Day)
November 11 (Veteran's Day)
Thanksgiving Day
Day after Thanksgiving
Christmas Eve (to be observed last working day prior to Christmas)
Christmas Day

Floating Holiday:

Each calendar year 8 hours of floating holiday is to be used by December 31 of each year otherwise it will be lost.

TYPE OF LEAVES:

All leaves must be approved.

Compassionate:

City will provide up to 40 hours of paid leave, for employees working a 40-hour schedule, in the event of the death of a family member (as defined in Family Sick Leave). Employees working a 56-hour schedule will receive 56-hours of paid leave.

Military:

Paid military leave is provided for active and temporary duty in accordance with City policy and provisions of the State and Federal Laws.

Jury Duty:

City provides paid time upon jury summons if called to duty.

Unpaid Leave:

Unpaid personal leave is available upon approval of the City Manager.

Workers' Comp:

Sworn Police and Fire employees are eligible for up to one year paid workers' compensation leave per labor code 4850.

Birth/Adoption:

Each employee may use 14 days of accrued sick leave (without medical note) for birth or adoption of a child.

Family Medical:

May take up to 12 weeks paid/unpaid family or medical leave within a 12 month period for the following: birth, adoption, or serious illness of a child; self, parent or spouse of an employee under FMLA or CFRA.

Available leave balances must be exhausted prior to leave without pay.

City will provide benefit coverage for all time paid/unpaid covered under FMLA or CFRA.

Fire Unrepresented

HEALTH BENEFITS:

- Health Plans:** The City provides CalPERS medical insurance. City-paid premium capped at the Kaiser rates for each level of coverage. Only active employees who have eligible dependents enrolled in the plan are eligible for City-paid premium above the single plan rate.
- Health Plan Waiver:** Employees who are covered as an eligible dependent under another health insurance plan may waive health coverage and receive a total of \$125 per month in lieu of medical plan coverage with appropriate documentation.
- Dental Insurance:**

City provides a self-funded dental plan administered through Delta Dental with graduated benefits based on years of service, including preventative, routine, major, and orthodontia.
- Vision Insurance:** The City provides a vision plan for eye examination, lenses, and frames.
- Life Insurance:** \$50,000 for full-time employees. Supplemental employee-paid life insurance is available up to \$500,000, based on carrier acceptance.
- Long Term Disability:** Coverage provided through California Association of Professional Firefighters (CAPFF).
- Flexible Spending:** City offers employees who wish to participate a pre-tax deduction for an IRS Section 125 plan for medical expenses, premiums; child or elder care expenses; or traffic and vanpooling.
- Employee Assistance:** The City provides 15 visits annually to a confidential employee assistance program.
- Medicare:** Both City and employee contribute, if hired after March 31, 1986.

MISCELLANEOUS PROGRAMS/BENEFITS:

- Safety Equipment:** The City shall furnish appropriate safety equipment, the employee shall maintain in good order, and is the City property.
- Eyeglass Reimbursement:** Reimbursement up to \$175 per fiscal year for eyeglasses and \$200 for bifocals when prescribed by a physician for use at a video display terminal, provided the glasses are not covered by health or vision plan first.
- Tuition & Training:** City provides reimbursement for educational expenses (tuition and books) up to \$3000 per fiscal year. This can also cover work-related training costs outside of the department budget.
- Mileage Reimbursement:** Use of personal vehicle for City business will be reimbursed at the IRS established rate.
- Fitness Program:** Employees are offered free access to City-sponsored sports and fitness programs.
- Uniform Allowance:** \$1000 annually to be paid on a bi-weekly basis and one pair of safety shoes every two years.

Fire Unrepresented

RETIREMENT PLANS:

PERS Retirement:

1. Classic Tier 1 employees (Employees hired before April 8, 2012):

3% @ 50 Retirement Plan including the highest final compensation amendment.
(Employee pays 9% contribution rate)

2. Classic Tier 2 employees (Employees hired on or after April 8, 2012 and before January 1, 2013, or who qualify for CalPERS pension reciprocity):

3% @ 55 Retirement Plan including highest final compensation (Employee pays 9% contribution rate)

3. Public Employee Pension Reform Act (PEPRA) employees hired on or after January 1, 2013:

2.7 % @ 57 Retirement Plan including three year final average compensation period (Employee contribution rate as stated in CalPERS actuarial report.)

PERS Enhancements:

Military Service Buy-back (GC 21024)
PERS Credit for Unused Sick Leave (GC 20965)
Death Benefit (GC 21620)
Prior Service Credit (GC 20055)
1959 Survivor's Benefit (GC 21573)

Deferred Compensation: City contributes \$900 per year to deferred compensation account. Employees can defer additional amount up to IRS annual maximum.

RETIREMENT BENEFITS:

Eligibility for retiree benefits is based upon retirement from the PERS Retirement System.

Sick Leave Credit: Upon retiring with PERS, all employees are eligible for the PERS Credit for Unused Sick Leave provision (20965). Employees hired prior to July 18, 1999 may choose a payout (below) or Credit for Unused Sick Leave.

Sick Leave Cash Out: See "Sick Leave"

Health Insurance: Employees hired before July 1, 1995 are eligible for City-paid medical premiums up to the single premium rate (at a rate no higher than any single plan paid for by the City for active employees), as long as the retiree maintains enrollment in one of the City's eligible health plans.

Employees hired after July 1, 1995, are eligible for City-paid medical premiums up to the single premium rate (at a rate no higher than any single plan paid for by the City for active employees), as long as the retiree maintains enrollment in one of the City's eligible health plans, subject to the following provisions:

<u>Years of Service</u>	<u>% of Premium</u>
Less than 5 years	PEMHCA Minimum Only
5 but less than 10	Up to 25% of the Benefit Cap
10 but less than 15	Up to 50% of the Benefit Cap
15 but less than 20	Up to 75% of the Benefit Cap
20 +	Up to 100% of the Benefit Cap

Fire Unrepresented

RETIREMENT BENEFITS continued:

Dental Insurance: Benefits may be continued at 50% of City's Premium.

Vision Insurance: Benefits may be continued at the retiree's expense.

Spousal/Dependent: City contributes 1% of payroll plus benefits to a specific fund to assist in paying for spousal/dependent medical premiums for the Fire Unrepresented group. If the fund is depleted, reimbursement will end for that specific Fiscal Year and the retiree is responsible for the remaining cost.

Employees hired before January 1, 1996 and retired after September 4, 2007, 100% of funds available of family/dependent premiums

Employees hired on or after January 1, 1996 and retired after September 4, 2007, who have at least 5 years of full-time or equivalent service with the City:

<u>Years of Service</u>	<u>% of Premium</u>
5 but less than 9	Up to 25% of the family/dependent premium
9 but less than 14	Up to 50% of the family/dependent premium
14 but less than 19	Up to 75% of the family/dependent premium
At least 19	Up to 100% of the family/dependent premium