

- b. If the Human Resources Department studies a position at the employee's request as provided above and the employee does not agree with the County's decision, the employee may submit the request to OCEA.

Step 3: After receiving an employee request for study, OCEA may request in writing that the Human Resources Department conduct a classification study of the position or refer the matter to a consultant, as provided in Step 4. Such requests are to be timely.

Step 4: The Human Resources Department shall determine when the position was last studied and whether there has been a change of duties or change in classification structure which justifies restudy.

- a. If the study is justified and the request is made under Step 2.A., the employee shall be given a Position Description Form within fifteen (15) days. Within one hundred twenty (120) calendar days after the Human Resources Department receives the completed Position Description Form, the Human Resources Department shall notify OCEA of the appropriate classification of the position.
- b. If the study is justified, and the request is made under Step 2.B., the Human Resources Department shall complete the study in thirty (30) days and communicate the results to OCEA. If the study is not completed within thirty (30) days, upon request of OCEA the matter shall be referred to a consultant under the provisions of Section 5. of this Article.
- c. If the study is not justified, the County shall notify OCEA within fifteen (15) days. OCEA may accept the County position that the study is not justified or may request a consultant review as provided in Section 5.

Section 4. Limitations on Concurrent Studies

- A. The County shall not be required to initiate a study if the total number of positions currently requested by OCEA for reclassification studies plus the new request exceeds twenty-five (25) positions.
- B. The numerical limitation shall apply only to studies for which Position Description Forms have been initiated and shall not include studies which have been referred to or are pending referral to a consultant.
- C. In the event of a major layoff of County employees, all time limits in Section 3. of this Article shall be extended forty-five (45) days.

Section 5. Review of Disputed Position Classification Decisions

- A. If the County does not respond at the end of the appropriate time period as specified in Section 3., Step 4 of this Article or OCEA does not agree with a position classification decision of the County after the steps in Section 2. or 3. of this Article have been followed, the issue may be presented to a classification consultant for advisory review. Other provisions notwithstanding, no more than fifty (50) positions may be referred to a consultant per fiscal year except that any maintenance study done by a consultant shall not be included.
- B. The consultant's review shall be documented on forms supplied by the County and used by the County for documenting its classification decisions.
- C. The consultant shall have access to the organizational and classification files of the Human Resources Department and shall have the right to conduct the classification study in the manner the consultant deems most appropriate.
- D. Any salary change for any employee resulting from a consultant's advisory recommendation shall be effective no sooner than the beginning of the pay period following the decision of the County at Step 4 of the procedure described in Section 3., above.
- E. A consultant shall be chosen who has experience in conducting position classification analyses for local governmental agencies. The consultant will be chosen by a committee with an equal number of County and OCEA members. The cost of the consultant shall be shared equally by the County and OCEA.

ARTICLE XIX INSURANCE

Section 1. Health Plans and Premium Contributions

A. Full Time Employees

1. Except as modified in Section 1.C., D., E., and F. below, the County will offer health plans to all full-time regular, limited term, and probationary employees and their eligible dependents.
2. The County will pay the following percentage of the premium for employees electing any health insurance plan other than the Sharewell Choice PPO plan:
 - a. Employee Only Coverage - eighty-five (85) percent of the employee's premium or ninety (90) percent of the employee's premium if the employee completes the Healthy Steps (wellness incentive) program;
 - b. Employee and Dependent Coverage - seventy (70) percent of the total health plan premium, for each employee and such employee's eligible dependents or seventy-five (75) percent of the employee's premium if the employee completes the Healthy Steps (wellness incentive) program.
 - c. Employees will pay the remaining portion of the total plan premium and consent to have their portion deducted from their County regular or supplemental payroll checks.
3. Employees who elect the Sharewell Choice PPO plan will not only have their insurance premium fully paid by the County but will also receive a payroll credit per plan guidelines. In addition, those employees who elect the Sharewell Choice PPO plan are not required to participate in the Healthy Steps program.
4. The health plans and their premiums are adopted by, and may be modified by, the Board of Supervisors. Plan descriptions are contained in the plan documents available through HRS/Employee Benefits.

B. Part-time Employees

1. Except as modified in Section 1.C., D., E., and F. below, the County will offer health plans to all part-time regular, limited term, and probationary employees. Enrollment of part-time employees shall be restricted to employees whose normal workweek consists of at least twenty (20) hours.

2. The County will pay the following percentage of the premium for employees electing any health insurance plan other than the Sharewell Choice PPO plan:
 - a. Employee Only Coverage – forty-five (45) percent of the employee’s premium or fifty (50) percent of the employee's premium if the employee completes the Healthy Steps (wellness incentive) program;
 - b. Employee and Dependent Coverage – thirty-two and one-half (32.5) percent of the total health plan premium for each employee and such employee’s eligible dependents or thirty-seven and one-half (37 ½) percent of the total health plan premium, for each employee and such employee's eligible dependents if the employee completes the Healthy Steps (wellness incentive) program.
 - c. Employees will pay the remaining portion of the total plan premium and consent to have their portion deducted from their County regular or supplemental payroll checks.
 3. The County will pay the following percentage of the premium for employees electing the Sharewell Choice PPO plan:
 - a. Employee Only Coverage – one hundred (100) percent of the premium;
 - b. Employee and Dependent Coverage – per subsection B.2.b above

In addition, those employees who elect the Sharewell Choice PPO plan are not required to participate in the Healthy Steps program.
 4. Coverage shall be terminated for any employee whose normal assigned hours are reduced to less than twenty (20) in a full workweek.
 5. The health plans and their premiums are adopted by, and may be modified by, the Board of Supervisors. Plan descriptions are contained in the plan documents available through HRS/Employee Benefits.
- C. Two married full-time employees who are enrolled in the same health plan must be enrolled as Employee Married to Employee (EME). While enrolled as EME, the County will pay the full cost of employee and dependent coverage for each EME. Employees must report any subsequent changes in marital status, such as legal separation or divorce, within 30 days of the event. Failure to report legal separation or divorce from a covered spouse shall require repayment of all premiums paid by the County under this program during the period in which the employees were ineligible due to legal separation or divorce.

- D. Dual Coverage: If two married employees are enrolled in separate health plans neither employee may be covered as a dependent on their employee spouse's health plan. Eligible employees may choose to enroll in different health plans and choose to cover eligible dependent children on one or both health plans, subject to employee contributions for coverage.
- E. For employees who are on approved leave which meets the requirements of Family Leave pursuant to Article IV, Section 15 and applicable law, the County shall continue to pay health insurance premiums as provided in A and B, above, to the extent required by applicable law.
- F. For employees who are on approved leave which meets the requirements of Pregnancy Disability Leave pursuant to Government Code section 12945, the County shall continue to pay health insurance premiums as provided in A and B above, to the extent required by applicable law.
- G. Effective January 1, 2008, active employees are pooled separately from retirees for purposes of setting premiums for participation in County-offered health plans.

Section 2. Health Plan Enrollment

- A. New eligible employees will be enrolled in the health plan of their selection effective the first day of the month following the first thirty (30) days of employment. Eligible full-time employees failing to elect a plan will be enrolled in the Wellwise Choice PPO Health Plan, employee only. Eligible part-time employees failing to elect a plan will be enrolled in the Sharewell Choice PPO Health Plan, employee only. Employees who go out on leave of absence prior to satisfying the waiting period for coverage shall not be eligible for coverage until returning to work unless required by state/federal law. Upon return to work, coverage will become effective the first day of the month following thirty (30) days from the date of return unless otherwise required by state/federal law.
- B. Terminated employees will be continued with coverage in all health plans until the last day of the calendar month in which they terminate. Terminated employees may be eligible for continuation of health insurance as required by the Consolidated Omnibus Budget Reconciliation Act (COBRA) and/or by other state/federal law.
- C. The County shall provide for an open enrollment period once each calendar year for employees, employees' eligible dependents, and retirees, to change their enrollment in a County health plan.
- D. Employees who are enrolled in a County health plan at the time of retirement will be given the opportunity to elect and enroll in a retiree health plan.

Section 3. Other Insurance Coverage

- A. OCEA shall maintain a trust fund administered in compliance with applicable state and federal law, for the purpose of providing dental, vision, disability and other benefits for employees in regular or limited term positions in the Representation Unit.
- B. The County shall, on a biweekly basis, forward thirty cents (\$0.30) per hour for all regular hours paid for all employees in this Representation Unit for deposit in said trust fund. The County shall forward at least monthly an amount equal to thirty cents (\$0.30) for each regularly scheduled hour in each full pay period of unpaid leave which meets the requirements of Family Leave pursuant to Article IV, Section 15 and applicable law.
- C. Insurance coverages provided through the trust fund with monies contributed by the County shall be made available by OCEA to all employees in the Representation Unit on an equal basis regardless of membership status.
- D. OCEA shall indemnify and hold the County harmless from any claims or legal actions brought under this Section. Notwithstanding the above, the County shall indemnify and hold OCEA, the trust fund, its trustees, attorneys, agents, advisors and representatives harmless from any claims or legal action as a result of the submission of any annual report required hereunder to be provided to the County by the trust fund or its trustees.
- E. Not more than once each contract year, upon written request, the trustees of the trust fund will provide the County with correspondence verifying the trust fund's compliance with applicable law during the previous contract year. Not more than once each contract year, the trustees shall also, upon written request, provide the County with the following:
 - 1. Upon completion, a copy of the annual independent financial report of the trust fund by a certified Public Accountant and form 5500.
 - 2. The annual report shall include the following information:
 - a. the actual cost of benefits provided by the trust fund;
 - b. member contributions to the cost of benefits provided by the trust fund;
 - c. rate increases by carriers for the immediately preceding year of insured benefits provided through the trust fund, if applicable (or, if not included in the report, these shall be provided separately);
 - d. a summary of other trust fund expenditures; and
 - e. the beginning and ending cash balances of the trust fund.

3. The annual report shall be provided to the County within thirty (30) days of either the County's written request or the report's completion, whichever shall last occur.
4. A letter from the Certified Public Accountant for the trust fund verifying that the transactions of the trust fund during the preceding year have been reviewed, that payments have been made consistent with contractual agreements, and that required tax returns have been filed in accordance with applicable laws.

Section 4. Premium Only Plan

The County will administer a Premium Only Plan that will allow an employee to pay for health insurance premiums as permitted by state and federal law, regulations, and guidelines. Under the plan, an employee's gross taxable salary will be reduced by the amount of his or her share of the premium costs of County-provided health insurance coverage, as permitted by state and federal law, regulations, and guidelines.

Section 5. Retiree Medical Plan

A. Retiree Medical Grant

1. Effective August 1, 1993, and as amended by the Board of Supervisors, the County implemented a Retiree Medical Plan ("the Plan") for employees who have retired from County service and who meet certain eligibility requirements of the Plan. The Plan does not create any vested rights to the benefits on the part of any employee, retiree, or any other person.
2. As set forth pursuant to the September 2006 reopener between the parties, the County will: (a) fund the cost of the Plan; and (b) establish a trust to administer the Plan.
3. Upon paid County retirement, if eligible, a retiree shall receive a Retiree Medical Grant (Grant). The Grant may be applied only towards the cost of retiree and dependent coverage in a County-offered retiree health insurance plan and/or Medicare premiums as provided below.

- a. Upon implementation of the Plan for eligible retirees the Grant shall be an amount based on ten (10) dollars per month for each full year of credited service in an Eligible Classification up to a maximum of twenty-five (25) years. In each fiscal year during retirement, the amount of such Grant shall be adjusted by the average percentage increase or decrease in County retiree health plan premiums no later than the effective dates of such change, not to exceed three (3) percent per year. In no case shall the Grant exceed the actual cost of the health insurance and/or Medicare premiums.
- b. The Grant will be adjusted as follows:
 1. The Grant will be reduced by seven and one-half percent (7-1/2%) per year for each year of age the employee is less than age 60, based upon the employee's age on the date when the employee takes active retirement from OCERS. For the purpose of deferred retirement, the date on which the deferred retiree takes active retirement from OCERS will be deemed the retirement date.
 2. The Grant will be increased by seven and one-half percent (7-1/2%) per year for each year of age the employee is greater than age 60, based upon the employee's age on the date when the employee takes active retirement from OCERS. For the purposes of the Grant increase, no years of age after age 70 will be considered. For the purpose of deferred retirement, the date on which the deferred retiree takes active retirement from OCERS will be deemed the retirement date.
 3. Sections 5.A.3.b.1 and 5.A.3.b.2 shall not apply to Disability Retirements.
 4. The Grant for all eligible retirees (including retirees on disability) and surviving dependents will be reduced by fifty percent (50%) the first day of the month the retiree or surviving dependent becomes eligible for both Medicare Part A (without paying a premium) and Medicare Part B, or immediately if the retiring employee is eligible for Medicare Part A (without paying a premium) and Medicare Part B as of the date of retirement. This provision does not apply to a retiree or surviving dependent eligible for the Grant who has attained age 65 on or prior to September 12, 2006 and is eligible for both Medicare Part A (without paying a premium) and Medicare Part B.

- c. All current employees who retire and become eligible for a Grant shall be provided a one time opportunity of thirty (30) days to enroll in a County offered retiree health plan from the date they retire. Should a retiree fail to enroll during the aforementioned thirty (30) day period or should he or she terminate coverage or fail to make necessary payments, the retiree and dependents shall forfeit any right to a Grant, if eligible, and enrollment in a County offered retiree health plan.

B. Retiree Medical Plan Lump Sum; Termination; Phase Out

1. An employee who was employed by the County prior to June 23, 2006 and who separates from County service prior to meeting the eligibility requirements for the Grant shall receive a lump sum (Lump Sum benefit) cash payment in accordance with C.2 below. The Plan Lump Sum benefit is terminated for all new County employees hired on or after June 23, 2006.
2. An employee who is employed by the County prior to June 23, 2006, who thereafter separates from the County and who does not qualify for a Grant shall receive a Lump Sum benefit equal to one percent (1%) of his or her final average hourly compensation multiplied by his or her qualified hours of service after August 1, 1993 and prior to June 23, 2006. The final average hourly compensation shall be calculated on base salary over the six thousand two hundred forty (6240) regular paid hours immediately proceeding June 23, 2006.
3. Receipt of the Grant shall permanently revoke any claim to a Lump Sum benefit even if the retiree subsequently terminates participation in a County-offered health plan and/or Grant. Receipt of the Lump Sum benefit shall permanently revoke any claim to the Grant.

C. Eligibility Requirements for Retiree Medical Grant

1. Retiree must be actively retired from the County of Orange and receiving a monthly retirement allowance from the Orange County Employees Retirement System (OCERS).
2. Retiree must have retired with at least ten (10) years of credited County service except as provided in C.2.a.,b.,c., and d. below:
 - a. A retiree who receives a service-connected disability retirement pension under OCERS shall be eligible for a Grant equal to either ten (10) years of service or actual years of credited County service, whichever is greater.
 - b. A retiree with a minimum of five (5) years of credited County service who receives a non-service connected disability retirement pension

under OCERS shall be eligible for a Grant based on actual years of credited County service. An employee with less than five (5) years of credited County service who receives a non-service connected disability retirement pension under OCERS shall not be eligible for a Grant.

- c. A separated employee who has less than ten (10) years of credited County service or is under normal retirement age and has requested a service or non-service connected disability retirement pension under OCERS shall not be eligible to receive either the Grant or the Lump Sum benefit until a determination of disability status is made by the Orange County Board of Retirement.
 - d. A separated employee who receives a Lump Sum benefit pursuant to this Section shall be ineligible for the Grant if, at a later date, the Orange County Board of Retirement grants a disability retirement.
3. All eligible retirees and enrolled dependents who are age sixty-five (65) or older must be enrolled in Medicare Part B in order to be eligible for the Grant. All eligible retirees and dependents who are entitled to Medicare Part A coverage without a premium must be enrolled in Medicare Part A to be eligible to receive the Grant.
4. Deferred Retirement
- a. An employee who, upon separation from County service, is eligible for paid retirement and elects deferred retirement must defer participation in the Grant until such time as he or she becomes an active retiree.
 - b. An employee who is not eligible for paid retirement at the time he or she separates from County service and elects deferred retirement status shall not become eligible for participation in the Grant.
5. For purposes of this Section, a full year of credited service shall be based upon those regular hours the employee worked for the County as a regular, limited-term and/or probationary employee. Two thousand eighty (2080) regular hours, exclusive of overtime, shall equal one (1) full year of service. Hours of service performed in periods before August 1, 1993, shall be counted toward credited service only if the employee has been continuously employed by the County from August 1, 1993 until his or her retirement.

D. Survivor Benefits

- 1. A surviving dependent of a retiree who was eligible to receive a Grant and who qualifies for a monthly retirement allowance shall be eligible for fifty (50) percent of the Grant authorized for the retiree.

2. A surviving eligible retiree who qualifies for a monthly retirement allowance who was married to a retiree who was also eligible for a Grant shall receive the survivor benefit described in D.1., above, or his or her own Grant, whichever is greater. Such retiree shall not be eligible for both Grants.

E. Transition from County Retiree Medical Grant to an OCEA-Administered Retiree Medical Trust

The County and OCEA agree to an immediate reopener, within two weeks of the adoption of this MOU by the Board of Supervisors, to discuss the possible transition of OCEA-represented County employees from the County's Retiree Medical Grant into an OCEA-administered Retiree Medical Trust (OCEA RMT) based on the following:

1. The OCEA RMT shall be a Voluntary Employees Beneficiary Association (VEBA) formed pursuant to Internal Revenue Code Section 501(c)(9) or similar plan.
2. As part of any transition, the County shall initially transfer to the OCEA RMT the agreed upon "Actives" portion of allocated assets of the current County Retiree Healthcare Plan.
3. As part of any transition, the County shall make recurring contributions to the RMT, consistent with the County's Actuarially Determined Contribution (ADC) as of June 30, 2019.
4. OCEA agrees to provide an actuarial projection based on reasonable actuarial assumptions which supports the goal of the OCEA RMT providing a benefit comparable to the current County Retiree Medical Grant.
5. OCEA agrees to provide to the County an annual audited financial report of the OCEA RMT.
6. OCEA agrees that OCEA and/or its advisors will only charge reasonable administrative fees.
7. OCEA agrees to establish the OCEA RMT in such a manner as to enable the participation of other bargaining groups who comply with the OCEA RMT's requirements.
8. Both parties understand that it is a goal of the plan that it be cost neutral for the County and that the RMT not result in a requirement that the County report an unfunded liability associated with the OCEA RMT in the County's financial statements to comply with governmental accounting standards.

9. The County waives its right to unilaterally implement any provisions in connection with this reopener during the term of this MOU.

Section 6. Reopener

Reopener as a Result of the ACA

The County may reopen negotiations on this Articleⁱ and other provisions of the MOU (eg., Flexible Spending Accounts in Article XXV), for purposes of addressing issues resulting from the implementation of the Patient Protection and Affordable Care Act (ACA), including but not limited to, the potential impact of the Excise Tax (commonly known as the “Cadillac Tax”) on high cost employer-sponsored health coverage. Federal administrative agencies have not yet issued definitive guidance regarding the Excise Tax which is expected to begin in 2018. The parties acknowledge that some of the benefits provided in the MOU may be included in the coverage to which the Excise Tax liability may apply. As a result, the issues that likely need to be addressed are: which health group plan coverages must be taken into consideration for purposes of this tax, how to calculate this tax, and what steps, if any, can be taken to avoid payment of the Excise Tax (eg., modification of benefits). Notwithstanding the above, the County may not reopen negotiations on these issues unless the issues have first been discussed as part of a Working Group.

The County will not be responsible for the payment of any Excise Tax on health coverage from unit members’ enrollment in County-sponsored health plans.

ⁱ Section 3 of this Article will not be reopened unless (and only to the extent that) its provisions are impacted by the ACA.

ARTICLE XX DEFINED CONTRIBUTION

Section 1 An employee in a regular position may, at his or her request, participate in the County's Section 457(b) Defined Contribution Plan.

Section 2 The parties agree to establish a working group to explore: (1) the possibility of expanding investment options in the County's Defined Contribution plans to include unitization of the OCERS fund; and (2) the retiree medical plan.

Section 3. The County and OCEA agree to a reopener to facilitate the automatic enrollment of new hire OCEA members in the appropriate County Defined Contribution plan.

ARTICLE XXI RETIREMENTSection 1. Retirement Benefit Levels

- A. For Employees Hired Prior to January 1, 2013 and for Employees Hired on or After January 1, 2013 who are Considered "Legacy Members" of OCERS within the Meaning of the Public Employees' Pension Reform Act of 2013 ("PEPRA").
1. Except as set forth in Section A.2 and A.3 below, employees will be provided a one-fiftieth (1/50) retirement benefit calculated pursuant to Section 31676.19 of the Government Code. This retirement benefit formula is commonly known as the "2.7% at 55" benefit formula.
 - a. For employees hired on or before September 20, 1979 the retirement allowance will be computed on the highest one (1) year of final compensation per Government Code Section 31462.1.
 - b. For eligible employees hired on or after September 21, 1979, the retirement allowance will be computed upon the employee's highest three (3) years of compensation per Government Code section 31462.
 2. 1.62% at 65 Pension Formula Election for Employees Hired Prior to May 7, 2010.
 - a. Employees hired prior to May 7, 2010 will be eligible for the Pension Formula Election described below once the Board of Supervisors approves an implementing resolution (which shall be after pending tax issues have been resolved so that the election will not result in any negative tax consequences for eligible unit members). Eligible employees will have 180 calendar days from that date within which to elect one time only whether to terminate for future County service their pension calculation stated in Government Code section 31676.19 (the "2.7% at 55" benefit formula) and elect instead the pension calculation stated in Government Code section 31676.01 (the "1.62% at 65" benefit formula) for future County service.
 - b. In the event an eligible employee fails to make an election during the period set forth in Subsection 2a above, the employee shall continue to be provided with the "2.7% at 55" benefit formula and shall make the employee retirement contributions established for that benefit formula.
 - c. In the event an eligible employee elects the "1.62% at 65" benefit formula, the employee shall be eligible to participate in

the County 1.62 Retirement 457(b) Defined Contribution Plan (the "DC Plan") described in Section 3 below.

- d. Effective with the beginning of pay period following the date an employee elects the "1.62% at 65" benefit formula, the normal employee contribution rate to the retirement system for the employee will be calculated pursuant to Government Code section 31621. The employee will will also make the contributions described in Section 2.B and C of this Article.
3. Election Option of "2.7% at 55" or "1.62 at 65" Pension Formula for Those Employees Hired by the County between May 7, 2010 and January 1, 2013.
 - a. Employees hired on or after May 7, 2010 and prior to January 1, 2013 were required to make the pension benefit formula election provided for in Board Resolution 10-072.
 - b. Employees had forty-five (45) calendar days from the date of hire or appointment to elect either the "2.7% at 55" benefit formula or the "1.62% at 65" benefit formula. Regardless of which benefit formula was selected, the employee is required to make retirement contributions in accordance with the provisions of Section 2.B and C below.
 - c. In the event an eligible employee failed to make an election during the 45 day period set forth in subsection 3.b above, the employee was deemed to have elected the "1.62% at 65" benefit formula.
 - d. An employee who elected, or was deemed to have elected, the "1.62% at 65" benefit formula is eligible to participate in the "DC Plan" described in Section 3 below.
 - e. After the employee made an election or was deemed to have made an election as described in Subsection 3.b and c. above, the employee is required to make retroactive contributions that would have been made from the employee's hire or appointment date, for the appropriate election as described in this Article. County matching contributions to the DC Plan, for employees who chose the "1.62% at 65" benefit formula are not retroactive to the employee's date of hire and are calculated from the date that the employee made an election or was deemed to have made an election of the "1.62% at 65" benefit formula.
 - f. Effective with the pay period following the date an employee elected, or was deemed to have elected, the "1.62% at 65"

benefit formula, the normal employee contribution rate to the retirement system for the employee will be calculated pursuant to Section 31621 of the Government Code. The employee will also make the contributions described in Section 2.B and C below.

- B. For Employees Hired on or After January 1, 2013 who are Considered “New Members” within the Meaning of PEPRA.
- The retirement formula will be the “1.62% at 65” benefit formula described in Government Code section 31676.01, utilizing the average three highest years of compensation per Government Code section 7522.32. Pensionable compensation and other pension related conditions are governed by the provisions of PEPRA and the OCERS Board of Retirement. Employees will also make the contributions described in Section 2.B and C. below.
 - “New Members” are eligible to participate in the “DC Plan” described in Section 3 below.

Section 2. Retirement Contributions

- A. Members' normal contribution rates shall continue to be established and adjusted subsequent to and in accordance with state law and the actuarial recommendations adopted by the Retirement Board and the Board of Supervisors.
- B. The County will adopt employee contribution rates equal to County contributions for full reserve funding of cost-of-living increases to retirees for all active members of the retirement system as recommended by the OCERS actuary. Employees will pay the full member contribution for each of the benefit plans provided by the County.
- C. Employee Retirement Contributions to Offset the Increased Cost of the “2.7% at 55” benefit formula:
1. The implementation of the “2.7% at 55” retirement benefit formula shall be without additional cost to the County for as long as the enhanced benefit formula is provided to employees, ie., it will be borne entirely by the employees. Effective with the pay period that commenced on June 24, 2005, unit members began making an additional employee contribution to the retirement system. This contribution is in addition to the normal employee contribution calculated under Section 31621.8 of the Government Code (or Section 31621 of the Government Code, if applicable), and is in addition to the employee contribution required to help provide full reserve funding of cost-of-living increases to retirees for all active members of the retirement system as recommended by the actuary.

The additional employee contribution made under this paragraph is known as the "Reverse Pickup" and is designed to offset both the prospective increased costs, as well as the increased costs attributable to past service liability of providing this enhanced retirement benefit.

- a. The portion of the additional employee contribution that is attributable to past service liability shall be in accordance with, and for the purposes stated, in Section 31678.3(d) of the Government Code. This additional employee contribution shall continue beyond the expiration date of this MOU, for the purpose of amortizing, over a 20 year period, the cost of the enhanced retirement benefit.
- b. The portion of the additional employee contribution that is attributable to the prospective increased cost of the benefit shall also continue beyond the expiration date of this MOU but unlike the past service liability, does not expire at the end of the 20 year period set forth above.

3. Reduction in Reverse Pickup

- a. Effective the first day of the first full pay period following Board of Supervisors adoption of this MOU, the annual reverse pickup contribution rate for employees in the PEPRA and 1.62% at 65 Classic benefit formulas will be frozen at the fiscal year 2019-2020 rate. The reverse pickup contribution rate for employees in the 2.7% at 55 benefit formula shall continue to be calculated pursuant to Section 2 of this Article.
- b. Effective the first day of the first full pay period following Board of Supervisors adoption of this MOU, reduce Reverse Pickup by an ongoing 1.2%.
- c. Effective July 3, 2020, reduce Reverse Pickup by an additional 1.2%, for a total fixed ongoing 2.4% reduction of the employee's paid reverse pickup.
- d. Effective July 2, 2021, reduce Reverse Pickup by an additional 1.2% for a total fixed ongoing 3.6% reduction of the employee's paid reverse pickup.
- e. By July 2, 2021, the entire Reverse Pickup for employees in the PEPRA and 1.62% at 65 Classic benefit formulas shall be eliminated.

Section 3. Defined Contribution Retirement Plan

- A. Beginning on May 7, 2010, the County will make available a County 1.62 Retirement, Section 457(b) Defined Contribution Plan (the "DC plan") to those employees who are covered by the "1.62% at 65" benefit formula (whether by election, deemed to have elected or are hired after January 1, 2013 and are deemed to be "new members" within the meaning of PEPRA). These employees will be permitted to make voluntary contributions to the DC Plan. The County will make matching contributions as described in Section 3.B. below.
- B. The County will contribute a biweekly amount to a Section 401(a) Defined Contribution Plan for an eligible employee equal to the biweekly amount that the employee contributes to the DC Plan, not to exceed two (2) percent of the employee's base salary (the "match"). County contributions to the Section 401(a) Defined Contribution Plan shall vest on behalf of the participant after that participant has been continuously employed by the County for a period of five (5) years. For this purpose, one year shall be equal to 2080 paid hours of service, exclusive of overtime.
- C. Employee contributions to the DC Plan(s) and the County contributions to the Section 401(a) Defined Contribution Plan shall be subject to contribution limits imposed by the Internal Revenue Service. In no event shall the County be required to pay any portion of the matching contributions that would cause the employee to exceed applicable Internal Revenue Service contribution limits.

Section 4. Tax-Deferred Retirement Plan

The County will administer an approved tax-deferred retirement plan which will allow employees to reduce their taxable gross income by the amount of their retirement contribution. The plan shall be in effect for the term of this Memorandum of Understanding subject to approval by the Internal Revenue Service.

ARTICLE XXII SEPARABILITY

In the event that any provisions of this Memorandum are declared invalid by any court of competent jurisdiction, such decision shall not invalidate the entire Memorandum, it being the express understanding of the parties hereto that all other provisions not declared invalid shall remain in full force and effect.

ARTICLE XXIII RECOGNITION

Pursuant to the Employee Relations Resolution of the County of Orange and applicable State law, the Orange County Employees Association is the Exclusively Recognized Employee Organization for the General Unit for classes in effect on June 21, 2019. Said classes are listed in Appendix A.

ARTICLE XXIV FLEXIBLE SPENDING ACCOUNTS

The County will administer the following Flexible Spending Accounts:

Section 1. Dependent Care Reimbursement Account (DCRA)

The County will administer a Dependent Care Reimbursement Account that will allow eligible employees the opportunity to allocate a specified amount of biweekly pre-tax salary into the employee's dependent care reimbursement account to pay for dependent care expenses as permitted by state and federal law, regulations and guidelines, and as permitted by the County's Section 125 Plan document.

Section 2. Health Care Reimbursement Account (HCRA)

The County will administer a Health Care Reimbursement Account that will allow eligible employees the opportunity to allocate a specified amount of biweekly pre-tax salary into the employee's health care reimbursement account to pay for health care expenses as permitted by state and federal law, regulations and guidelines, and as permitted by the County's Section 125 Plan document.

ARTICLE XXV PERFORMANCE INCENTIVE PROGRAM (PIP)

Section 1.

Effective, June 1, 2015, employees who are granted PIP awards will receive non-cashable time off of twenty (20) hours. This time off will not be subject to the requirement that PIP time be taken off within one (1) year. All other performance management components of PIP remain in effect.

ARTICLE XXVI LABOR MANAGEMENT COMMITTEES

Section 1. Introduction

- A. The County and OCEA desire to mutually encourage a cooperative, collaborative partnership approach to addressing and resolving workplace issues. The County and OCEA further desire to provide an opportunity for labor and management representatives to promote and maintain harmonious labor/management relations through the establishment of Agency/Department Labor Management Committees. This section is not intended to change or replace mutually agreeable existing arrangements, including labor-management forums, except by mutual agreement.
- B. The Labor Management Committee (LMC) process is intended for agency and department management and labor representatives to collaborate in a regularly scheduled (at least monthly) forum to develop solutions to workplace issues that are deemed appropriate for discussion. The County and OCEA recognize that this process will provide an important opportunity to achieve mutually acceptable solutions to workplace issues.
- C. It is the intent of the process that each party should raise issues prior to making decisions or adopting courses of action that may affect the other party.
- D. An issue may be considered by the LMC members unless the issue:
 - 1. Concerns only an individual employee, such as that employee's performance evaluation, PIP award, discipline or an individual problem with another employee;
 - 2. Has County-wide impact; or
 - 3. Involves the classification of one or more employees.
- E. LMC members will have the authority to discuss and develop solutions to workplace issues submitted by employees and management and to present those solutions to the LMC Sponsors.
- F. The activities of LMCs will be effectively communicated to all employees through monthly newsletters or other mutually agreeable methods.

Section 2. Structure

- A. The LMC program shall be jointly administered by four central LMC Program Sponsors, two of whom shall be appointed by the Chief of Employee Relations and two of whom shall be appointed by OCEA. Any issue concerning the implementation or administration of the LMC process may be referred to the LMC Program Sponsors by request of either party.

- B. 1. Every agency/department shall have an LMC.
- 2. The agency/department LMC structure shall consist of management representatives selected by the agency/department and employee representatives selected by OCEA. The LMC Program Sponsors may also select representatives to participate on the LMC.
- 3. Each agency/department LMC shall have two sponsors who may or may not be members of the LMC: the agency/department head and a representative designated by OCEA. The role of the sponsors is to monitor the direction and progress of the LMC and to provide the support and resources necessary to constructively address and resolve workplace issues.

Section 3. Time off for LMC Activities

- A. A reasonable number of employees shall be allowed reasonable time off without loss of pay to serve as employee representatives in the LMC process.
- B. In addition to A, above, reasonable time off without loss of pay shall be given to employees and LMC employee representatives as necessary to effectuate the purposes of the LMC process.

Section 4. Process

- A. Employees may submit a form entitled Workplace Issue Statement Form describing the workplace issue, the recommended change(s) and the advantage(s) associated with the change. Employees may choose to remain anonymous when submitting their workplace issue; however, anonymity may hinder the ability of the LMC to fully evaluate the issue presented.
- B. Employees may submit the Workplace Issue Statement form to any active LMC member or to LMC sponsors.
- C. The LMC member shall discuss and develop possible solutions to the submitted workplace issues. An LMC member may contact the employee who submitted the workplace issue to obtain additional information/clarification.
- D. Workplace issue solutions will be determined by a consensus of the members present at the LMC meeting and submitted as a recommendation to the LMC sponsors.
- E. Within 30 days of receipt of the LMC recommendation, the agency/department LMC sponsors shall respond to the LMC members in writing, indicating their acceptance, suggested modifications or rejection of each proposed solution and/or schedule for implementation. The sponsors shall provide written reasons for a rejection/modification of a solution submitted by the LMC.

- F. Any issue which is not resolved by the agency/department LMC shall upon request by either departmental sponsor be submitted to the central LMC Program Sponsors for advisory review.

ARTICLE XXVII SALARY

1. Effective the first day of the first pay period following adoption of this 2019-2023 MOU, the salary schedule will be increased by 2.50%.
2. Effective July 3, 2020, the salary schedule will be increased by 2.50%.
3. Effective July 2, 2021, the salary schedule will be increased by 2.50%.
4. Effective July 1, 2022, the salary schedule will be increased by 3.5%.

Article XXVIII DEPENDENT/CHILD CARE AND WORK-LIFE BALANCE

Section 1. Upon adoption of the MOU, the County and OCEA agree to establish a working group to discuss issues related to dependent/childcare and work-life balance.

APPENDIX A

Classes included in the County General Unit as of June 21, 2019:

7806GE Accountant/Auditor I
 7807GE Accountant/Auditor II
 5015GE Agricultural/Standards Inspector
 5010GE Agricultural/Standards Technician
 5220GE Airport Access/Noise Specialist I
 5224GE Airport Access/Noise Specialist II
 5500GE Airport Operations Officer
 5357GE Airport Technical Associate
 5917GE Animal Control Assistant
 5905GE Animal Control Officer
 5907GE Animal Control Officer Trainee
 5911GE Animal Control Public Education Officer
 5916GE Animal Control Services Representative
 0214GE Appraiser I
 0218GE Appraiser II
 0222GE Appraiser III
 0210GE Appraiser Trainee
 1154GE Archivist
 0599GE Assessment Technician II
 0600GE Assessment Technician III
 0598GE Assessment Technician Trainee
 2530GE Associate Librarian
 2108GE Assistant Planner
 2110GE Associate Planner
 7863GE Auditor-Appraiser I
 7866GE Auditor-Appraiser II
 7868GE Auditor-Appraiser III
 7860GE Auditor-Appraiser Trainee
 5320GE Building Inspector I
 5322GE Building Inspector II
 5323GE Building Inspector III
 5324GE Building Inspector IV
 1781GE Cadastral Technician I
 1787GE Cadastral Technician II
 1780GE Cadastral Technician Trainee
 6521GE Child Support Specialist
 1815GE Civil Engineer
 1810GE Civil Engineering Assistant
 6549GE Civilian Economic Crime Investigator
 8394GE Claims Representative
 8397GE Claims Technician
 6201GE Code Enforcement Officer
 0359GE Collection Officer I
 0360GE Collection Officer II

0357GE Collection Officer Trainee
3370GE Communications Coordinator I
3371GE Communications Coordinator II
3374GE Communications Installation Technician
3362GE Communications Installer
3376GE Communications Technician I
3381GE Communications Technician II
4708GE Community Health Assistant I
4709GE Community Health Assistant II
4710GE Community Health Assistant III
2550GE Community Relations Assistant - Library
3970GE Comprehensive Care X-Ray Technician
7992GE Computer Forensic Examiner
1118GE Computer Graphics Specialist
7913GE Computer Processing Assistant I
7915GE Computer Processing Assistant II
5360GE Construction Inspector
8381GE Contract Services Monitor
7452GE Correctional Farm Supervisor
2750GE Correctional Programs Technician
7451GE Correctional Services Technician
8908GE Crime Prevention Specialist
0686GE Customer Service Representative
6510GE Defense Investigator I
6514GE Defense Investigator II
6515GE Defense Investigator III
6509GE Defense Investigator Trainee
0692GE Dispatch Services Operator
7892GE District Attorney Senior Forensic Accountant
7057GE Education Assistant, Correctional Facility
2752GE Education Services Coordinator
0646GE Election Field Representative
5715GE Emergency Management Program Coordinator
5708GE Emergency Medical Services Specialist
1841GE Engineer/Architect Assistant
1859GE Engineering Geologist
1724GE Engineering Technician
1705GE Engineering Technician Trainee
5102GE Environmental Health Aid
1763GE Environmental Resources Specialist
1762GE Environmental Resources Technician
0676GE Financial Counselor II
0677GE Financial Counselor III
3954GE Fingerprint Technician I
3955GE Fingerprint Technician II
1606GE Food Service Worker
3925GE Forensic Assistant I
3926GE Forensic Assistant II

3932GE Forensic Scientist I
3934GE Forensic Scientist II
3935GE Forensic Scientist III
3952GE Forensic Specialist
3928GE Forensic Technician
3929GE Forensic Technician Trainee
1755GE Geographic Information Systems (GIS) Analyst
1754GE Geographic Information Systems (GIS) Specialist
1752GE Geographic Information Systems (GIS) Technician
1858GE Geologist
1140GE Graphic Designer
7425GE Group Counselor I
7426GE Group Counselor II
7423GE Group Counselor, Nights
7424GE Group Counselor Trainee I
7427GE Group Counselor Trainee II
4702GE Health Education Assistant
4704GE Health Education Associate
4715GE Health Information Specialist
2135GE Housing Rehabilitation Coordinator II
7974GE Information Technologist I
7976GE Information Technologist II
6524GE Investigative Assistant
0609GE Investigative Assistant - Sheriff
6518GE Investigative Technician I
6520GE Investigative Technician II
7989GE IT Applications Developer I
7990GE IT Applications Developer II
7986GE IT Business Analyst I
7987GE IT Business Analyst II
7978GE IT Database Administrator I
7979GE IT Database Administrator II
7961GE IT Network Engineer I
7962GE IT Network Engineer II
7982GE IT Security Administrator I
7983GE IT Security Administrator II
7964GE IT Systems Engineer I
7966GE IT Systems Engineer II
7902GE IT Systems Technician I
7905GE IT Systems Technician II
1805GE Junior Civil Engineer
1840GE Junior Engineer/Architect
1855GE Junior Engineering Geologist
2301GE Junior Law Clerk
3804GE Laboratory Aid
3805GE Laboratory Assistant
1480GE Laundry Worker
2300GE Law Clerk

3953GE Lead Forensic Specialist
7450GE Legal Property Technician
2400GE Library Assistant I
2401GE Library Assistant II
3588GE Maintenance Inspector
8392GE Materials Regulation Specialist, OC Waste & Recycling
1665GE Materials Testing Technician Trainee
1666GE Materials Testing Technician
4107GE Medical Assistant
4104GE Nursing Assistant
2303GE Paralegal
2302GE Paralegal Trainee
1660GE Permit Technician Trainee
1661GE Permit Technician
4515GE Pharmacy Technician
1115GE Photo-Reproduction Technician
0244GE Principal Appraiser
0602GE Principal Assessment Technician
9005GE Procurement Buyer
9000GE Procurement Buyer Trainee
9110GE Procurement Contract Specialist
1842GE Professional Engineer/Architect
1934GE Project Manager I
1935GE Project Manager II
1936GE Project Manager III
4701GE Public Health Investigator
4700GE Public Health Investigator Trainee
0680GE Public Safety Dispatcher
0695GE Radio Dispatcher
0693GE Radio Dispatcher Trainee
3960GE Radiologic Technologist
0320GE Real Property Agent I
0324GE Real Property Agent II
0326GE Real Property Agent III
0318GE Real Property Technician
0317GE Real Property Technician Aid
0515GE Recordable Documents Examiner I
0516GE Recordable Documents Examiner II
5920GE Registered Veterinary Technician
8369GE Research Analyst I
8373GE Research Analyst II
8371GE Research Analyst III
8374GE Research Analyst IV
0828GE Retirement Benefits Specialist I
0826GE Retirement Benefits Specialist II
0860GE Retirement Benefits Technician
6570GE Retirement Investigator
0862GE Retirement Program Specialist

8808GE Safety Specialist
 1116GE Scheduler, Publishing Services
 6103GE School Crossing Guard
 1474GE Seamstress
 5909GE Senior Animal Control Officer
 1789GE Senior Cadastral Technician
 6523GE Senior Child Support Specialist
 8395GE Senior Claims Representative
 1117GE Senior Computer Graphics Specialist
 5361GE Senior Construction Inspector
 5716GE Senior Emergency Management Program Coordinator
 5103GE Senior Environmental Health Aid
 3956GE Senior Forensic Specialist
 1622GE Senior Institutional Cook
 2402GE Senior Library Assistant
 9006GE Senior Procurement Buyer
 4703GE Senior Public Health Investigator
 0517GE Senior Recordable Documents Examiner
 0863GE Senior Retirement Program Specialist
 8809GE Senior Safety Specialist
 0495GE Senior Sheriff's Records Technician
 7448GE Sheriff Facilities Maintenance Specialist I
 7449GE Sheriff Facilities Maintenance Specialist II
 6120GE Sheriff's Call Taker
 6122GE Sheriff's Community Services Officer
 6116GE Sheriff's Correctional Services Assistant
 6115GE Sheriff's Correctional Services Assistant Trainee
 0494GE Sheriff's Records Technician
 0493GE Sheriff's Records Trainee
 0543GE Sheriff's Technician
 3187GE Shop Planner - Electrical, Mechanical
 3186GE Shop Planner - Structural
 1138GE Sign Technician
 8103GE Staff Aid I
 8105GE Staff Aid II
 8542GE Staff Assistant
 7091GE Staff Development Specialist
 8543GE Staff Specialist
 1716GE Surveyor I
 1717GE Surveyor II
 7906GE Technical Systems Specialist
 1890GE Telecommunications Engineer I
 1891GE Telecommunications Engineer II
 1892GE Telecommunications Engineer III
 0683GE Telephone Console Attendant
 0674GE Training Assistant/Sheriff
 1015GE Utility Worker-Driver
 5151GE Veterinary Assistant

1148GE Video Producer
7056GE Vocational Instructor, Correctional Facility
0929GE Warehouse Worker I
0930GE Warehouse Worker II
0931GE Warehouse Worker III
0932GE Warehouse Worker IV
8390GE Waste Inspector
8391GE Waste Inspector Trainee
7446GE Weapons Instructor, Sheriff