AMENDMENT TO THE 2016-2018 MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE SAN LUIS OBISPO COUNTY EMPLOYEES' ASSOCIATION SUPERVISORY UNIT

This Amendment is entered into as of September 26, 2017, by and between the County of San Luis Obispo (hereinafter referred to as "the County"), and the San Luis Obispo County Employees' Association (hereinafter referred to as "SLOCEA"), Supervisory Unit (BU05). In this Amendment, the term "parties" refers to the County and SLOCEA.

The parties agree that Article 13 Health Coverage and Other Benefits is hereby amended to read as follows:

13. HEALTH COVERAGE AND OTHER BENEFITS

13.1 General Provisions

13.1.1 County has the right to change medical, dental, and/or vision providers during the course of this Agreement.

13.1.2 Under this Agreement for those employees who elected County medical insurance under this section, the County's contribution is $750.58 per month.

13.1.3 For those active employees who opt out of County sponsored medical insurance, the County shall contribute only the amounts specified in section 13.3.

13.1.4 Domestic partners, as defined by California Family Code Section 297, shall be eligible for dependent coverage under the County's health insurance program.

13.2 Cafeteria Plan Allowance

13.2.1 The County agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing employees with access to various health and welfare benefits. The Plan provides participants the opportunity to purchase certain benefits on a pretax basis, including, but not limited to, medical insurance, vision insurance, and dental insurance benefits. Also pursuant to Section 125 of the Internal Revenue Code, participants may participate in flexible spending accounts to be used for out-of-pocket medical expenses and dependent care expenses on a pretax basis.

13.2.2 Except as otherwise stated herein, the County will contribute a monthly Cafeteria Plan Allowance of $750.58 per month per employee enrolled in a County medical insurance plan.

13.3 Employees Not Enrolled in a County Medical Insurance Plan (Opt-Out)

13.3.1 Employees will be enrolled in one of the medical plans offered by the County, unless they opt out of participation following submission of proof of alternative medical insurance coverage and maintain such coverage during the opt out period. All employees are required to participate in employee-only vision and dental.

13.3.1.1 Employees who opt out of participation on or after January 1, 2017 shall be required to submit proof of alternative group medical insurance coverage and maintain such coverage during the opt out period.

13.3.2 For employees hired on or after February 15, 2015 the cash out option will no longer be available for employees who elect to opt out of a County sponsored medical plan. These employees shall be eligible for the benefits specified in section 13.3.3.2 below.

13.3.3 For employees hired before February 15, 2015 the cash out option will be eliminated January 1, 2016, as set out by the following:

13.3.3.1 For employees who elect to opt out prior to January 1, 2016, the following provisions shall apply:

13.3.3.1.1 The County will pay $631.58 per month to each employee who elects to "opt out" of a County-sponsored medical plan.

13.3.3.1.2 The employee will receive the amount specified in 13.3.3.1.1 for as long as the employee continually elects to opt out after January 1, 2016.

13.3.3.1.3 If employee who has opted out later elects to enroll in a County-sponsored medical plan, provisions in section 13.2 shall apply.

13.3.3.2 For any employee who elects to opt out of a County-sponsored medical plan on or after January 1, 2016, the following provisions shall apply:

13.3.3.2.1 The County will pay the cost of vision and dental premiums for employee, employee plus one dependent, or employee plus family, as applicable.

13.3.3.2.2 Employees shall not receive the cash out specified in section 13.3.3.1.

13.3.3.2.3 If employee who has opted out later elects to enroll in a County-sponsored medical plan, provisions in section 13.2 shall apply.

13.3.4 SLOCEA will work collaboratively with the County through the Health Care Committee to develop health insurance options for employees with the goal of broadening health care options available to employees.

13.4 Other Cafeteria Plan Provisions

13.4.1 The parties agree that the current Cafeteria Plan requires that County benefit contributions be spent in the following order: employee-only vision; dependent vision, if any; employee-only dental; dependent dental, if any; employee-only medical insurance (except as otherwise noted in Section 13.3), and dependent medical, if any. The County's obligation to make these contributions shall not exceed the total Cafeteria Plan contributions in Section 13.2.2.

13.4.2 The parties agree that the Cafeteria Plan Allowance provided for in this Agreement was negotiated for the benefit of those persons who remain in County employment and was not intended to apply to former employees who leave County employment as of the date the Board of Supervisors approves this Agreement.

13.5 Health Plan Committee

13.5.1 One of SLOCEA's unit members will participate in a Management-chaired Health Care Plan Committee, and shall have complete authority to act on behalf of SLOCEA on Health Care Plan Committee business. This individual will be allowed release time for Health Care Plan Committee meetings as deemed necessary by the Chairperson. It shall be the responsibility of said member and said Committee to:

1. Meet as often as is reasonably necessary.
2. Monitor health care plans.
3. Make cost containment recommendations.
4. Make future recommendations concerning rates.

13.6 Pro-ration of Benefits

13.6.1 Part-time employees hired after December 14, 2004, will receive pro-rated cafeteria plan contributions based on hours worked, paid leave and/or time off granted under the Voluntary Time Off Program (VTO). Pro-ration will be applied to the Cafeteria Plan Allowance indicated in Section13.2, less the Public Employees Medical Hospital Care Act (PEMHCA) minimum as determined by CalPERS each year. The PEMHCA minimum will then be added to this pro-rated amount for a total contribution.

13.6.2 Employees employed with the County on or before December 14, 2004, including all part time and full time employees, shall be grandfathered to receive, for the entirety of their County employment, the full Cafeteria Plan Allowance as specified in Section 13.2.

13.6.3 Any current employee employed with the County on or before December 14, 2004, that separates from County employment due to layoff, who is subsequently reinstated or reemployed pursuant to Civil Service Rules, will resume receiving the full Cafeteria Plan Allowance as specified in Section 13.2 of this Agreement.

13.7 Voluntary Employee Beneficiary Association (VEBA)

13.7.1 The County will contribute $50 per month, per employee on the second pay period of each month to the employee's Universal Voluntary Employee Beneficiary Association (VEBA) account, also referred to as PEHP (Post Employment Health Plan).

13.7.2 SLOCEA agrees to program guidelines developed by the County. The County has the right to continue, modify or replace this plan subject to any required meeting and conferring pursuant to Gov. Code Section 3504.

IN WITNESS, WHEREOF, County and SLOCEA have executed this Amendment on the day and year first hereinabove set forth,

For the County:

Tami Douglas-Schatz,
Management Representative

Dated: 9/26/17

For SLOCEA:

Pat McNamara,
SLOCEA General Manager

Dated: 9/26/2017

APPROVED AS TO FORM AND LEGAL EFFECT

RITA L. NEAL
County Counsel

9.27.2017

By: Timothy McNulty, Assistant County Counsel