

SIDE LETTER TO THE 2025-2028 MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE SAN LUIS OBISPO COUNTY EMPLOYEES' ASSOCIATION TRADES, CRAFTS, AND SERVICES UNIT (BU 02) REGARDING EMPLOYER HEALTHCARE CONTRIBUTIONS (aka CAFETERIA) AND EMPLOYEE HEALTH CLINIC ELIGIBILITY

This Side Letter Agreement ("Side Letter") is entered into by and between the County and the San Luis Obispo County Employees' Association (collectively, "the Parties").

This Side Letter memorializes the Parties' agreement regarding (1) the creation of healthcare contribution tiers for married couples or registered domestic partners who are both employed by the County (earliest implementation Plan Year 2028), and (2) the expansion of eligibility to access the County Employee Health Clinic (effective July 1, 2026).

1. COMBINED COVERAGE CONTRIBUTION TIERS

1.1. Establishment of Combined Coverage Tiers

- 1.1.1.** The County shall establish two (2) additional employer healthcare contribution tiers available to married couples and registered domestic partners when both spouses or registered domestic partners are employed as permanent employees by the County (hereinafter referred to as "employed couple").
- 1.1.2.** Employer contribution tier for an employed couple, excluding dependents.
 - 1.1.2.1.** The employer contribution tier for an employed couple, excluding dependents shall apply to an employed couple who are enrolling together but are not enrolling dependents.
 - 1.1.2.2.** The employer contribution shall be equal to the combined premium cost of the lowest-cost non-high-deductible County-sponsored medical plan, the lowest-cost County-sponsored dental plan, and the County-sponsored vision plan for employee plus one (1) dependent coverage.
- 1.1.3.** Employer contribution tier for an employed couple plus eligible dependents
 - 1.1.3.1.** The employer contribution tier for an employed couple plus eligible dependents shall apply to employed couples who are enrolling together and who enroll one or more eligible dependents.
 - 1.1.3.2.** The employer contribution shall be equal to the combined premium cost of the lowest-cost non-high-deductible County-sponsored medical plan, the lowest-cost County-sponsored dental plan, and the County-sponsored vision plan for employee plus two (2) or more dependents coverage.

1.2. Combined Enrollment Rules

1.2.1. Employed couples shall be treated as a single combined enrollment unit for purposes of cafeteria contributions and benefit elections. Both employees and eligible dependents must enroll under the same combined coverage tier, and the same medical, dental, and vision plans.

1.3. Election, Eligibility, and Administration

1.3.1. Enrollment as an employed couple is optional. Employed couples may elect to enroll separately in an employee-only, employee plus one (1) dependent, or employee plus two (2) or more dependents in which case they would not be eligible for either of the two new contribution tiers.

1.3.2. Employees may not simultaneously enroll as employee-only, employee plus one (1) dependent, or employee plus two (2) or more dependents for the duration of their enrollment in an employed couple tier.

1.4. Employee Responsibility for Notification

1.4.1. Both employees are responsible for notifying the County if they are eligible for and wish to enroll via the County's established enrollment procedure within 31 days of a qualifying event. No retroactivity will be given for failure to report eligibility.

1.4.2. Employees must also promptly notify the County if they become ineligible or wish to change coverage due to a qualifying life event. Failure to provide timely notice may result in loss of eligibility, delayed coverage changes, and the employee being responsible for repayment of any overpayment of employer contributions received.

1.5. Verification Requirements

1.5.1. Employees must submit verification of marriage or registered domestic partnership. Employees must also submit official proof of dependent eligibility if enrolling dependents. The County may require recertification of eligibility.

1.6. No Cash-Out

1.6.1. Neither employee of an employed couple shall receive any cash back if the employer contribution exceeds the premium cost of the employees' elected plans. They will also not be eligible for any cash out for opting out of a County sponsored medical plan specified in section 16.2 of the MOU.

1.7. Implementation Timeline

1.7.1. Implementation of the combined coverage contribution tiers is expected to be for the health plan year that follows implementation of the new ERP system. These tiers are expected to be available during the 2027 open enrollment for the 2028 plan year.

1.7.2. Implementation is dependent on the readiness of the new ERP system. If implementation of the ERP system is delayed beyond open enrollment in fall 2027, the County will meet and discuss the implementation date for the new cafeteria contribution tiers with SLOCEA.

2. EXPANSION OF HEALTH CLINIC ELIGIBILITY

2.1. Eligibility Expansion

2.1.1. Effective July 1, 2026, all County employees and their dependents who are enrolled in a County-sponsored employee medical plan shall be eligible to utilize the County Employee Health Clinic.

This Side Letter shall become effective upon execution and shall remain in effect for the term of the current MOU unless modified by mutual written agreement of the Parties or incorporated into a successor MOU.

This Side Letter constitutes the entire agreement of the Parties regarding the subject matter addressed herein. No oral statements or prior agreements shall be binding.

DATED: 03/13/2026

So Agreed: *Emily Landis*
For SLOCEA

Jamie Russell
For the County

APPROVED TO FORM AND LEGAL EFFECT:

JON ANSOLABEHERE
County Counsel

By: *Jenna Morton*
Jenna Morton, Assistant County Counsel

Dated: 3/13/26