

SANITARY DISTRICT NO. 5 of MARIN COUNTY
EMPLOYEE BENEFITS PLAN FOR UNREPRESENTED EMPLOYEES
EFFECTIVE JULY 1, 2022

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EMPLOYEE BENEFITS PLAN FOR UNREPRESENTED EMPLOYEES

This document summarizes the benefits for individuals employed in full-time classifications at Sanitary District No. 5 of Marin County (“District”) that are not represented by recognized employee organizations, and applies to the following classifications:

District Manager

Office Manager

These benefits apply to full-time employees in these classifications unless otherwise superseded by an employment agreement that is approved by the District Board of Directors. Employees covered by the Plan will also be eligible for any additional benefits approved by the Board of Directors that apply to their classifications. All employees covered by this benefits plan are “at-will” employees unless otherwise specified in an employment agreement or other legislative action of the Board of Directors.

Section 1. Dental Benefits

The District shall make a dental benefit available to employees covered by this Benefits Plan. The actual dental plan and terms of coverage shall be determined by the District. For any employee desiring coverage under this dental benefit, the District shall contribute the current rate for the employee and eligible dependents portion per month toward the benefit. Any cost for the dental benefit that is not paid by the District will be paid by the employee through the employee’s Section 125 Cafeteria Plan and/or payroll deduction.

Section 2. Vision Insurance Benefits

The District shall make a vision benefit available for employees covered by this Benefits Plan. The actual vision plan and terms of coverage shall be determined by the District. For any employee desiring coverage under this vision benefit, the District shall contribute the current rate for the employee only portion per month toward the benefit. Any cost for the vision benefit that is not paid by the District will be paid by the employee through the employee’s Section 125 Cafeteria Plan and/or payroll deduction.

Section 3. Life Insurance Benefits

The District shall provide a Basic Life and Accidental Death and Dismemberment Insurance plan in the amount of \$50,000.

Section 4. Health Benefits

The District provides health coverage through CalPERS. The District’s contribution toward medical insurance will be the minimum contribution level established by CalPERS pursuant to Government Code 22892. Any remaining premium amount shall be paid by the employee either through the Section 125 Cafeteria Plan described below, through payroll deductions, or a combination thereof.

The District has established a cafeteria benefit plan in accordance with Section 125 of the Internal Revenue Code, allowing employees to use pre-tax compensation for medical, dependent medical, employee dental, dependent dental, employee vision, dependent vision, eligible uninsured medical expenses, or a combination thereof.

In addition to the minimum contribution amount established annually by CalPERS for medical benefits, the District shall contribute an additional amount to an employee’s cafeteria plan. The amount contributed to the cafeteria plan in combination with the medical contribution shall equal the amounts listed below, based on the level of medical plan enrollment, to each active employee's Section 125 Plan account.

Hire Date	Enrollment Level	District Contribution
Before Dec 18 2012	Employee only	100% Kaiser Basic plus administrative fees and Contingency Reserve Fund assessments for employee only, minus employer PEMHCA contribution; plus cost of dental plan for employee only; plus cost of vision plan for employee only
Before Dec 18 2012	Employee + 1	100% Kaiser Basic plus administrative fees and Contingency Reserve Fund assessments for employee plus eligible dependent, minus employer PEMHCA contribution; plus cost of dental plan for employee and eligible dependent; plus cost of vision plan for employee only
Before Dec 18 2012	Employee + 2 or more	100% Kaiser Basic plus administrative fees and Contingency Reserve Fund assessments for employee plus eligible dependents, minus employer PEMHCA contribution; plus cost of dental plan for employee and eligible dependents; plus cost of vision plan for employee only
After Dec 18 2012	Employee only, Employee + 1, or Employee + 2 or more	100% of Kaiser Basic plus administrative fees and Contingency Reserve Fund assessments for employee plus eligible dependents, minus employer PEMHCA contribution; plus cost of dental plan for employee only; plus cost of vision plan for employee only

Any cost for the plan not paid by the District will be paid by the employee through the Section 125 Cafeteria Plan and/or payroll deductions.

Eligible employees who are covered by health insurance through their spouse or other source with benefits comparable to those provided through District sponsored plans may waive coverage under the District sponsored Plans. The employee shall sign a waiver form provided by the District. The employee must understand that re-enrollment is subject to any provisions of the medical plan. Procedures for the administration of the Section 125 Plan shall be determined by the District.

4.2 (d) Opt-out

Eligible employees who are covered by health insurance through their spouse or other group health plan may waive coverage under the District sponsored Plans and receive a in lieu of cash benefit of \$400 per month. The employee shall sign a waiver form provided by management and provide proof of coverage in another group health plan, Employees receiving the health insurance waiver benefit must notify the Human Resources Department if they cease to be covered by any other medical plan, thereby making them ineligible for the health insurance waiver benefit. The employee must understand that re-enrollment in the District sponsored CalPERS Plan is subject to the limitations/exclusions/time period instituted by CalPERS. Employees are eligible to re-enroll during the CalPERS open enrollment period.

4.3 Employee Health and Wellness Program

A total of \$600 is available for reimbursement for the fiscal year per participating employee for health and wellness reimbursements approved under CSRMA's (District Workers Comp Insurance Program) Health and Wellness Program.

Section 5. Long Term Disability Insurance Benefits

The District shall provide each employee with Long Term Disability Insurance ("LTD"). The District shall contribute for each employee the sum necessary per month to cover the entire premium cost of a long-term disability insurance policy selected by the District.

Section 6. Retirement Benefits

6.1 CalPERS Pension

The District shall continue to contract with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits for eligible employees as described in this Section.

6.2 Tier One: "2.7% at 55" Retirement Benefit Formula – Employees Hired On or Before December 30, 2012

This Section 6.2, including subsections, shall apply to employees hired on or before December 30, 2012.

6.2.1 “2.7% at 55” Pension Benefit Formula

The “2.7% at 55” pension benefit formula will be available to employees covered by this Section 9.2.

6.2.2 Final Compensation Based On 12-Month Period

For purposes of determining a pension benefit, final compensation for employees covered by this Section 9.2 shall mean the highest twelve (12) consecutive month period as specified in Government Code Section 21362.2.

6.3 Tier Two: “2% @ 60” Retirement Formula Benefit – Employees Hired After December 30, 2012 and Employees Qualified for Reciprocity (Classic Member)

This Section 6.3, including subsections, shall apply to employees hired after December 30, 2012 and employees hired on or after January 1, 2013 who are qualified for pension reciprocity as stated in Government Code Section 7522.02(c) and related CalPERS reciprocity (Classic Member) requirements.

6.3.1. “2% @ 60” Pension Formula

The “2% at 60” pension benefit formula will be available to employees covered by this Section 9.3.

6.3.2 Final Compensation Based On 36-Months

For the purposes of determining a retirement benefit, final compensation for employees covered by this Section 9.3 shall mean the highest annual average pensionable compensation earned during a period of thirty-six (36) consecutive months of service.

6.4 Tier One and Tier Two Employees: Employer Paid Member Contribution and Pension Cost-Sharing

Under the Public Employees’ Retirement Law, two types of contributions are required to fund the District’s PERS benefits: (1) member (employee) contributions and (2) employer contributions. Employee and employer contributions are stated as a percentage of pensionable compensation.

Member contributions for District employees are set by statute: 8% for Tier One employees (“2.7% at 55” retirement benefit formula) and 7% for Tier Two employees (“2% at 60” retirement benefit formula.) The District’s contribution rates are set by CalPERS.

Government Code Section 20691 permits an employer to pay all or a portion of the member (employee) contributions for employees hired on or before December 31, 2012. (“Employer paid member contribution” or “EMPC”)

Government Code Section 20516 permits employees to share a portion of their employer's pension cost. ("Pension cost-sharing")

6.4.1 For Tier One and Tier Two employees subject to Sections 6.2 or 6.3 above, the District shall pay the member (employee) contribution ("employer paid member contribution," or "EPMC") and the employees shall pension cost-share as follows:

For FY 2022-2023: The District shall pay the full member contribution, and the employee shall pay, through payroll deduction, 5% of PERSable compensation as permitted by Government Code Section 20516(f).

For FY 2023-2024: The District shall pay the full member contribution, and the employee shall pay, through payroll deduction, 6% of PERSable compensation as permitted by Government Code Section 20516(f).

For FY 2024-2025: The District shall pay the full member contribution, and the employee shall pay, through payroll deduction, 7% of PERSable compensation as permitted by Government Code Section 20516(f).

For FY 2025-2026: The District shall pay the full member contribution, and the employee shall pay, through payroll deduction, 8% of PERSable compensation as permitted by Government Code Section 20516(f).

6.4.2 Implementation of Internal Revenue Code Section 414(h)(2)

All EPMCs for employees are reported to CalPERS as compensation in accordance with Government Code Section 20636(c)(4). The District shall continue to implement Internal Revenue Code Section 414 (h)(2).

6.5 Tier Three: PEPR Retirement Tier Required For Employees Hired On or After January 1, 2013 and Not Qualified For Reciprocity (Not A Classic Member)

This Section 6.5 including subsections shall apply to employees who were hired on or after January 1, 2013, and who do not qualify for pension reciprocity (not a Classic Member) as stated in Government Code Section 7522.02(c) of the Public Employees' Pension Reform Act ("PEPRA").

6.5.1 2% at 62 Pension Formula

The "2% @ 62" retirement program as described in Government Code Section 7522.20 will be available to employees covered by this Section 6.5.

6.5.2 Final Compensation Based On 36-Months

Effective January 1, 2013, for the purposes of determining a retirement benefit, final compensation for employees covered by this Section 6.5 shall mean the

highest average annual pensionable compensation earned during a period of thirty-six (36) consecutive months of service.

6.5.3 Required Employee (Member) Contributions

January 1, 2013, bargaining unit members covered by this Section 6.5 shall pay, through payroll deduction, fifty percent (50%) of normal costs as determined by CalPERS.

6.6 For willing participants the District offers a deferred compensation match of up to \$5,000 per employee per fiscal year. The District currently offer participation into Calpers deferred comp (<https://www.calpers.ca.gov/page/active-members/retirement-benefits/deferred-compensation>)

6.6 Other Options Included In CalPERS Contract

Subject to CalPERS rules and regulations, employees shall be eligible for other options included in the District's contract with CalPERS:

- (a) Sick leave credit
- (b) Non-Industrial Disability
- (c) Optional Settlement 2W Pre-Retirement Death Benefit
- (d) \$500 lump sum post-retirement death benefit
- (e) 2% COLA
- (f) Full formula plus social security
- (g) Military service credit as public service

Section 7. Retiree Health Benefits

7.1 Pursuant to Resolution Nos. 2000-12, 2000-13 and 2002-09, eligible employees hired prior to November 18, 2012 are entitled to the following additional retiree medical benefits:

- (a). Eligible retired employees hired by the District before September 1, 2000

To be eligible for benefits under this subsection upon retirement, the annuitant must have been a full-time District employee for a minimum of five continuous years (which must be immediately preceding retirement for eligible retired employees hired by the District before September 1, 2000), must be at least 55 years of age

and must retire from the District with PERS retirement. Any additional PERS requirements will also apply. The District shall contribute to the annuitant's HRA or similar funding mechanism the amount necessary to pay the cost of the enrollment of the annuitant, including the enrollment of his or her eligible dependents, in a health benefit plan, up to a maximum of the Kaiser basic/supplemental rates per month plus administrative fees and Contingency Reserve Fund assessment, minus the minimum PEMHCA contribution made by the District on the retiree's behalf.

- (b) Eligible retired employees hired by the District after September 1, 2000.

To be eligible for benefits under this subsection, the annuitant must have been a full-time District employee for a minimum of five continuous years, must be at least 55 years of age and must retire from the District with PERS retirement. Any additional PERS requirements will also apply. The District shall contribute to the annuitant's HRA or similar funding mechanism the amount necessary to pay the full cost of the annuitant's enrollment, including the enrollment of his or her eligible dependents, in a health benefits plan or plans up to a maximum of one hundred percent (100%) of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus ninety percent (90%) of the weighted average of the additional premiums required for enrollment of his or her eligible dependents in the four (4) health benefits plans which have the largest number of enrollments during the year to which the formula is applied plus administrative fees and Contingency Reserve Fund assessment, but not more than one hundred percent (100%) of premium applicable to him or her.

- (c) Eligible employees hired by the District on or after November 18, 2012 are entitled to the minimum employer contribution established annually by CalPERS.

Section 8. Holidays

Regular full-time employees shall be eligible for holiday pay, not to exceed eight (8) hours for any one (1) day, or nine (9) hours for employees assigned to 9-80 workweeks, or ten (10) hours for employees assigned to a 4-10 weekly work schedule, provided they are in a pay status on one of their regularly scheduled workdays either immediately preceding or following the holiday. The rate of compensation for the holiday shall be based upon the employee's regular hourly wage rate.

The holidays observed in this District shall be:

- (1) New Year's Day, January 1
- (2) Memorial Day
- (3) Independence Day, July 4
- (4) Thanksgiving Day
- (5) Day after Thanksgiving Day
- (6) Christmas

Employees shall have six (6) floating holiday in addition to the existing six (6) holidays per fiscal year. Requests to schedule floating holidays shall be presented to the employee's supervisor, and are subject to rescheduling based on the needs of the District.

When a holiday falls on a full-time employee's regularly scheduled day off, the employee shall receive eight (8) hours of additional time, or nine (9) hours for employees assigned to 9-80 workweeks, or ten (10) hours for employees assigned to a 4-10 weekly schedule, at a time determined by agreement between the District Manager and the employee. Such time off earned must be taken within six (6) months of the holiday as scheduled with the District Manager; provided, however, that with the approval of the District Manager the time limit may be extended.

Section 9. Vacation

Regular full-time employees shall be entitled to annual vacation leave as follows:

- From one (1) to three (3) years of employment – 80 hours
- From four (4) to seven (7) years of employment – 120 hours
- From eight (8) to twenty-five (25) years of employment – 160 hours
- After twenty-five (25) years – 200 hours

The District encourages employees to annually take their vacation leave. An employee may defer vacation leave up to a limit of four hundred (400) hours. Upon accruing the maximum number of vacation hours, the employee will cease to accrue vacation until the employee's unused vacation accrual is reduced below the cap.

Employees may sell back up to 120 hours of vacation per fiscal year. Employees with an unforeseen financial emergency may address the District Manager in writing explaining the financial burden and requesting permission to sell back additional accrued vacation hours. The District Manager will review all requests on a case by case basis. The District Manager has the right to deny the employee request with no right of appeal.

Section 10. Sick Leave

Regular full-time employees shall accrue sick leave at the rate of one hundred twenty (120) hours per fiscal year. Sick leave may be granted because of illness, injury, exposure to contagious disease, illness or injury of a member of the employee's immediate family requiring

the employee's attendance, and medical, dental and optical appointments to the extent that such appointments cannot be scheduled outside the work day.

An employee's immediate family shall consist of the employee's: spouse; domestic partner; children; step-children; or the mother, father, brother, sister, grandchildren or grandparents of the employee, spouse, or domestic partner; or other members of the employee's family residing in the employee's home; or other members of the employee's family primarily dependent upon the employee.

An employee may be granted sick leave only in case of actual sickness as defined above. In the event that an employee or a member of the employee's immediate family recovers from any such sickness after being granted sick leave, and during the regularly scheduled hours of work, then such employee shall notify the appropriate supervisor and be available to return to duty. Sick leave may not be used before it is earned. In no event shall sick leave be converted into a cash bonus.

Excessive use of sick leave, tardiness, and failing to use the call-in procedures when absent or tardy can negatively impact job performance and affect others in the performance of their jobs. Factors that will be considered in determining whether use of sick leave is excessive include, but are not limited to, the number of absences compared to other employees, whether absenteeism is limited to a finite time period or whether it continues over time, the basis for the absenteeism and the significance of the impact on the performance of the employee or of others.

In order to receive compensation when absent on sick leave, the employee shall notify the employee's supervisor at least four (4) hours prior to the time set for beginning the employee's duties, unless the employee is prevented from doing so by an emergency. Employees assigned to work the day shift shall provide notice to the employee's supervisor as soon as reasonably possible.

The District may require a physician's certification at any time regarding the sickness or injury of the employee or their immediate family member and the date of the employee's intended return to work.

An employee may use up to sixteen (16) hours of accrued sick leave for personal emergencies with the approval of their supervisor and the District Manager.

Section 11. Rest and Lunch Periods

Under normal conditions, the work schedule of all employees shall provide a fifteen (15) minute rest period during each four (4) hour work period. Employees shall also normally have a paid 30-minute lunch period. Employees must stay within District boundaries during their lunch break.

Section 12. Salaries Pay Scale

Effective July 1, 2022, employees shall receive an annual Cost of Living Allowance (“COLA”) increase based on the San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (“CPI”) using the CPI annual average for the calendar year immediately preceding the commencement of the District’s fiscal year with a minimum and maximum set by the terms below:

July 1, 2022 – set at 5%

July 1, 2023 – 4% min - 7% max

July 1, 2024- 3.5% min – 6.5%max

July 1, 2025- 3% min – 6% max