June 18, 2019

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

MEMORANDUM OF UNDERSTANDING FOR FRINGE BENEFITS FOR BARGAINING UNITS REPRESENTED BY THE COALITION OF COUNTY UNIONS AND RELATED SALARY CHANGES FOR NON-REPRESENTED EMPLOYEES (ALL DISTRICTS) (3 VOTES)

SUBJECT

This letter and accompanying ordinance extends the terms and conditions of the Fringe Benefits Memorandum of Understanding (MOU) with the Coalition of County Unions (CCU), extends certain benefits to related non-represented classifications and amends certain compensation provisions for non-represented classifications.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the accompanying successor Fringe Benefits MOU with the CCU for a three-year term ending on June 30, 2021.

2. Approve related changes for non-represented employees as set forth in the accompanying ordinance amending Title 5 – Personnel, and Title 6 – Salaries, of the Los Angeles County Code.

3. Instruct the Auditor-Controller to make all payroll system changes necessary to implement the recommendations contained herein.
PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

BACKGROUND

A successor Fringe Benefits MOU with Service Employees International Union (SEIU) Local 721 was approved by the Board on November 20, 2018, for a three-year term from October 1, 2018 through September 30, 2021. At that time, we advised that negotiations were continuing with CCU and we would submit a separate letter to the Board with a successor MOU once final agreement was reached.

NEGOTIATED FRINGE BENEFITS CHANGES FOR CCU

We have concluded negotiations and are submitting a successor Fringe Benefits MOU with CCU for a three-year term from July 1, 2018 ending June 30, 2021, for the Board’s approval. These agreements provide for changes in cafeteria plan contributions and an expanded bereavement leave provision. Time off will be permitted for the death of an employee’s brother-in-law, sister-in-law, great-grandfather, or great-grandmother; and, when less than 500 miles are traveled, up to five (5) days off will be allowed, three (3) days of bereavement leave and two (2) days which shall be deducted from the employee’s accrued vacation, personal leave, holiday time, or taken as time off without pay, as elected by the employee. Also, $200,000 during each year of the contract shall be used to enhance alternative transportation systems and marketing such programs to County employees.

The County’s monthly health insurance subsidy for eligible temporary and recurrent employees represented by CCU will be adjusted by five and one-half percent (5.5%) in 2019, six percent (6%) in 2020 and six percent (6%) in 2021.

Also, the agreement provides for a one-time payment of $500 and a one-time increase of 8 hours of leave time for certain full-time permanent employees as defined, effective April 30, 2019, for employees covered by the CCU Fringe Benefits MOU.

CAFETERIA PLAN CONTRIBUTION ADJUSTMENT AND TAXABLE CASH CAP

The agreement provides for the adjustment of the County’s contribution towards the Choices cafeteria plan at one and one-half percent (1.5%) effective July 1, 2019, two percent (2%) effective November 1, 2019, and two and one-half percent (2.5%) effective January 1, 2021. In addition, a taxable cash cap of $325 per month shall be applied in 2020 and a cap of $244 per month in 2021, to maintain the bona fide status of the Choices Cafeteria Plan.

Consistent with the agreement with SEIU for employees under the Options plan, to lessen the impact of reduced cafeteria plan contributions and the implementation of taxable cash caps, employees under the Choices plan will receive a sustainability adjustment of four (4) standard salary levels (approximately 1%) effective January 1, 2020. In addition, effective January 1, 2021, a sustainability half-step of eleven (11) standard salary levels (approximately 2.75%) will be added to the salary range for all full-time permanent employees represented by CCU who receive an annual performance rating of “Competent” or better as acknowledgement of CCU’s cooperation with maintaining the bona fide status of the Choices Cafeteria Plan.
NON-REPRESENTED EMPLOYEES

General salary movement for non-represented employees comparable to the increases negotiated for represented employees was approved by the Board on November 20, 2018. However, this approval did not extend the sustainability adjustments to non-represented employees as negotiations with the CCU for fringe benefits and certain bargaining units had not concluded. In light of the agreements reached with SEIU and CCU, we recommend extending comparable sustainability adjustments to most non-represented employees in order to maintain internal equity, except that the salaries of Tier I Management Appraisal and Performance Plan participants, including department heads, will not be changed as a result of the structural adjustments. Adjustments and corresponding changes for Management Physicians will be submitted in a separate letter following ratification of the tentative agreement with the Union of American Physicians and Dentists for represented physicians.

In addition, the Board approved successor MOUs for Bargaining Units 601 (Fire Fighters), 602 (Supervisory Fire Fighters), 641 (Beach Lifeguards) and 642 (Supervisory Beach Lifeguards) on May 21, 2019. These agreements provide for adjustments to the Emergency Medical Technician Certification bonus and the Wellness/Fitness for Life Program and establishes a PEER Support Program bonus. We are recommending extending these pay practices to certain non-represented employees in the Fire Department and the Department of Parks and Recreation.

All recommended changes are detailed in the accompanying ordinance.

Implementation of Strategic Plan Goals

The actions recommended in this Board letter promote the County’s Strategic Plan Goal of Fiscal Sustainability by providing a wage and benefit structure that is financially responsible.

FISCAL IMPACT/FINANCING

The benefit increases, and other economic adjustments contained herein are within the parameters established by the Board and have been included in the County Budget for Fiscal Year 2019-20. The County’s pension actuary, Cheiron, has advised that the proposed adjustment roughly equals the amounts assumed under the current actuarial valuation of the retirement plan. They do not anticipate a material increase to the unfunded actuarial accrued liability, nor a material reduction in the funded ratio, as a result of the negotiated salary increases.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The accompanying successor Fringe Benefits MOU provides for a six percent (6%) adjustment in the Choices Contribution rate over three years. The accompanying successor MOU and ordinance have been approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

No impact on current services.
Respectfully submitted,

SACHI A. HAMAI
Chief Executive Officer

SAH:FAD:MM:MTK
NV:PB:cg

Enclosures

c: Executive Office, Board of Supervisors
   County Counsel
   Auditor-Controller
   Human Resources
   All Department Heads
   Coalition of County Unions
MEMORANDUM OF UNDERSTANDING
 FOR SUBMISSION
 TO BOARD OF SUPERVISORS
 REGARDING
 FRINGE BENEFITS

THIS MEMORANDUM OF UNDERSTANDING, made and entered into this 5th day of,

BY AND BETWEEN Authorized Management Representatives (hereinafter referred to as "Management") of the County of Los Angeles (hereinafter referred to as "County")

AND THE COALITION OF COUNTY UNIONS, AFL-CIO (hereinafter referred to as the "Coalition").
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Article</th>
<th>Title</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PREAMBLE</td>
<td></td>
<td>A1</td>
</tr>
<tr>
<td>ARTICLE 1</td>
<td>NON-DISCRIMINATION</td>
<td>1</td>
</tr>
<tr>
<td>ARTICLE 2</td>
<td>IMPLEMENTATION</td>
<td>2</td>
</tr>
<tr>
<td>ARTICLE 3</td>
<td>TERM</td>
<td>3</td>
</tr>
<tr>
<td>ARTICLE 4</td>
<td>RENEGOTIATION</td>
<td>4</td>
</tr>
<tr>
<td>ARTICLE 5</td>
<td>RETIREMENT</td>
<td>5</td>
</tr>
<tr>
<td>ARTICLE 6</td>
<td>LONG TERM DISABILITY</td>
<td>19</td>
</tr>
<tr>
<td>ARTICLE 7</td>
<td>INJURY LEAVE</td>
<td>23</td>
</tr>
<tr>
<td>ARTICLE 8</td>
<td>THE CHOICES PLAN</td>
<td>25</td>
</tr>
<tr>
<td>ARTICLE 9</td>
<td>RENTAL RATES</td>
<td>30</td>
</tr>
<tr>
<td>ARTICLE 10</td>
<td>BILINGUAL PAY</td>
<td>33</td>
</tr>
<tr>
<td>ARTICLE 11</td>
<td>PAY DAYS</td>
<td>34</td>
</tr>
<tr>
<td>ARTICLE 12</td>
<td>SICK LEAVE</td>
<td>35</td>
</tr>
<tr>
<td>ARTICLE 13</td>
<td>PAYING OFF TIME CERTIFICATE</td>
<td>45</td>
</tr>
<tr>
<td>ARTICLE 14</td>
<td>MEAL RATES</td>
<td>46</td>
</tr>
<tr>
<td>ARTICLE 15</td>
<td>VACATION</td>
<td>47</td>
</tr>
<tr>
<td>ARTICLE 16</td>
<td>BEREAVEMENT LEAVE</td>
<td>55</td>
</tr>
<tr>
<td>ARTICLE 17</td>
<td>HOLIDAYS</td>
<td>57</td>
</tr>
<tr>
<td>ARTICLE 18</td>
<td>DEFERRED COMPENSATION AND THRIFT PLAN</td>
<td>58</td>
</tr>
<tr>
<td>ARTICLE 19</td>
<td>WELLNESS</td>
<td>61</td>
</tr>
<tr>
<td>ARTICLE 20</td>
<td>JOINT LABOR-MANAGEMENT ADVISORY COMMITTEE ON PRODUCTIVITY ENHANCEMENT</td>
<td>62</td>
</tr>
<tr>
<td>ARTICLE 21</td>
<td>SOCIAL SECURITY RELATED ENHANCEMENT OF BENEFITS</td>
<td>63</td>
</tr>
<tr>
<td>ARTICLE 22</td>
<td>OBLIGATION TO SUPPORT</td>
<td>66</td>
</tr>
<tr>
<td>ARTICLE 23</td>
<td>AUTHORIZED AGENTS</td>
<td>67</td>
</tr>
<tr>
<td>ARTICLE 24</td>
<td>PROVISIONS OF LAW</td>
<td>68</td>
</tr>
<tr>
<td>ARTICLE 25</td>
<td>FULL UNDERSTANDING, MODIFICATIONS, WAIVER</td>
<td>69</td>
</tr>
<tr>
<td>ARTICLE 26</td>
<td>ARBITRATION OF GRIEVANCES</td>
<td>70</td>
</tr>
<tr>
<td>ARTICLE 27</td>
<td>CIVIC CENTER PARKING</td>
<td>71</td>
</tr>
<tr>
<td>ARTICLE 28</td>
<td>SICK PERSONAL FOR TEMPORARY EMPLOYEES</td>
<td>76</td>
</tr>
<tr>
<td>ARTICLE 29</td>
<td>FAMILY LEAVE</td>
<td>81</td>
</tr>
<tr>
<td>ARTICLE 30</td>
<td>LEAVE DONATIONS</td>
<td>82</td>
</tr>
<tr>
<td>ARTICLE 31</td>
<td>MILEAGE REIMBURSEMENT</td>
<td>85</td>
</tr>
<tr>
<td>ARTICLE 32</td>
<td>URINE AND BREATH ALCOHOL TESTING-REASONABLE SUSPICION ONLY</td>
<td>90</td>
</tr>
<tr>
<td>EXHIBIT A</td>
<td>PRE-URINE/BREATH TEST DECLARATION</td>
<td>113</td>
</tr>
<tr>
<td>EXHIBIT B</td>
<td>LOS ANGELES COUNTY URINE TEST COLLECTION LOG SHEET</td>
<td>115</td>
</tr>
<tr>
<td>EXHIBIT C</td>
<td>CONTRACT CLINICS</td>
<td>116</td>
</tr>
<tr>
<td>ARTICLE 33</td>
<td>PREPLACEMENT DRUG TESTING FOR EMPLOYEE/APPLICANTS</td>
<td>117</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Article/Section</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARTICLE 34 PENSION SAVINGS PLAN</td>
<td>130</td>
</tr>
<tr>
<td>ARTICLE 35 ENHANCED VOLUNTARY TIME-OFF PROGRAM</td>
<td>133</td>
</tr>
<tr>
<td>ARTICLE 36 POLICY AND PROCEDURES FOR COMPLIANCE WITH DEPARTMENT OF TRANSPORTATION RULES ON DRUG AND ALCOHOL TESTING FOR COMMERCIAL DRIVERS</td>
<td>138</td>
</tr>
<tr>
<td>APPENDIX A PROCEDURES FOR COORDINATING PROGRAM WITH APPROVED VENDOR</td>
<td>169</td>
</tr>
<tr>
<td>APPENDIX B ROLE OF THE MEDICAL REVIEW OFFICER</td>
<td>173</td>
</tr>
<tr>
<td>APPENDIX C BREATH ALCOHOL TESTING PROCEDURES</td>
<td>179</td>
</tr>
<tr>
<td>APPENDIX D URINE SPECIMEN COLLECTION PROCEDURES</td>
<td>186</td>
</tr>
<tr>
<td>APPENDIX E LABORATORY PROCEDURES</td>
<td>199</td>
</tr>
<tr>
<td>ACRONYMS</td>
<td>209</td>
</tr>
<tr>
<td>ARTICLE 37 TERMINATION PAY</td>
<td>210</td>
</tr>
<tr>
<td>ATTACHMENT A SUMMARY DESCRIPTION OF THE CHOICES PLAN</td>
<td>211</td>
</tr>
<tr>
<td>ATTACHMENT B COUNTY CONTRIBUTION TOWARD HEALTH INSURANCE FOR CERTAIN TEMPORARY AND RECURRENT EMPLOYEES</td>
<td>234</td>
</tr>
<tr>
<td>ATTACHMENT C SUMMARY DESCRIPTION OF THE LOS ANGELES COUNTY INVESTMENT FUND</td>
<td>238</td>
</tr>
</tbody>
</table>
PREAMBLE

This agreement is entered into by and between the County of Los Angeles and the Los Angeles Coalition of County Unions, AFL-CIO, and defines certain fringe benefits to be applied to employees in units represented by certified employee organizations who are members of said Coalition and signatory to this agreement.
ARTICLE 1  NON-DISCRIMINATION

The provisions of this Memorandum of Understanding shall be applied equally to all employees covered hereby without favor or discrimination because of race, color, sex, sexual orientation, age, union affiliation, national origin, political or religious opinions or affiliations, handicapped status, or other factors not directly related to the successful performance of the job.
ARTICLE 2 IMPLEMENTATION

This Memorandum of Understanding constitutes a mutual recommendation to be jointly submitted to County's Board of Supervisors. It is agreed that this Memorandum of Understanding shall not be binding upon the parties either in whole or in part unless and until said Board of Supervisors:

1. Acts, by majority vote, formally to approve said Memorandum of Understanding;

2. Enacts necessary resolutions and amendments to County ordinances required to implement the full provisions of this Memorandum of Understanding;

3. Acts to appropriate the necessary funds required to implement the provisions of this Memorandum of Understanding which require funding.

Notwithstanding the foregoing, in the event the Board of Supervisors fails to take all actions necessary to timely implement this Memorandum of Understanding, it is understood that the parties may mutually agree to implement appropriate provisions of this Memorandum which do not require specific approval by the Board of Supervisors.

If the parties do not mutually agree to implement appropriate provisions of the Memorandum not requiring approval by the Board of Supervisors, the negotiations shall resume upon the request of either party.
ARTICLE 3  

TERM

The term of this Memorandum of Understanding shall commence on the date when the terms and conditions for its effectiveness, as set forth in Article 2, Implementation, are fully met; but in no event shall said Memorandum of Understanding become effective prior to 12:01 a.m. on July 1, 2018. This Memorandum of Understanding shall expire and otherwise be fully terminated at 12:00 midnight on June 30, 2021.
ARTICLE 4    RENEGOTIATION

In the event either party hereto desires to negotiate a successor Memorandum of Understanding, such party shall serve upon the other during the period from February 1, 2021, through March 1, 2021, its written request to commence negotiations.

Upon receipt of proposals, negotiations shall begin no later than March 30, 2021.
ATTACHMENT A

SUMMARY DESCRIPTION OF THE CHOICES PLAN

The Choices Plan will be operated as a cafeteria benefit plan pursuant to Section 125 of the Internal Revenue Code.

The Coalition of County Unions ("CCU") established a tax-exempt retiree health benefits trust ("Trust") for the administration of a post-retirement medical expense reimbursement plan ("Plan") for employees represented by CCU member unions, and to hold mandatory contributions from such employees to fund the Plan. The Board of Trustees ("BOT") of the Trust, as designated by the CCU unions that participate in the Trust, shall be solely responsible for the operation and administration of the Trust, for adopting and amending the substantive terms of the benefits paid under the Plan, and for the operation and administration of the Plan. CCU represents and warrants that the Trust qualifies as a voluntary employees beneficiary association within the meaning of Internal Revenue Code Section 501(c)(9), and that the Trust otherwise was established in accordance with all applicable federal, state and local law.

The County will be the sole employer participating in the Trust and Plan and only the County's retired employees and certain family members are eligible for benefits under the Plan and Trust. The Trust and Plan are not multiemployer plans as defined by Section 3(37) or Section 4001 of the federal Employee Retirement Income Security Act of 1974 ("ERISA"). Each bargaining unit that is a member of CCU may agree with the County pursuant to a memorandum of understanding to participate in the Trust and Plan (a
"Participation Provision"). In order for a bargaining unit to participate in the Trust and Plan, its Participation Provision must authorize the County to allow the BOT (or its agent or delegate) access to its payroll system to deduct, on a pre-tax basis, the dollar amount specified in the Participation Provision from each employee in the class of employees specified in such Participation Provision, and to permit the BOT or its agent to transfer such deducted amounts to the CCU Trust (the "Mandatory Contributions"), and must include indemnification provisions satisfactory to the County. Individual employees shall not have the ability to opt in or out of making Mandatory Contributions. The County will establish the necessary deduction codes in its payroll system to accommodate such Mandatory Contributions. The deductions and transfers of Mandatory Contributions made by the BOT (or its agent or delegate) shall be made in accordance with, and subject to, the terms of a special participation agreement entered between the County and the BOT ("Special Agreement"), which shall include, among other provisions, indemnification provisions satisfactory to the County. Mandatory Contributions shall not be made unless and until both an applicable Participation Provision and the Special Agreement have been entered.

The County’s sole obligation is to permit Mandatory Contributions to be made through its payroll system as described above and consistent with the Special Agreement ("Payroll Obligations"). The CCU, the member unions of the CCU, and the County shall have no responsibility for the operation and administration of the Trust or the Plan. The County shall have no responsibility or liability for: (i) funding of the Trust except with regard to its Payroll Obligations, (ii) the benefits due from the Trust and/or Plan or (iii) compliance by
the Trust and Plan with applicable law. The County shall bear none of the costs associated with establishing, designing, maintaining, or administering the Trust or the Plan, except such costs as are required to meet its Payroll Obligations.

CCU agrees that it shall indemnify, defend and hold harmless the County, and its Special Districts, elected and appointed officers, employees, agents, volunteers and affiliates, from and against any and all losses, claims, actions, damages, liabilities, costs, taxes, interest, penalties and expenses (including without limitation, reasonable attorneys' fees and costs) (collectively "Liabilities") that arise out of or relate to the establishment of the Trust, including, but not limited to, Liabilities that arise out of or relate to any claim or assertion that the terms of the Trust have resulted in violation of any applicable law.

PLAN YEAR
The Choices Plan became effective on July 1, 1989 pursuant to mutual agreement between the County and the Coalition. The Plan operates on a "Plan Year" basis as required by Section 125. The first Plan Year (hereinafter referred to as the "1989 Plan Year") consists of the six-month period spanning July 1, 1989, through December 31, 1989.

The second Plan Year (hereinafter referred to as the "1990 Plan Year") consists of the 12-month period spanning January 1, 1990, through December 31, 1990. The third Plan Year will be January 1, 1991, through December 31, 1991. It is the intent of the parties that all subsequent Plan Years and periods of coverage will consist of twelve (12) months,
January 1 through December 31, of each year.

ELIGIBLE EMPLOYEES

Eligible employees will include all full-time permanent employees who are: 1.) represented by the Coalition; 2.) employees in bargaining units covered by the Coalition Fringe Benefit Memorandum of Understanding; and 3.) non-represented employees who are ineligible to participate in the County's Flexible Benefit Plan for non-represented employees. For purposes of this Plan, "full-time permanent employee" means any employee appointed to an "A", "D", "M", "N" or "Z" item, as defined in Title 6 of the County Code. An eligible employee shall become a "Participant" in the Choices Plan upon meeting all of the requirements for participation set forth below.

HOW THE PLAN WORKS

It is the purpose of the Choices Plan to allow Participants to choose among the various benefits contained within the Plan in a manner that best meets their personal needs, and, further, to choose, to the maximum extent permitted by applicable law, between taxable and nontaxable compensation. The benefit options available, and various rules relating to those options, are set forth below:

1. HEALTH INSURANCE: Participants may purchase a County-sponsored, or one of the following County-approved union-sponsored health insurance plans.
a. Group Model HMO

Effective January 1, 2008, a $10.00 mandatory office/urgent care co-pay, a $10.00-generic/ $20.00-brand name prescription co-pay and a $50.00 emergency room co-pay for the health plan.

The parties jointly agree that effective January 1, 2019, the Kaiser HMO plan is no longer a “grandfathered health plan” under the Affordable Care Act (ACA). Accordingly, the Kaiser HMO plan now includes all consumer protections required by the ACA, including zero-dollar ($0.00) copays for preventive health services.

b. Traditional HMO/Narrow Network HMO/Point of Service

Effective January 1, 2008, Choices will no longer offer Cigna’s PPO as one of the Medical Plan selections.

Effective January 1, 2008, a mandatory $10.00 office/urgent care co-pay and a $10.00 generic/$20.00 brand name prescription plan. Effective January 1, 2007, $25.00 urgent care co-pay and a $50.00 emergency room co-pay.

c. California Association of Professional Employees (CAPE) Health Plan.
d. Los Angeles County Fire Fighters Local 1014 Health and Welfare Plan.
e. Association for Los Angeles Deputy Sheriffs (ALADS) Health Plan.

Enrollment Rules:

a. Two County-sponsored health insurance plans will be fully open to all Participants, and their dependents, subject to evidence of dependent eligibility as defined by the County. The premiums in effect on January 1 of each Plan Year for the County-sponsored health insurance plans will remain unchanged for the duration of that Plan Year unless mid-year premium increases are required due to imposition of state or federal taxes. The premiums for the County-approved union-sponsored health insurance plans may be adjusted during each Plan Year at the request of the sponsoring union, subject to approval by the County.

b. The CAPE Health Plan will be available to all Choices Participants, and their dependents, subject to evidence of dependent eligibility as defined by the County. Effective the 2020 plan year, the CAPE Health Plan will be available to all Coalition Member Unions' members, subject to evidence of member eligibility (which shall be provided to the County by August 1 each year in a form as specified by the County), and their dependents, subject to evidence of dependent eligibility as defined by the County, during each annual enrollment for the plan year. If the Participant ceases to be a member of the Coalition mid-year, but remains eligible under the Choices plan, the
Participant shall remain eligible for and enrolled in the CAPE Health Plan until the end of the plan year, subject to applicable IRC 125 rules.

c. The Fire Fighters Plan is only available to Fire Fighter personnel who are eligible to be members of Local 1014 (BU 601, 602, 603, and 604). It will be open to new hires (i.e., Fire Fighter recruits still within their first 60 days of employment), and their dependents, and to veteran Local 1014 members, and their dependents, subject to evidence of dependent eligibility as defined by the County.

d. The ALADS Health Plan is only available to Peace Officers who are eligible to be members of ALADS and Lifeguards and any employee in a bargaining unit represented by PPOA, including #621 and #614. It will be fully open to members of those groups, and their dependents, subject to evidence of dependent eligibility as defined by the County.

e. Every Participant in the Choices Plan must be enrolled in one of the above plans or certify that he/she has other health insurance coverage that is similar to what Choices offers through another employer, a spouse/domestic partner’s employer-sponsored medical plan, veteran’s benefits, retirement plan, or Medicare to receive the waiver contribution. Such certification must state the name of the other insurance plan, name of the employer or retirement plan, and the name, Social Security Number and
medical record number of the subscriber.

Beginning in January 2015, participants may **decline** coverage to enroll in an individual health insurance plan (including enrolling in health insurance coverage through a health care exchange); however, there will be no waiver contribution for participants who choose to decline coverage and enroll in an individual plan.

The provisions of the above paragraph shall not apply to participants who decline coverage and enroll in an individual health insurance plan prior to January 2014.

The County agrees to indemnify and hold the members of the Coalition harmless from any liabilities of any nature which may arise as a result of the application of the provisions of this section.

**Medical Waiver Default Rules**

Effective January 1, 2020, in the event a participant fails to provide the required health insurance certification, they will be enrolled by default into a health insurance plan as follows:

- Participants who are members of CAPE will be enrolled in the lowest cost CAPE health insurance plan subject to the terms of subsection b.
- Participants eligible for participation in the Local 1014 plan will be enrolled in the Local 1014 health insurance plan subject to the terms of subsection c.

- Participants eligible for participation in the ALADS Health Plan will be enrolled in the lowest cost ALADS health insurance plan subject to the terms of subsection d.

- All other participants will be enrolled in the lowest cost County-sponsored Choices health insurance plan that the participant is eligible for.

2. **DENTAL INSURANCE:** Choices Participants may purchase a County-sponsored PPO or HMO dental plan:

Enrollment Rules:
All dental plans will be fully open to all Participants. As with health insurance, every Participant must be enrolled in a County-sponsored dental plan or certify that he/she has other dental coverage. Such certification shall require the name of the dental plan, the name of the subscriber and the Social Security number of the subscriber. The premiums in effect on January 1 of each Plan Year for the dental plans will remain unchanged for the duration of each Plan Year, unless mid-year
adjustments are required due to imposition of state or federal taxes, or unless adjustments are otherwise agreed to by the County and Coalition.

Beginning January 1, 2007, the premiums for these plans will be on a three tier basis,

County contribution subsidy rates for Delta Dental during the term of the agreement as follows:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$20.59</td>
<td>$20.59</td>
<td>$20.59</td>
</tr>
<tr>
<td>Employee plus one dependent</td>
<td>$36.02</td>
<td>$36.02</td>
<td>$36.02</td>
</tr>
<tr>
<td>Employee plus two or more dependents</td>
<td>$56.58</td>
<td>$56.58</td>
<td>$56.58</td>
</tr>
</tbody>
</table>

If the County discontinues the buy down of the PPO Dental subsidy, the cost of such buy down will be added proportionately to the contribution rate of all Choices participants, whether such participants purchase a PPO dental plan or not.

3. **LIFE INSURANCE**: All Choices Participants will automatically receive $2,000 of term life insurance coverage if they are General Members of Retirement Plan A, B, C, D, or G or Safety Members of Retirement Plan A, B, or C. General Members
of Retirement Plan E are entitled to receive $10,000 of term life insurance coverage. This coverage is fully paid by the County outside of the Choices Plan.

Participants may purchase optional County-sponsored term life insurance in amounts up to eight times their annual salary. The County will subsidize the three-year rate guarantee for optional term life quoted by the insurer at a 15% subsidized rate for the term of this agreement.

Employees in Retirement Plan E may purchase up to $40,000 of this coverage on a pretax basis through the Plan. General Members of Retirement Plan A, B, C, D, or G or Safety Members of Retirement Plan A, B, or C may purchase up to $48,000 of coverage on a pretax basis through the Plan. Coverage in excess of $40,000 or $48,000, whichever is applicable, must be purchased on an after-tax basis outside the Plan.

Employees may elect to purchase optional life insurance in increments of $5,000 to a maximum of $20,000 for their spouse or domestic partner. The effective date of this option is January 1, 2005. Additional coverage of lesser amounts is available for dependents and domestic partners.

The premiums in effect on January 1 of each plan year for the life insurance program will remain unchanged for the duration of that Plan Year, unless mid-year adjustments are required due to imposition of state or federal taxes.
4. **ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE:**
Participants may purchase County-sponsored AD&D insurance in specified amounts from $10,000 to $250,000, but not more than ten times their annual salary. Additional coverage in lesser amounts is available for dependents.

**Enrollment Rules:**
Participants may increase or decrease coverage, or continue existing coverage. No evidence of insurability is required. The premiums in effect on January 1 of each plan year for the AD&D program will remain unchanged for the duration of that Plan Year, unless mid-year adjustments are required due to imposition of state or federal taxes.

5. **HEALTH CARE SPENDING ACCOUNT:** Each Participant may allocate from $10.00 to $200.00 per month to a Health Care Spending Account. Changes to these limits for subsequent Plan Years shall be recommended by the Committee. Money allocated to a Health Care Spending Account may be expended on behalf of a Participant, or of his/her dependents, for "medical expenses," as defined in the Internal Revenue Code, incurred during the current Plan Year. Payments for such expenditures will be made directly to the Participants pursuant to claims procedures established by the Committee. Such procedures will provide that
claims must be submitted no later than six months after the close of the Plan Year in which the medical expenses were incurred.

Effective with Plan Year 2014, up to $500.00 of unused Health Care Spending Account funds from the prior Plan Year will be carried over to the next Plan Year.

6. DEPENDENT CARE SPENDING ACCOUNT:

a. Each Participant may allocate from $10.00 to $400.00 per month to a Dependent Care Spending Account. Increases or decreases in the limits will be recommended by the Committee. Money allocated to a Dependent Care Spending Account may be expended on "employment-related" dependent care expenses, as defined in the Internal Revenue Code. As with the Health Care Spending Account, payments for such expenditures will be made directly to the Participants pursuant to claims procedures established by the Committee.

Such procedures will provide that claims must be submitted no later than six months after the close of the Plan Year in which the dependent care expenses were incurred.
b. Effective with the Plan year beginning January 1, 2008, the County shall provide a monthly contribution to each participant's Dependent Care Spending Account based on the employee's annual salary as follows:

<table>
<thead>
<tr>
<th>Employee Gross Annual Salary</th>
<th>Employer Contribution per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $29,999</td>
<td>$375</td>
</tr>
<tr>
<td>$30,000-$34,999</td>
<td>$300</td>
</tr>
<tr>
<td>$35,000-$39,999</td>
<td>$275</td>
</tr>
<tr>
<td>$40,000-$44,999</td>
<td>$200</td>
</tr>
<tr>
<td>$45,000-$49,999</td>
<td>$125</td>
</tr>
<tr>
<td>$50,000 or more</td>
<td>$75</td>
</tr>
</tbody>
</table>

The County contribution towards Dependent Care Spending Account for CCU members is subject to an annual limit not to exceed $3.330 Million Dollars for plan years 2016, 2017 and 2018 (for a total of $9.990 Million Dollars). Any remaining amount not used in the Plan Year will be returned to the County's General Fund.

Participants in the Choices Dependent Care Spending Account will be able to use their account for eligible Child Care and/or Elder Care expenses up to the maximum allowable contribution amount.

Participants would be required to sign up for the Dependent Care Spending
Account subject to existing administrative rules, IRS regulations, and other requirements governing flexible spending accounts.

The implementation of the County contribution towards Choices Dependent Care Spending Account shall not change any of the IRS guidelines and/or claims procedures as established by the Committee and outlined in the Health Care and Dependent Care Spending Accounts booklet. The CCU and Chief Executive Office Employee Relations Division will be responsible for making recommendations regarding the administration of the Dependent Care Spending Account and developing communication materials and election information. The provisions for the Choices Dependent Care Spending Account will be provided during the term of this MOU agreement.

7. **TAXABLE CASH:** Any portion of any County contribution which is not used to pay for the costs of nontaxable benefits available under this Plan shall be paid to the Participant as taxable cash. Effective the 2020 plan year, the Participant may receive up to a maximum of $325 of taxable cash. Effective the 2021 plan year, the Participant may receive up to a maximum of $244 of taxable cash.
HEALTH INSURANCE CONTRIBUTIONS

The County will make contributions on behalf of each Participant pursuant to the following three rate structure for the term of this agreement:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Monthly Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7/2019</td>
</tr>
<tr>
<td>Employee who waives health insurance coverage</td>
<td>$244.00</td>
</tr>
<tr>
<td>Employee Only</td>
<td>$986.26</td>
</tr>
<tr>
<td>Employee plus one dependent</td>
<td>$1,799.45</td>
</tr>
<tr>
<td>Employee plus two or more dependents</td>
<td>$2,125.70</td>
</tr>
</tbody>
</table>

In addition, in Plan Years 2019, 2020 and 2021, the County will buy down the premium of every County or Union sponsored health plan so the premium is decreased $5.44 per month for Employee Plus One Dependent and Employee Plus Two Or More Dependents.

No employee may receive multiple contributions from the Choices Plan, the Los Angeles County Flexible Benefit Plan, or any other County contribution toward any health or dental insurance plan during the same month. An employee who would otherwise be eligible for more than one such contribution during any month will be entitled to the contribution to which his/her status on the last day of the month entitles him/her.
If an employee's nontaxable benefit selections cost the employee more than the amount of the applicable County contribution except as noted in Section 2 (Dental Insurance) of this Attachment A, the difference will be made up with pretax salary reduction contributions.

Salary reduction contributions are additional contributions made by the County in exchange for an equivalent reduction in an employee's taxable compensation. No County contribution or salary reduction contribution will be made on behalf of any Participant if he/she has not been in a pay status for at least eight hours during the preceding month. Unless otherwise required by State or Federal law, salary reduction contributions shall have no adverse effect on County retirement benefits authorized by the 1937 Retirement Act, the Public Employees' Pension Reform Act of 2013 (PEPRA), or any other employee benefit.

**CHOICES SUSTAINABILITY BONUS**

Effective January 1, 2020, the County agrees to pay full time, permanent employees¹ a four (4) level (approximately 1%) Choices Sustainability Bonus, as acknowledgement of CCU members cooperation with maintaining the bona fide status of the Choices Cafeteria Plan.

¹ Full time permanent employees as defined in attachment A.
CHOICES SUSTAINABILITY STEP

Effective January 1, 2021, the County agrees to add a half-step (11 levels, approximately 2.75%) to the range for all full-time, permanent\(^1\) classifications as acknowledgment of cooperation with maintaining the bona fide status of the Choices Cafeteria Plan. Advancement to the additional step shall be granted upon completion of 12 months of service, at the final step, and receipt of a Competent or better Performance Evaluation. Employees who have been on the final step for one year and who have received a Competent or better PE will receive the additional step on January 1, 2021.

\(^1\) Full time, permanent employees as defined in attachment A.

The parties agree the CHOICES Sustainability Step and 1% Bonus is funded from negotiated changes to the Cafeteria Plan. The County is also negotiating economic benefits from program changes to other Cafeteria plans. Therefore, CCU and its members specifically acknowledge and waive all "me too"/parity claims related to all economics given as a result of Changes to the County Cafeteria Plans.

The parties agree that the Choices Sustainability Step and 1% Bonus is funded from negotiated changes to the Cafeteria Plan. As such, if the County is ordered to pay economic damages in excess of $20 million dollars based on a determination of non-bona fide plan status under the FLSA, the parties agree to immediately begin negotiations pursuant to County Code over reductions to the Choices sustainability step and bonus.
All full time permanent employees employed by the County covered by this agreement as of April 30, 2019 will receive:

1.) $500 bonus

2.) 8 hours leave credit (to holiday bank or otherwise ²)

² Employees represented by the Committee of Interns and Residents (CIR) Unit 323 will receive an extra 8 hours to be added to the 192 hours of Post Graduate Time off for a total of 200 hours, on a one-time basis.

* Compensation adjustments and credited hours to address changes in the Choices benefit plan (e.g., the choices sustainability Bonus and Step) are not applicable to the Court. Court compensation is negotiated separately from County negotiations.

* Does not apply to any MegaFlex participants, except that the $500 bonus and 8 hours leave will be given to the employees in the UAPD Unit 324 (Physicians) and the AFSCME Unit 321 (Physician Assistants).

ELECTION PROCEDURES

Eligible employees shall make their benefit elections pursuant to procedures established by the Chief Executive Office.

Employees hired prior to January 1, 1990, shall have 90 days to enroll. Employees hired on or after January 1, 1990, shall have 60 days to enroll.
An employee shall become a Participant effective on the first day of the month following the date on which the enrollment document is submitted.

A newly hired employee who fails to act within the above time limit will be deemed ineligible to participate in the Plan until the next Plan Year. For purposes of this Plan, "hired" means appointment to a position eligible for the Plan.

Employees who fail to submit the required enrollment documentation during an annual open enrollment within the established time frame will be subject to the default rules set forth below:

a) If the defaulting employee is currently enrolled in a County-sponsored or County-approved union sponsored health insurance plan, he/she will become a Participant in the Choices Plan for the subsequent Plan Year, and will be deemed to have elected to perpetuate his/her existing benefit coverage relative to health insurance, dental insurance, optional life insurance, and AD&D insurance. The "existing coverage" for this purpose will be the coverage reflected on each Participant's December 15 pay warrant for the current year. For employees who are enrolled in CAPE health plan as of December 15 but are not eligible for the CAPE health plan in the following plan year, the medical waiver default rules shall apply. Such employee will not be entitled to receive coverage under a Health Care or Dependent Care Spending Account, and he/she will not receive any taxable cash unless the cost of his/her perpetuated nontaxable benefit coverage is less than the amount of the County contribution.
b) If the defaulting employee is not enrolled in a County-sponsored or County-approved union sponsored health insurance plan, he/she will be deemed ineligible to participate in the Choices Plan until the next Plan Year.

MAINTENANCE OF BENEFITS

Unless otherwise agreed to by the County and the Coalition, all insurance coverage sponsored by County shall retain the levels of benefits in effect on January 1, 2016, through December 31, 2018. In cases where a recognized employee organization sponsors a County-approved health insurance plan, such employee organization shall secure prior re-approval for the health plan contribution from the County whenever it plans to change the level of benefits and/or premium structure of its health insurance plan.

In recognition of the elimination of the names of the County-sponsored insurance plans for this Memorandum of Understanding, the parties agree that the County has an obligation to negotiate over the changes to the medical and dental plans contained in this Attachment. Changes to the plans include modification to any and all economic components, networks, medical providers, plan design and all aspects of pharmacy costs. The parties agree that any changes to benefits covered by this Attachment during the term of the 2015-2018 Memorandum of Understanding shall require the mutual agreement of the parties prior to implementation.
MISCELLANEOUS RULES:

1. **Unpaid Leaves of Absence:**
   As stated above, an employee loses the monthly County contribution if he/she is not in a pay status at least eight hours in the preceding month. In all other respects, however, an employee who goes on an unpaid leave of absence will continue to be a Participant in the Plan. If the employee pays for his/her insurance premiums while on leave, coverage(s) will continue and all deductions will resume upon the employee’s return to an eligible pay status. However, if the employee allows his/her insurance coverage(s) to be cancelled, coverage(s) will resume when he/she returns to an eligible pay status with a new effective date which will be the 1st of the month after the employee has been in a pay status at least eight hours in the preceding month.

2. **Breaks in Service:**

   An employee who breaks service and then re-enters during the same Plan Year will be required to complete the current Plan Year with the benefit election in place at the time of the break. If the employee returns during a different Plan Year, he/she will be treated as a new hire.
An employee who breaks service and who has elected coverage under the Health Care Reimbursement or Dependent Care Reimbursement options will be deemed to be a Participant in the Plan through the end of the current Plan Year for the limited purpose of claiming any amounts set aside for said benefits prior to the break.

3. **Change in Family Status:**

The employee must submit a change in coverage or life event to Benefit Services, Personnel, Human Resources, or his/her Union Office if applicable, within 90 days from the date of a qualified change in family status to be eligible for any increase in, or alternate use of, the County Contribution. No refund of premium overpayments will be made if a change in coverage or life event is not received within the 90-day period.

The employee must check with his/her medical plan as to the time period in which that plan will accept a change in family status without proof of insurability, which may be less than 90 days.

**ADMINISTRATIVE FEE**

A monthly administrative fee of $3.00 will be charged to each Participant; provided, however, that such fee shall be waived for any Participant who is (a) hired prior to July 1, 1989, and (b) appointed to a classification designated as eligible for the Plan effective July 1, 1989. Such fee shall be collected via tax-free salary reduction contributions.
ATTACHMENT B

COUNTY CONTRIBUTION TOWARD HEALTH INSURANCE FOR CERTAIN TEMPORARY AND RECURRENT EMPLOYEES

Section 1.
The maximum monthly County contribution toward health insurance to be paid on behalf of employees designated in Section 2 shall be the premium of the County sponsored health insurance plan in which they are enrolled, or the premium of the County approved union sponsored health insurance plan in which they are enrolled, whichever is applicable, not to exceed the limits set forth below:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$860.68</td>
<td>$912.32</td>
<td>$967.06</td>
</tr>
<tr>
<td>Employee plus one dependent</td>
<td>$1,528.68</td>
<td>$1,620.40</td>
<td>$1,717.62</td>
</tr>
<tr>
<td>Employee plus two or more dependents</td>
<td>$1,754.75</td>
<td>$1,860.04</td>
<td>$1,971.64</td>
</tr>
</tbody>
</table>

No employee shall receive a County contribution toward more than one health insurance plan during the same month.

In addition, the parties agree that the County will provide the same health insurance subsidy listed above to non-student part-time employees as described below:
HEALTH INSURANCE SUBSIDY FOR NON-STUDENT PARTIME EMPLOYEES

Employees Eligible For Participation

An employee will be eligible to enroll in subsidized health coverage if the employee is in a non-student position and is in a pay status for an average of 20 hours a week for the three consecutive months prior to enrollment.

An employee will be deemed to be in a pay status for an average of 20 hours a week for the three consecutive months prior to enrollment if:

a) The employee is on a daily or hourly item and the employee's total pay status hours for the three consecutive months prior to enrollment is equal to or greater than 244 hours.

b) The employee is on a monthly permanent ½ time ("U"), 3/5 time ("V"), 5/8 time ("W"), or 2/3 time ("X") sub-item as defined in Section 6.28.020 of the County Code and the employee's total pay status hours for the three consecutive months prior to enrollment is equal to or greater than 256 hours.
Initial Enrollment

The initial enrollment will allow for health benefits to be effective July 1, 2001.

To determine eligibility for the initial enrollment, the months of January, February and March of 2001 will be used to determine if an employee is in a pay-status for an average of twenty (20) hours a week.

Effective January 1, 2010, employees in a pay-status for an average of twenty (20) hours a week during any three (3) consecutive month period will be eligible to enroll in subsidized health coverage.

Ongoing Eligibility

To receive a contribution for health insurance for a month, an employee must be in a pay status for at least eight hours in the prior month. Effective January 1, 2007 an employee will be taken off of this benefit effective July 1, if an employee is in a pay status for an average of less than 20 hours a week during January, February, and March.

Management agrees not to reduce work hours of such employees for the sole purpose of denying them this benefit.
If, during the term of this agreement, the County's monthly contribution for health insurance for represented employees not covered by Choices is increased in an amount above the monthly contribution provided for in Attachment B, the employees covered by Attachment B shall receive the higher monthly contribution.

Section 2.
The contribution provided for in Section 1 shall be paid on behalf of any employee who a) is employed on a monthly temporary ("O" sub item), or monthly recurrent ("B" sub item), or monthly permanent ¾ time ("Y" sub item) as defined in Section 6.28.020 of the County Code, and b) is not a participant in the Choices Plan. In no event shall a County contribution be made on behalf of any employee who has not been in a pay status for at least eight hours during the preceding month.

Section 3.
The County contribution provided for in this Attachment B shall first be reflected in County pay warrants issued on the payday occurring on or about the fifteenth of the month following the indicated effective dates.
ATTACHMENT C

SUMMARY DESCRIPTION OF THE LOS ANGELES COUNTY INVESTMENT FUND

The Los Angeles County Investment Fund (hereinafter LACIF) shall be an additional investment option within the existing Deferred Compensation and Thrift Plan, commonly known as Horizons. LACIF shall provide in part that:

1. Participation will be limited to employees who are Horizons participants on March 1, 1993. Enrollment will be on a one-time-only basis during the month of March 1993 to be effective April 1, 1993.

2. Participants may transfer all or any portion of their vested funds from other investment options within Horizons to LACIF without charge. The County may also transfer participants' non-vested match to LACIF.

3. The County will assume the prorata share of the existing Horizons Plan deficit equal to the amount transferred to LACIF.

4. LACIF will be secured by revenue-producing securities, Certificates of Participation (COPs), with a maximum fifteen year maturity, unless retired sooner.

5. The interest rate will be 1/2% above the credited rate for Horizons' Stable Income
Fund (SIF), but not less than 6%. The interest rate will be set every six months.

6. Interest will be paid monthly beginning May 1993. The first payment of both principal and interest will be on or after July 1, 1994, but no later than August 15, 1994. The securities will not be called prior to July 1, 1994.

7. Earnings to LACIF will be credited in the same manner as Horizons' SIF. However, payments cannot be reinvested to LACIF, therefore, participants must designate, at the time of enrollment, another investment option(s) within Horizons to place their payments.

8. LACIF will be implemented if approximately $25 million or more is transferred to it. If LACIF is over-subscribed, as determined by the CEO, the amount participants are permitted to transfer will be prorated. Participants will not be charged for any County or third party administrative "start-up" or communications costs associated with LACIF. It is understood that participants in this new investment option will pay no more than the on-going Horizons administrative fee.

9. Except as provided herein, the provisions of Horizons will apply to LACIF.

10. It is agreed and understood this is a one-time-only arrangement and will not be used in the future.
IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Memorandum of Understanding the day, month, and year first above written.

COALITION OF COUNTY UNIONS AFL-CIO

By

BLAINE MEEK, Chairman
Coalition of County Unions

COUNTY OF LOS ANGELES AUTHORIZED MANAGEMENT REPRESENTATIVE

By

SACHI A. HAMAI
Chief Executive Officer

TO BE JOINTLY SUBMITTED TO COUNTY’S BOARD OF SUPERVISORS
SIGNATURE PAGE (Continued)

COALITION OF COUNTY UNIONS AFL-CIO

By ____________________________  By ____________________________
IUOE, Local 501  Los Angeles County Lifeguard Association

By ____________________________  By ____________________________
AFSCME, Council 36  Committee of Interns and Residents

By ____________________________
AFSCME, Local 685

By ____________________________
Union of American Physicians and Dentists

By ____________________________
Los Angeles County Fire Fighters,
Local 1014

By ____________________________
California Association of Professional
Employees

By ____________________________
Association for Los Angeles Deputy Sheriffs

By ____________________________
Los Angeles Building and Construction
Trades Council

TO BE JOINTLY SUBMITTED TO COUNTY’S BOARD OF SUPERVISORS