



CITY OF MILLBRAE

SUMMARY OF MANAGEMENT AND CONFIDENTIAL EMPLOYEE BENEFITS

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Effective July 1, 2025

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CITY OF MILLBRAE

SUMMARY OF MANAGEMENT BENEFITS

HEALTH PLAN, RETIREE HEALTH AND MEDICARE SUPPLEMENTAL PROGRAM:

Health insurance is provided through the Public Employees Retirement System (PERS).

A. Employee Medical Insurance Benefits

The City's maximum monthly contribution for each eligible active employee enrolled in a City-offered group health plan for the purchase of medical insurance will be equal to the minimum monthly employer contribution required under the Public Employees' Medical and Hospital Care Act (PEMHCA).

B. Cafeteria Plan

The City will maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing current employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include, but are not limited to, medical insurance, flexible spending accounts for out-of-pocket medical expenses, dependent care, dental insurance, and life insurance benefits. The City agrees to provide a Cafeteria Plan Allowance to all employees eligible to participate in City-sponsored health benefits. Any tax consequences resulting from City contributions to the Cafeteria Plan are the sole responsibility of the employee.

1. The City will provide employees who are enrolled in a City-offered group health plan, a monthly Cafeteria Plan Allowance in the following amount:

Up to a maximum of 90% plus \$50 of the 2022 CalPERS Bay Area Region Kaiser Permanente Employee two plus dependents rate minus the City's minimum monthly PEMHCA contribution specified in Section A.

Each subsequent year the maximum medical contribution shall be tied to the appropriate year's CalPERS Bay Area Region Kaiser Permanente Employee plus two dependents rate minus the City's minimum monthly PEMHCA contribution specified in Section A.

Plus, the cost of the premium for the employee and eligible dependent(s) for dental coverage.

Plus, the cost of the premium for employee and eligible dependent(s) for vision coverage.

2. Any increase to the minimum monthly employer contribution under the PEMHCA will result in a corresponding decrease in the employee's Cafeteria Plan Allowance.

3. **Opt Out:** Employees who opt out of enrollment in City health insurance, in lieu of the above medical plan allowance, will receive \$572 monthly either in cash (subject to taxable income as wages) through the cafeteria plan, in deferred compensation, or applied to the employee's Healthcare Spending Account. In order for an employee to be permitted to opt out of City Health Coverage he/she must submit proof of comparable coverage by another source.

4. **Cash in-lieu:** Employees enrolled in either an Employee Only or Employee Plus One medical plan will receive the difference between the City's cafeteria plan amount and the health premium up to \$300 monthly either in cash (subject to taxable income as wages) through the cafeteria plan, in deferred compensation, or applied to the employee's Healthcare Spending Account.

5. Employees who do not enroll eligible dependents in dental or vision are not eligible for additional cash in-lieu.

C. Retiree Medical

The City will provide access to medical insurance coverage for those employees who retire from employment with the City and who constitute "annuitants" as defined by the PEMHCA, Government Code section 22760. Retiree health insurance is provided through the Public Employees Retirement System (PERS).

The City's maximum monthly contribution for each eligible annuitant and their dependent(s) will be equal to the minimum employer contribution required under the PEMHCA. Employees not enrolled in a PEMCHA Medical Plan during the last twelve (12) months of employment shall not be eligible for City retiree medical benefits. The provisions of the PEMHCA will govern medical insurance coverage for annuitants.

D. Supplemental Retiree Health Benefits

Employees hired before June 1, 2013 and consistent with the passage of Resolution No. 13-21, and who, at the time of retirement, constitute an "annuitant" as defined by the PEMHCA, will receive the following:

1. From the date of retirement and until such time the retiree becomes eligible for Medicare, the City will contribute into a Health Reimbursement Account maintained by the City and in the annuitant's name. Any additional PERS requirements will also apply. The City's contribution into an annuitant's Health Reimbursement Account will be as follows:

Up to a maximum of \$1,385.62 towards the PERS health plan premium of the annuitant's choice, minus the amount of the City's minimum monthly employer contribution under the PEMHCA.

Any increase to the minimum monthly employer contribution under the PEMHCA will result in a corresponding decrease in the City's monthly contribution to the annuitant's Health Reimbursement Account.

2. Upon attaining Medicare eligibility, the City will contribute into a Health Reimbursement Account, maintained by the City and in the annuitant's name, an amount equal to the premium cost for the supplemental Medicare plan offered by CalPERS and the Medicare premium up to a maximum of \$1,385.62, minus the amount of the City's minimum monthly employer contribution under the PEMHCA. In order to receive Medicare reimbursement the retiree must submit their annual Social Security statement showing the Medicare premium for the applicable plan year.

Any increase to the minimum monthly employer contribution under the PEMHCA will result in a corresponding decrease in the City's contribution to the annuitant's Health Reimbursement Account.

3. Employees will not be entitled to the supplemental retiree health benefit, as specified above, during employment.

4. Consistent with the passage of Resolution No. **13-21**, employees hired on or after May 31, 2013 and subsequently retire from the City of Millbrae, are eligible only for the minimum health contribution. However, employees hired prior to May 31, 2013 and promoted subsequently into a management position are eligible for active and retiree medical benefits under Sections B, C and D above.

Nothing herein shall be construed as providing a vested right to post-employment retiree medical insurance. Issues which may impact post-retirement benefits include the city's ability to pay and changes in applicable law.

DENTAL INSURANCE:

All management employees may elect to be enrolled in the City's fully insured dental plan administered through Standard's Ameritas Dental PPO Network. The City pays the cost of the premium for the employee and eligible dependent(s).

If dental coverage is terminated, employees may re-enroll during an annual open enrollment period (to occur in October), with coverage effective the following January 1. If an employee terminates coverage and wishes to re-enroll in the dental plan, they must remain enrolled for a minimum of three (3) years.

FLEXIBLE SPENDING ACCOUNT:

A management employee may elect to contribute up to the IRS allowable limit for self or family on a pretax basis per calendar year for reimbursement for certain qualified benefits, such as dependent care assistance, adoption assistance, parking and transit costs, and medical care reimbursement, in accordance with applicable regulations.

VISION:

All management employees may elect to be enrolled in the City's vision plan administered through Standard VSP (Vision Service Plan). The City pays the cost of the premium for the employee and eligible dependent(s).

LIFE INSURANCE:

The City provides a Life and Accidental Death and Dismemberment Plan, underwritten by The Hartford, for all management employees. Life Insurance is two and a half times the employee's annual salary, up to a maximum of \$400,000. The benefit is reduced at age 65 and older as required under the City's Life Insurance Plan. The City pays for the cost of coverage in full.

The City offers a Voluntary Life Insurance Plan, underwritten by The Hartford, to management employees. The maximum amount of voluntary insurance is \$300,000 for the employee, \$100,000 for the employee's spouse, and \$10,000 for each of the employee's dependent children, up to age 21. The City does not pay any portion of the cost of this coverage.

PUBLIC EMPLOYEES RETIREMENT SYSTEM:

The City provides the IRS 414 (h) 2 option. The City makes no representations regarding taxation related to employee pension contributions under this option. Applicable regulations apply.

The employee pays for the employee's portion of this plan under the Public Employees Retirement System.

Miscellaneous members who are not defined as "new members" pursuant to the California Public Employees' Pension Reform Act of 2013 (Government Code section 7522.04(f)) (herein referred to as "classic members") have the 2.7% at age 55 plan calculated on the single highest year of compensation. In addition to the classic member's contribution of eight percent (8%), such members also pay a share of the employer contribution for this plan in the amount of five and a half percent (5.5%) in accordance with Government Code section 20516(a).

Miscellaneous members who are defined as "new members" pursuant to the California Public Employees' Pension Reform Act of 2013 (Government Code section 7522.04(f)) have the 2% at age 62 plan, calculated on the highest average annual pensionable compensation during a period of at least 36 consecutive

months of employment. New members shall contribute a minimum of fifty percent (50%) of the normal cost of the plan as determined by CalPERS.

All plans provided are subject to CalPERS rules and regulations. A summary of the contract provisions/options for the management/unrepresented group is outlined below:

Coverage since	07/01/1964
Social Security Coverage	No
Formula for "classic members"	2.7% @ 55
PEPRA Formula for "new members"	2% @ 62
Employee Contributions for "classic members"	13.5%
Employee Contributions for "new members" as of 7-1-23*	8.25% 7.25%
Post Retirement Survivor's Continuance	Yes
1959 Survivor Benefits (Level 4)	Yes
Death Benefit - Remarriage	Yes

**Updated annually based on CalPERS Actuarial Valuation.*

SHORT TERM DISABILITY (STD):

Short Term Disability is provided through The Hartford and covers 66 2/3% of an employee's weekly earnings, up to \$2,300 per week. Coverage begins after a seven (7) calendar day waiting period and has an eight (8) week benefit duration. Short Term Disability is paid weekly. The City pays for the cost of coverage in full.

LONG TERM DISABILITY INSURANCE (LTD):

Long Term Disability is provided through The Hartford and covers 66 2/3% of an employee's monthly earnings up to \$10,000 per month. Coverage begins after a sixty (60) calendar day waiting period and pays the employee until the employee reaches Social Security Normal Retirement age. Long Term Disability is paid monthly. The City pays for the cost of coverage in full.

LEAVES:

Management Leave

Employees not receiving any form of overtime payment will receive on July 1 of each year the following: Department Heads will receive 80 hours of management leave. All other management employees will receive 40 hours of management leave. The City will cash out any remaining unused management leave as of June 30 of each year at the employee's current rate of pay. Management employees may not rollover accumulated management leave to the following year. Management employees hired after the beginning of a Fiscal Year shall be provided with a prorated amount of Management Leave upon start of employment

and receive the applicable amount of leave each July 1 thereafter. Employees who leave City employment prior to the end of a fiscal year shall have their Management Leave prorated and any excess leave used shall be repaid to the City.

General Leave

Management employees will accrue a General Leave benefit in the following manner:

<u>Years of Service</u>	<u>Monthly Accrual Rate</u>
1-4 Years	14 hours
5-9 Years	16 hours
10-14 Years	18 hours
15 and above	19.34 hours

General Leave benefits are administered in the following manner:

- Management employees who have sick leave balances accrued prior to implementation of General Leave will retain their existing sick leave balances and may use sick leave in accordance with the City's Personnel Rules. Upon separation from the City, these sick leave balances will be paid to the employee at 25% of the employee's current rate of pay.
- 100% of general leave is paid to the management employee at his/her current rate of pay upon separation from the City.
- Management employees may not accrue more than 1040 hours of general leave. This maximum of 1040 hours does not include pre-existing sick leave balances. At any time, should an employee's general leave balance exceed 1040 hours, the accrual of general leave will discontinue until the general leave balance falls below 1040 hours.

Vacation/General Leave Buy-Back Program

All management employees may elect for the City to cash out a portion of their vacation/general leave hours each year, in accordance with the requirements listed below. For those desiring to participate, each individual management employee eligible for this program is required to make a personal irrevocable election for a five-year period. If the employee elects in writing to do so (form attached), the following program/procedures will be in effect:

1. The employee will be required, between July 1st of the previous calendar year and June 30th of the current calendar year, to take at least three weeks (the equivalent of 15 8-hour working days) off from work in the form of vacation, general leave, or management leave. Use of sick leave, furlough, or leave without pay does not satisfy this program requirement.

If the leave is not taken as described above, the employee will not be eligible for vacation/general leave buy-back for that year.

2. The employee may cash out only vacation/general leave hours on the City's payroll records that exceed 240 hours, up to a maximum of 40 hours, as of the first payroll period ending after June 15th.
3. If, at the end of the mid-June payroll period, the employee has less than 280 hours of vacation/general leave, but more than 240 hours of vacation/general leave, the balance of leave hours in excess of 240 vacation/general leave hours will be paid to the employee.
4. Payment is scheduled to be made annually on the last payday in June.
5. This leave buy-back program will be automatic for those who elect to participate. The employee will not have any discretion to take more or less than what is indicated under the procedural parameters outlined above.

Holiday Leave

The City provides management employees eleven regular holidays during the calendar year.

Floating Holiday Leave

Five eight-hour floating holidays (40 hours) are provided in addition to the regular holidays. Floating holiday leave balances are provided at the beginning of the calendar year. If the floating holidays are not used, they will be cashed out at the employee's current rate of pay at the end of the calendar year. Floating holiday leave cannot be carried forward to the next calendar year. Such time off shall be taken upon the request of the employee and upon approval of department management. An employee may receive straight time pay in lieu of taking the time off should he/she so desire. This leave shall be prorated at the rate of two (2) hours per month and may be used in advance subject to deduction from the final paycheck should the employee not complete the fiscal year. This provision is intended so as not to require overtime to maintain minimum staffing; however, if use of floating holiday has been scheduled with five (5) days advance notice, that floating holiday will be canceled only in cases of extreme emergency.

Leave Balance Payout at Time of Separation from City

The following leave balances will be paid in a lump sum to the management employee at the employee's current rate of pay upon separation from the City:

- General leave;
- Vacation leave;

- Unused regular management leave (prorated at the time of separation); and
- Unused remaining floating holidays (prorated at the time of separation).

UNIFORM ALLOWANCE:

The City shall issue an allowance once per year during the month of January to regular full-time employees designated to wear safety shoes for the purchase of safety shoes which meet Cal/OSHA standards. Employees are responsible for reminding their supervisors during this period that such disbursement is due. Shoes, including lost or missing shoes, may be replaced and/or repaired at employee's expense. The maximum annual allowance shall be one hundred seventy dollars (\$170.00). The value of the annual shoe allowance will be shown as additional income for tax purposes on each covered employee's yearly W-2 statement. Employees will be responsible for providing their own documentation to the Internal Revenue Service regarding this additional income.

EDUCATIONAL INCENTIVE:

The City will reimburse management employees for tuition while in pursuit of a degree or attending an accredited college or university. This coursework or degree must be related to the performance of the management employee's duties. The limit to the amount of reimbursement provided each fiscal year will be no more than the equivalent of two semesters of undergraduate tuition at a California State College.

Management employees must obtain prior approval in writing from the Department Head and City Manager/Personnel Officer before attending classes under this reimbursement program. A copy of course grades or transcripts are required to be turned into Human Resources after each semester is completed. If course work is not completed or the employee does not receive a passing grade of C or better, then the employee will not receive a reimbursement from the City for tuition associated with these classes.

The Educational Incentive program is subject to availability of budgetary funding. Prior to undertaking educational expenses, employees are advised to contact Finance to determine the availability of funding and receive approval of the requested amount of reimbursement utilizing the City of Millbrae Educational Reimbursement form.

DEFERRED COMPENSATION:

Management employees may choose to make voluntary contributions to a deferred compensation retirement account, which can be tax deferred under IRS Code Section 457.

STANDBY, EMERGENCY COMPENSATION:

A supervisor/manager who is required to be available **in case of emergency** to return to work after regular work hours, within thirty (30) minutes shall receive standby duty compensation.

Standby shall be compensated as follows per day:

<u>Weekday Standby</u>	<u>Weekend/Day Off Standby</u>	<u>Holiday Standby</u>
\$50.00	\$50.00	\$51.64

WATER AND COLLECTIONS CERTIFICATION PAY

Water Certificate - When obtained and if working in a classification where such certification is required and may be utilized the employee will receive Water Certification Pay as follows:

Grade 2 Distribution Certificate- \$150/month

Grade 3 Distribution Certificate - \$200/month

Grade 2 Collection Certificate - \$150/month

Grade 3 Collection Certificate - \$200/month

An employee who has obtained both a Distribution and Collection Certification shall receive certification pay for each Certification obtained at the appropriate level of certification when required in their classification but in no case shall the Certification amount exceed \$350.00 per month.

NOTARY PAY

Upon approval of Department Head and City Manager, a management employee may receive Notary pay after meeting all the following criteria:

- Enroll in Notary Public education course and successfully pass the Notary Public Exam;
- Obtain Notary Public Certification from the State of California and provide copy of certificate to Human Resources;
- Maintain Notary Public Certification in good standing; and
- File necessary bond papers with County and provide proof of bond to Human Resources.

Notary pay is \$100 per month and is paid bi-weekly.

CITY OF MILLBRAE MANAGEMENT/UNREPRESENTED EMPLOYEE
VACATION/GENERAL LEAVE BUY BACK PROGRAM
IRREVOCABLE ELECTION

I, _____, have read and understand the Vacation/General Leave buyback program policy. By signing this election form, I agree to the following:

1. I elect to participate in the Vacation/General Leave buyback program;
2. This election is irrevocable and will last for a period of five years;
3. I have or will have more than 240 hours of vacation/general leave available mid-June of this year;
4. This year, I have or will have taken a minimum of three weeks as described in section number one in the policy; and,
5. I understand that the conditions described in items number three and four above must recur each year in order to receive a vacation/general leave buy back payment.

Signature

Date

Please return this form to Human Resources