MEMORANDUM OF UNDERSTANDING
FOR SUBMISSION
TO BOARD OF SUPERVISORS
REGARDING
FRINGE BENEFITS

THIS MEMORANDUM OF UNDERSTANDING, made and entered into this 15th day of December, 2009,

BY AND BETWEEN	Authorized Management Representatives (hereinafter referred to as ("Management") of the County of Los Angeles (hereinafter referred to as "County")
AND	SEIU, Local 721, CTW, CLC, (hereinafter referred to as "Union")

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ARTICLE 1 NON-DISCRIMINATION

The parties mutually recognize and agree fully to protect the rights of all employees covered hereby to join and participate in the activities of SEIU, Local 721, and all other rights in the Employee Relations Ordinance and Government Code, Section 3500 through 3511.

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, national origin, political or religious opinions or affiliations, disability, 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, then 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 October 1, 2009. This Memorandum of Understanding shall expire and otherwise be fully terminated at 12:00 midnight on September 30, 2011.

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 May 15, 2011, through May 31, 2011, its written request to commence negotiations.

Upon receipt of proposals, negotiations shall begin no later than June 15, 2011.

ARTICLE 5 RETIREMENT

Section 1.

The parties agree to recommend jointly to the County's Board of Supervisors that pursuant to Section 31581.1 of the California Government Code, said Board adopt a resolution that, effective July 1, 2005, and for the term of this agreement only, provides that the County shall pay to the Retirement Fund the amount necessary which, based on actuarial determination, is sufficient to fund the difference between:

a. The employee contributions that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in the Fringe Benefit MOU costs based on June 30, 2007, Actuarial Valuation dated February 4, 2005, by Milliman USA, were implemented, and

b. The employee contributions that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in Section 2 of this Article were implemented in lieu of the contribution rates set forth in said Fringe Benefit MOU costs based on June 30, 2007 Actuarial Valuation.

Section 2.

The parties agree that, contingent upon action by the Board of Supervisors to adopt a resolution to implement the provisions of Section 1 of this Article, the negotiated employee contribution rates for the term of this agreement for employees who entered the Los Angeles County Employees Retirement Association prior to October 1, 1978, shall be as

follows; provided, however, such contribution rates shall not apply to employees who are covered by the optional non-contributory plan (hereinafter referred to as Plan E) made operative for General Members of said Retirement Association on and after January 4, 1982.

1. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Retirement Association on or before August 31, 1977, (hereinafter referred to a Plan A for General Members):

PLAN A FOR GENERAL MEMBERS

Negotiated Employee Contribution Rates
Effective July 1, 2008

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	4.01%
17	4.07%
18	4.10%
19	4.16%
20	4.20%
21	4.24%
22	4.28%
23	4.35%
24	4.43%
25	4.47%
26	4.55%
27	4.62%
28	4.74%
29	4.81%
30	4.93%
31	5.08%
32	5.16%
33	5.30%
34	5.46%
35	5.62%
36	5.81%
37	5.98%
38	6.16%
39	6.34%
40	6.52%
41	6.72%
42	6.90%
43	7.12%
44	7.28%
45	7.48%
46	7.67%
47	7.83%
48	8.05%
49	8.16%
50	8.23%
51 and above	8.26%

2. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Retirement Association between September 1, 1977, and September 30, 1978, (hereinafter referred to as Plan B for General Members):

PLAN B FOR GENERAL MEMBERS

Negotiated Employee Contribution Rates
Effective July 1, 2008

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	5.89%
17	6.02%
18	6.14%
19	6.26%
20	6.40%
21	6.53%
22	6.66%
23	6.80%
24	6.95%
25	7.08%
26	7.23%
27	7.37%
28	7.53%
29	7.69%
30	7.85%
31	8.01%
32	8.18%
33	8.35%
34	8.52%
35	8.71%
36	8.90%
37	9.09%
38	9.28%
39	9.48%
40	9.66%
41	9.86%
42	10.04%
43	10.22%
44	10.39%
45	10.57%
46	10.74%
47	10.90%
48	11.04%
49	11.18%
50	11.26%
51 and above	11.32%

Section 3.

The parties further agree that, for the term of this agreement, the employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Retirement Association between October 1, 1978, and May 31, 1979, and, to the retirement plan for employees who became General Members of said Retirement Association on or after June 1, 1979, (hereinafter referred to as Plans C and D, for General Members, respectively); provided, however, such contribution rates shall not apply to employees who are covered by Plan E.

PLAN C FOR GENERAL MEMBERS

Negotiated Employee Contribution Rates
Effective July 1, 2008

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	5.06%
17	5.16%
18	5.27%
19	5.38%
20	5.49%
21	5.60%
22	5.73%
23	5.84%
24	5.96%
25	6.09%
26	6.21%
27	6.33%
28	6.47%
29	6.61%
30	6.74%
31	6.88%
32	7.02%
33	7.17%
34	7.31%
35	7.46%
36	7.62%
37	7.79%
38	7.95%
39	8.12%
40	8.29%
41	8.47%
42	8.64%
43	8.83%
44	9.01%
45	9.20%
46	9.37%
47	9.55%
48	9.72%
49	9.89%
50	10.05%
51	10.22%
52	10.36%
53	10.50%
54	10.62%
55	10.72%
56 and above	10.77%

PLAN D FOR GENERAL MEMBERS

Negotiated Employee Contribution Rates
Effective July 1, 2008

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	4.98%
17	5.07%
18	5.18%
19	5.29%
20	5.40%
21	5.51%
22	5.64%
23	5.74%
24	5.87%
25	5.99%
26	6.11%
27	6.23%
28	6.37%
29	6.50%
30	6.64%
31	6.77%
32	6.90%
33	7.05%
34	7.20%
35	7.34%
36	7.50%
37	7.66%
38	7.82%
39	7.99%
40	8.16%
41	8.33%
42	8.50%
43	8.68%
44	8.87%
45	9.05%
46	9.22%
47	9.39%
48	9.56%
49	9.73%
50	9.89%
51	10.05%
52	10.20%
53	10.33%
54	10.45%
55	10.55%
56 and above	10.60%

Section 4.

The parties agree that General Members in Plans A, B, or C may not transfer to Plan E during the term of this agreement. General members in Plan E may transfer to Plan D, and General Members in Plan D may transfer to Plan E during the term of this agreement. The parties understand that jointly sponsored legislation described in Section 11 may impact the provisions of this Section.

Section 5.

The parties mutually agree that the retirement program shall be continued in a manner so that retirement contributions meet the conditions set forth in Section 414(h)(2) of the Internal Revenue Code as presently codified.

Section 6.

The parties agree to meet and confer regarding the impact of any increases in employee retirement contribution rates that may occur during the term of this agreement based on any actuarial valuation required under the County Employees Retirement Law of 1937.

Section 7.

Each newly hired employee shall become a member of Plan E, effective the first day of the month following the date of hire. Should the employee elect to become a member of Plan D, the employee must make a written election within sixty (60) days from the date of hire. If the employee makes such an election to become a member of Plan D, the effective date shall also be the first day of the month following the date of hire.

The County shall provide each newly hired employee with a written summary description of Plans D and E within fourteen (14) days of his/her hire. If such material is not provided within said fourteen (14) days, the employee shall be entitled to an additional forty-five (45) day period within which to make his/her election to become a member of Plan D. Said additional forty-five (45) day period shall commence on the date the employee actually receives the aforementioned summary description of Plans D and E.

In any case where a newly hired employee dies prior to making an election for coverage under Plan D or E, he/she shall be deemed to have elected coverage under Plan E.

For purposes of this Section 7, a "newly hired employee" shall mean an employee appointed to a position which otherwise entitles the incumbent to coverage under Plan D or E.

Section 8.

The parties further agree to meet and confer on the integration of County retirement benefits with Social Security Retirement Benefits in the event the County re-enters the Social Security system. The scope of such meet and confer process shall be limited to retirement benefits provided under Plans A, B, C, and D for General members and Plans A and B for Safety Members to the extent such plans cover employees who are represented by SEIU, Local 721, and impacted by said re-entry into Social Security.

Section 9. Early Separation Program

A. Incorporate by Reference: Section 5.20.075 of Chapter 5.2 of Title V of the Los Angeles County Code is incorporated hereinafter by this reference.

B. Level of Benefits and Eligibility: The level of benefits to be provided under the Early Separation Program ("ESP") is to be determined by the requirements of the plan for certain levels of benefits and options selected by the employee. The combination of those requirements and potential elections are referred to as "Option 1", "Option 2", and "Option 3", respectively.

1. Option 1 (Two additional years of retirement service credit)

a) Requirements for Option 1: In order to elect Option 1, an eligible employee must

(1) Separate from County service on or before January 15, 1993 or other date resulting from a "contingent election window" or an "additional election window" pursuant to paragraphs C.2 and C.3 of Section 5.20.075;

(2) Be a permanent County employee eligible for retirement by the employee's designated retirement date without the two (2) additional County paid years of retirement service credit;

(3) Designate retirement date and actually retire on or before January 15, 1998, or other date resulting from a "contingent election window" or an "additional election window" pursuant to paragraphs C.2 and C.3 of Section 5.20.075.

b) Benefits of Option 1: An eligible employee meeting the foregoing requirements, and electing Option 1, shall receive the following benefits:

(1) Two additional County paid years of retirement service credit immediately upon retirement, provided that the addition of two years does not result in service credit which would place the employee beyond a mandatory retirement period (in which case the employee would be credited with the maximum amount of service credit up to such mandatory retirement); and

(2) Unless otherwise provided by 1.b (3), below, accrued benefits (time certs or time the employee has accumulated on the books, such as vacation time, non-elective leave, holiday time, sick time, etc.) which are normally paid lump sum upon separation from County service, to be paid in five annual installments beginning with the month indicated in paragraph G. of Section 5.20.075:

Separation Month	First Installment
September 1992	July 1993
October 1992	August 1993
November 1992	September 1993
December 1992	October 1993
January 1993	November 1993

Or other dates of separation and installment established as the result of a "contingent election window" or an "additional election window" pursuant to paragraphs C.2 and C.3 of Section 5.20.075.

Each succeeding annual installment will be paid in the same month in the next four successive years.

(3) Benefits for Separation on or before November 23, 1992: An eligible employee who separates from County service on or before November 23, 1992, may elect to receive an additional lump sum bonus payment of 8% of the employee's final annual compensation within thirty (30) days of separation or, alternatively, may elect to delay this additional lump sum bonus payment for up to six (6) months. In the event that the eligible employee elects that bonus, the "beginning installment" of accrued benefits (described in 1 (b) above) will be paid during

January 1994 in lieu of the beginning installment dates set forth above. Thereafter, future annual installments shall be paid during January of the next four successive years for those eligible employees.

2. Option 2 (Alternative Severance Pay - Deferred Cash Payments)

a) Requirements for Option 2: In order to elect Option 2, an eligible employee must:

(1) Separate from County service on or before January 15, 1993 or other date resulting from a "contingent election window" or an "additional election window" pursuant to paragraphs C.2 and C.3 of Section 5.20.075;

(2) Be a permanent County employee;

(3) Have a minimum of ten years of LACERA service credit at the time of separation, such service credit to include any service credit purchased, earned or otherwise acquired by the employee, such as "military buy back."

b) Benefits of Option 2: An eligible employee meeting the foregoing requirements and electing Option 2 shall receive the following benefits:

(1) Severance pay, in a total amount calculated pursuant to paragraph F.1 of Section 5.20.075 and paid as indicated in paragraph 2 below; and

(2) Unless otherwise provided by 2.b)(3), below, accrued benefits (time certs or time the employee has accumulated on books, such as vacation time, non-elective leave, holiday time, sick time, etc.) which are normally paid in lump sum upon separation from County service, to be paid in five annual installments beginning with the month indicated in paragraph G of Section 5.20.075:

Separation Month	First Installment
September 1992	July 1993
October 1992	August 1993
November 1992	September 1993
December 1992	October 1993
January 1993	November 1993

Or other dates of separation and installment established as the result of a "contingent election window" or an "additional election window" pursuant to paragraphs C.2 and C.3 of Section 5.20.075.

Each succeeding annual installment will be paid in the same month in the next four successive years.

(3) Benefit for Separation on or before November 23, 1992: An eligible employee who separates from County service on or before November 23, 1992, may elect to receive an additional lump sum bonus payment of 8% of the employee's final annual compensation within thirty (30) days of separation or, alternatively, may elect to delay this additional lump sum bonus payment for up to six (6) months. In the event that the eligible employee elects that bonus, the "beginning installment" of any accrued benefits and severance payments (described in 2. (b) above) will be paid during January 1994 in lieu of the beginning installment dates set forth above. Thereafter, future annual installments shall be paid during January of the next four successive years for those eligible employees.

(4) Additional Benefits under Option 2 which may be elected by the eligible employee: An eligible employee meeting the foregoing requirements may elect to acquire, at his or her expense, any of the following benefits, with the cost of those elected benefits to be deducted from the annual severance pay installments. In the event that such severance pay installments are insufficient to cover the County's cost of providing those benefits, then the employee must pay the excess cost to the County either (i) annually in advance to ensure benefit coverage of life insurance and/or health insurance policies, or (ii) at the time of election to receive out-placement services and group annuities.

i. Continuation of existing health and/or dental benefit coverage entitled under COBRA for up to five years from the date of separation; providing that such coverage is available from the County's insurance carriers.

ii. Continuation of existing County sponsored term life and/or accidental death and dismemberment insurance up to age 65 years, with premium costs and benefits to be based on the eligible employee's annual salary prior to separation;

iii. Out-placement services with Right Associates, the McGuire Group, or the Transition Group;

iv. Group annuities under the County's present arrangement with Metropolitan Life Insurance Company.

3. Option 3 (Alternative Severance Pay - apply all or part of deferred payment to buy additional retirement service credit)

a) Requirements for Option 3: In order to elect Option 3, an eligible employee must:

(1) Separate from County service on or before January 15, 1993, or other date resulting from a "contingent election window" or an "additional election window" pursuant to paragraphs C.2 and C.3 of Section 5.20.075;

(2) Be a permanent County employee;

(3) Have a minimum of ten years of LACERA service credit at the time of separation, such service credit to include any service

credit purchased, earned or otherwise acquired by the employee, such as "military buy back"; and

(4) Be eligible for retirement by the employee's designated retirement date and actually retire on or before January 15, 1998, or other applicable date resulting from a "contingent election window" or an "additional election window" pursuant to paragraphs C.2 and C.3 of Section 5.20.075.

b) Benefits of Option 3: An eligible employee meeting the foregoing requirements, and electing Option 3, shall receive the following benefits:

(1) Severance pay, in a total amount calculated pursuant to paragraph F.1 of Section 5.20.075 and paid as indicated in paragraph 2 below; and

(2) Unless otherwise provided by 3.b (3), below, accrued benefits (time certs or time the employee has accumulated on the books, such as vacation time, non-elective leave, holiday time, sick time, etc.) which is normally paid in lump sum upon

separation from County service, to be paid in five annual installments beginning with the month indicated in paragraph G. of Section 5.20.075:

Separation Month	First Installment
September 1992	July 1993
October 1992	August 1993
November 1992	September 1993
December 1992	October 1993
January 1993	November 1993

Or other dates of separation and installment established as the result of a "contingent election window" or an "additional election window" pursuant to paragraphs C.2 and C.3 of Section 5.20.075.

Each succeeding annual installment will be paid in the same month in the next four successive years.

(3) Benefit Separation on or before November 23, 1992: An eligible employee who separates from County service on or before November 23, 1992, may elect to receive an additional lump sum bonus payment of 8% of the employee's final annual

compensation within thirty (30) days of separation or, alternatively, may elect to delay this additional lump sum bonus payment for up to six (6) months. In the event that the eligible employee elects that bonus, the "beginning installment" of any accrued benefits and severance payments (described in 3. (b) above) will be paid during January 1994, in lieu of the beginning installment dates set forth above. Thereafter, future annual installments shall be paid during January of the next four successive years for those eligible employees.

(4) Additional benefits under Option 3 which may be elected by the eligible employee: An eligible employee meeting the foregoing requirements may elect to acquire, at his or her expense, any of the following benefits with the cost of those elected benefits to be deducted from the annual severance pay installments. In the event that such severance pay installments are insufficient to cover the County's cost of providing those benefits, then the employee must pay the excess cost to the County either (i) annually in advance to ensure benefit coverage of life insurance and/or health insurance policies, (ii) at the time of election to receive out-placement services and group annuities, or (iii) prior to retirement for retirement credit.

I. Purchase of up to two additional years of retirement service credit;

ii. Purchase of other retirement credit pursuant to LACERA requirements (i.e., military time);

iii. Continuation of existing health and/or dental benefit coverage entitled under COBRA for up to five years from the date of separation; providing that such coverage is available from the County's insurance carriers.

iv. Continuation of existing County sponsored term life and/or accidental death and dismemberment insurance up to age 65 years, with premium cost and benefits to be based on the eligible employee's annual salary prior to separation;

v. Out-placement services with Right Associates, the McGuire Group, or the Transition Group;

vi. Group annuities under the County's present arrangement with Metropolitan Life Insurance Company.

C. Employee Information and Assistance. The following assistance and sources of information shall be provided to employees:

1. EBAC and BAC shall develop a form for employees to assist them in computing the benefits of the ESP. However, those committees shall not advise employees on ESP.

2. The County will provide sufficient opportunity for employees to have questions answered relative to benefits and normal pre-retirement counseling. The County will obtain LACERA's cooperation and participation in providing such answers and pre-retirement counseling, and shall provide joint seminars for potential retirees.

D. The County shall indemnify and hold harmless those unions who are members of the Coalition of County Unions, and their officers, agents and employees, from any and all liability arising from acts or omissions of the County or its agents, officers or employees in connection with the administration of the early separation programs implemented by the Ordinance or by this Article, provided, however, that the indemnity and hold harmless obligations set forth herein shall not apply to any liability arising from the design and provisions of such early separation programs, or from the acts or omissions of the foregoing unions or their agents, officers or employees.

Section 10.

The parties agree that for the term of this agreement a portion of the County contribution to the Options Plan that may be taken as cash if the employee waives health insurance coverage equal to $244.00 is considered as earnings for retirement purposes for each employee for whom a contribution is made, whether the employee elects to take cash or not. This section shall not apply to persons hired on or after January 1, 1996. For such employees, no portion of the County contribution to the Options Plan will be considered as earnings for retirement purposes.

Section 11.

Following completion of 2000–2003 fringe benefit negotiations and the parties' joint sponsorship of legislation (AB 399), the Board approved and the County implemented the following changes to the retirement plans:

A. Provided a prospective COLA for Plan E of up to 2% per year based on Consumer Price Index movement for all urban consumers for the Los Angeles/Riverside/ Orange County area (1982-1984 bases). Plan E members may purchase the 2% COLA for past service at rates to be determined by LACERA, provided such rates cover the full cost of the COLA for past service.

B. For Plan E members who retire prior to age 65, reduced to age 62 the age at which the member is:

(1) no longer presumed to be working in Social Security covered employment following his or her retirement from the County; and

(2) permitted to provide evidence of the member's Social Security primary insurance amount in lieu of the estimated primary insurance amount that would otherwise be applied in the calculation of the member's Plan E benefit. This provision only applies to Plan E members who earned Social Security credits through County employment.

C. Indexed the pre-disability final compensation figure for a Plan E participant on Long Term Disability by the Consumer Price Index movement for the Los Angeles/Riverside/Orange County area (1982-1984 base), not to exceed 2% per year. This provision shall apply only to Long Term Disabilities occurring on or after July 1, 2001.

D. Established Plan E early retirement factors at the current levels, regardless of future actuarial valuations.

E. Increased survivor benefits for Plans A, B, C, and D from 60% to 65% and for Plan E from 50% to 55% for all pre-retirement and post-retirement survivor benefits. Service connected survivor benefits payable at 100% are not affected. Persons already retired and persons already receiving survivor benefits will not receive the increase.

F. Allowed prospective transfers from Plan E to Plan D (without a service buy back requirement) and from Plan D to Plan E (without in service cash out). Members in Plan E may also purchase all, some, or none of their time for Plan D credit. Members transferring from Plan E to Plan D must serve a two year waiting period for all disability retirements. Members who transfer from one plan to another prospectively will receive the appropriate prorated share of benefits from each plan upon retirement.

G. Increased $750.00 post-retirement lump sum death benefit for retirees in Plans A, B, C, and D to $5000.00

H. Established a $5000.00 post-retirement lump sum death benefit for retirees in Plan E.

Effective July 1, 2001, the County amended the final compensation period for Plans B, C, and D to be the highest one year.

Section 12.

The County will provide LACERA survivor benefits for domestic partners as permitted by State law.

Section 13.

The County will provide retiree health insurance for domestic partners and their minor children who receive survivor benefits under LACERA.

Section 14. Joint Labor Management Retiree Health Committee

The Joint Labor Management Retiree Health Committee established during 2006-2009 Fringe Benefit Negotiations shall be permanent. The Committee will consist of five (5) representatives designated by the Union and five (5) representatives designated by management. The Committee shall establish meeting protocols and appoint a Chairperson and Vice- Chairperson from its members. The Chairperson and Vice-Chairperson positions will alternate annually between Union and Management.

The Committee will continue to develop and make joint labor-management advisory recommendations to the Chief Executive Officer to mitigate and control the cost of future retiree health insurance. CEO. The Joint Labor Management Retiree Health Committee has recommended and supports the establishment of a Trust and Investment Services Agreement to mitigate the cost of retiree health insurance.

The Committee will be provided with pertinent documentation/information from the County relating to the establishment of the Trust and Investment Services Agreement. The CEO shall review the Committee's recommendations and prepare an analysis and report to the Board of Supervisors for review and consideration.

Local 721 reserves its right to negotiate any Retiree Health recommendation that affects wages, hours, and other terms and conditions of employment.

ARTICLE 6 LONG TERM DISABILITY

Section 1.

The parties agree to recommend jointly to the County's Board of Supervisors that said Board adopt and implement through amendment to the County Code the following modifications to the County's Long Term Disability and Survivor Benefit Plan (LTD Plan) to be effective on the effective date of the amending ordinance:

a) Existing provisions of the LTD Plan stipulate that no benefit shall be payable for any "disability resulting from, or contributed to, by mental or nervous disorder, drug addiction, or alcoholism, except while the employee is under the care of a licensed physician." The parties agree that "care" shall mean regular care under a planned program of observation and treatment by a licensed physician as required by applicable medical standards.

b) Existing provisions of the LTD Plan require that i) an employee who is sufficiently insured for Social Security Disability Benefits be eligible for or actually receiving such benefits as a condition of receiving LTD benefits beyond the initial 24 months of benefit payments, and ii) that LTD benefits be reduced by the amount of the Social Security Disability Benefits that an LTD disability beneficiary receives. The parties agree that an LTD disability beneficiary who receives Social Security Retirement Benefits in lieu of Social Security Disability Benefits shall not have his/her entitlement to LTD benefits impaired by reason thereof, providing the reason for the individual's entitlement to Social Security Retirement Benefits is due solely to

age and not the fact that the individual is not disabled within the meaning of the Social Security Act. The parties further agree that, in such case, the individual's LTD benefit shall be reduced by the amount of the Social Security Retirement Benefit as if it were a Social Security Disability Benefit, provided, however, that no such reduction shall apply to any LTD disability beneficiary who was receiving LTD benefits prior to the effective date of the ordinance implementing the provisions of this Article.

c) LTD benefits shall not be payable in any case where an employee has been absent from work for six months or more prior to the commencement of total disability, provided, however, that this exclusion shall not apply to any employee whose absence is due to an approved, non-medical leave.

d) After sending written notice by certified mail, should the surviving spouse fail to cooperate with the County for a period of 90 days, the survivor benefit payable under the LTD Plan shall be payable to the surviving children of the deceased employee or deceased disability beneficiary who otherwise meets all eligibility requirements. In the event that the survivor benefit is paid to the surviving children, duplicate payment for the same eligibility period shall not subsequently be payable to a surviving spouse.

e) It is agreed that LTD benefits available to Plan E members are the same as those available to members of Plans A through D.

f) Extend LTD Survivor Benefits to domestic partners. "Domestic Partner", for purposes of this Article, shall parallel the definition used by LACERA.

Section 2.

The parties agree to recommend that the Board of Supervisors amend the LTD plan to:

A. provide a maximum 2% COLA for LTD disability cases commencing on or after January 1, 2001. The COLA would be based on the Consumer Price Index for all urban consumers for the Los Angeles/Riverside/Orange County area (1982-1984 base) for each calendar year, not to exceed 2% per year, commencing the first month following two years of LTD benefit payments.

B. increase the survivor continuance benefit under the LTD plan to 55%, effective July 1, 2001.

Section 3.

The LTD Health Insurance Program provides guaranteed access to County-sponsored or County-approved group health insurance for individuals currently enrolled in a health insurance plan and receiving LTD benefits. Effective January 1, 2008 all eligible LTD participants, otherwise eligible to receive LTD benefits, will receive health insurance protection at no cost to the participant. Under this health insurance protection program, the employee would pay 25% of the monthly medical plan premium while receiving LTD benefits, and the County would pay the remaining 75% from a LTD Health Trust Fund. No

person shall be excluded from participating in a County-sponsored or County-approved group health insurance plan solely by virtue of being an LTD Health Plan beneficiary.

Beginning January 1, 2008, employees can elect to "buy-up" 100% LTD Health Insurance subsidy at a cost to the employee to be determined each year by the County. The monthly premium will raise sufficient revenue to fund the program as determined by the County of Los Angeles. Under this optional coverage, the County would pay 100% of the monthly medical plan premium while the employee is receiving LTD benefits.

After two years, LTD recipients who are participants in a contributory retirement plan (i.e. Retirement Plan A, B, C, or D) must apply for disability retirement benefits with LACERA. Failure to make such application will result in the cessation of LTD benefits. In the event the employee becomes eligible to receive retiree health insurance coverage with LACERA, LTD Health Benefits will cease. The new program would apply only to new disabilities incurred on or after January 1, 2008 and would not apply to employees currently disabled or in the qualifying six month waiting period. Coverage would become effective for those employees after returning to work for a period of six months or more.

The County will ask each health insurance carrier to "experience rate" the LTD group covered in their plans and any increase in premium costs associated with these individuals would be financed from the LTD Health Trust fund.

Employees who do not elect the 100% Optional Coverage would be barred from enrolling in it for two years following that decision. Beginning on January 1, 2005, LTD Health Insurance will be extended to the survivor (including a domestic partner) of an employee who is participating in the LTD health insurance protection program provided that the survivor was listed as an eligible dependent on record prior to the onset of disability.

The definition of "domestic partner" for this purpose will parallel the definition used by LACERA.

ARTICLE 7 INJURY LEAVE

The parties agree that the benefits for persons injured in the course of employment who are not covered by Section 4850 of the Labor Code shall be those set forth in Section 6.20.070 of the County Code and that such benefits shall provide for the following:

A. The sum of benefits prescribed by the Worker's Compensation Laws of the State of California plus benefits provided by said Section 6.20.070 and earnings from other employment shall equal 70% of an employee's base salary for a period not to exceed one year from the date of injury or the length of his/her continuous service prior to the date of injury, whichever is less. In no event, however, shall an employee receive less than the benefits required under the law.

B. If an employee charges an absence due to work-related injury to full-pay sick leave, vacation, accumulated overtime, or accumulated holiday time pending a determination as to the compensability of said injury, he/she shall, in the event said injury is determined to be compensable, be entitled to have 70% of such benefits restored. The remaining 30%, having been used to provide a higher benefit than is authorized for injury leave, shall not be restored. For purposes of this Section, restorable time shall be calculated to the nearest 15-minute increment.

C. From the time an injury is determined to be compensable until either one year from the date of injury, or the length of the employee's continuous service prior to the

date of injury, whichever is less, an employee may not use any other leave benefits to supplement benefits described in this Article.

D. Nothing herein shall prevent an employee from using leave benefits to supplement Workers' Compensation benefits available after one year from the date of injury, or the length of his/her continuous service prior to the date of injury, whichever is less.

E. The County and Local 721 shall form a Labor-Management Committee to meet and consult pursuant to County Code Section 5.04.090(A) on health and medical issues that include but are not limited to workers' compensation, temporary and long-term disability, accommodation of employees with disabling health conditions, and mechanisms to ensure compliance with County policies on health and medical issues. The Committee shall consist of no more than five members of Local 721 and five members of Management. The intent of the Committee is to meet quarterly or more often if the parties mutually agree, and the Committee shall cease to exist on September 30, 2011.

ARTICLE 8 OPTIONS - CAFETERIA BENEFIT PLAN AND HEALTH, DENTAL AND LIFE INSURANCE

Section 1. Cafeteria Benefit Plan - Options

The parties agree to recommend jointly to the County's Board of Supervisors for adoption and implementation by amendment to the County Code that a cafeteria benefit plan (hereinafter called Plan or Options), pursuant to Section 125 of the IRS Code be implemented for employees covered by the MOU for the period January 1, 2010 through December 31, 2011. The Plan will operate on a Plan year basis as required by Section 125 of the IRS Code. It is the intent of the parties that this plan year will consist of twelve (12) months, January 1 through December 31 of each year. Each election period shall be an open enrollment, unless otherwise indicated.

Section 2. Benefits Administration Committee

A. The Labor and Management Committee known as the Local 721 Benefits Administration Committee (BAC or Committee) will jointly administer the benefits provided to employees covered by this MOU through the Plan. The Committee shall use the Joint Labor-Management Health Insurance Cost Containment Strategic Action Plan (Cost Mitigation, Goals and Objectives) in Appendix A as a guideline in the development and design of benefit plans.

B. The Committee shall be comprised of five (5) representatives designated by Local 721 and five (5) representatives designated by Management. The Committee shall

have the authority, subject to CEO and Board of Supervisors approval when required, to:

1. Develop its own internal procedures, including the scheduling of meetings and reports of contacts with insurance carriers.

2. Negotiate with carriers of County-sponsored insurance plans regarding premium rates and benefit plan design for all benefits provided to employees under the Plan.

3. Review utilization and claims experience of all County-sponsored insurance and benefits plans within the Plan, which may require access to all relevant reports, and face to face discussions with both providers and the appropriate agencies. This does not preclude the Committee from requesting similar information for other plans.

4. Engage its own consultant. If it does, the cost of such consultant shall be negotiated by the County and Local 721.

5. Recommend to the CEO which County-sponsored benefit options, (including but not limited to voluntary plans such as life, vision, group legal, educational assistance), and plan carriers will be offered through the Plan.

Members may use their individual resources to analyze, research, and develop recommendations to the Committee regarding new benefit plan options.

The parties agree that during the term of this agreement, the parties will discuss ways to mitigate premium increases for subsequent plan years.

Section 3. Employees Eligible For Options

A. Employees eligible for Options will include all full-time permanent employees who are:

1. Represented by Local 721;

2. Employees in bargaining units covered by Local 721's Fringe Benefits Memorandum of Understanding;

3. Non-represented employees who are ineligible to participate in the County's Flexible Benefit Plan for non-represented employees and who are ineligible to participate in the Choices Plan for represented employees.

B. For purposes of this Plan, "full-time permanent employee" means any employee appointed to an "A," "D," "M," or "N" item, as defined in Title 6 of the County Code. An eligible employee shall become a "Participant" in the Plan upon meeting all of the requirements for participation set forth above.

Section 4. How The Plan Works

It is the purpose of the 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 for the Plan Years 2010, and 2011, and various rules relating to those options, are set forth below:

A. Health Insurance:

Participants may purchase one of the following County-sponsored health insurance plans:

- Kaiser Foundation Health Plan
- PacifiCare Health Plan HMO
- United Healthcare Choices Plus PPO

Enrollment Rules:

1. The two County-sponsored health insurance plans (a) and (b) above will be fully open to all Participants, and their dependents, with no evidence of insurability required. 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.

2. Every Participant in the Plan must be enrolled in one of the above plans or certify annually that he/she has other health insurance coverage. Such certification must state the name of the other insurance plan, the name of the subscriber, and the Social Security number of the subscriber.

   Effective January 1, 2011, in the event that a participant defaults on providing the required health insurance certification coverage information he/she shall be defaulted into the lowest costs HMO plan.

B. Dental Insurance:

Plan Participants may purchase one of the following County-sponsored dental plans:

- Delta Dental Plan
- DELTA Care
- Safeguard Dental Plan

Enrollment Rules:

All three dental plans will be fully open to all Participants. As with health insurance, every Participant must be enrolled in one of the above dental plans or certify that he/she has other dental coverage. Such certification shall require the name of the other 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.

C. Life Insurance:

All Plan Participants will automatically receive $2,000 of term life insurance coverage if they are members of Retirement Plan A, B, C, or D and $10,000 of term life insurance coverage if they are members of Retirement Plan E. This coverage is fully paid by the County outside of the Plan.

Effective date of this change is January 1, 2005. Employees in Retirement Plan E may purchase up to $40,000 of this coverage on a pre-tax basis through the Plan.

Employees in Retirement Plans A. B, C or D may purchase up to $48,000 of coverage on a pre-tax 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.

Subject to the limitations set forth above, participants may purchase optional County-sponsored term life insurance in amounts up to eight (8) 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 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.

D. 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 (10) 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.

E. Health Care spending Account:

Each Participant may allocate from $10.00 to $400.00 per month to a Health Care Spending Account. Limits in 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 (6) months after the close of the Plan Year in which the medical expenses were incurred.

F. Dependent Care Spending Account:

1) 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 (6) months after the close of the Plan Year in which the dependent care expenses were incurred.

2) 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:

Employee Gross Annual Salary	**Employer Contribution per month**
Less than $29,999	$375
$30,000-$34,999	$300
$35,000-$39,999	$275
$40,000-$44,999	$200
$45,000-$49,999	$125
$50,000 or more	$75

The County contribution towards Dependent Care Spending Account for Local 721 members is subject to an annual limit not to exceed $5 Million Dollars for plan years 2010 and 2011 (for a total of $10 Million Dollars). Any remaining amount not used in the Plan Year will be returned to the County's General Fund.

Participants in the Options 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 Options 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 Benefits Administration Committee (BAC) Joint Labor-Management Committee 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 Options Dependent Care Spending Account will be provided during the term of this MOU agreement.

G. Election Procedures:

1. Eligible employees shall make their benefit elections on forms provided by the County pursuant to procedures established by the Chief Executive Office.

2. Newly hired and newly eligible employees shall have sixty (60) days to enroll.

3. 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.

4. 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 health insurance plan, he/she will become a Participant in the 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 pay warrant on the 15th of the month immediately preceding the effective date of his/her election for all Plan Years. 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 health insurance plan, he/she will be deemed ineligible to participate in the Plan until the next Plan Year.

H. Maintenance of Benefits

Unless otherwise agreed to by the County and the Union, all insurance coverage sponsored by the County shall retain the levels of benefits in effect on January 1, 2010 through December 31, 2011.

Effective January 1, 2003, the parties implemented a $5.00 mandatory office co-pay for the Kaiser and PacifiCare HMO - (high option) health plans, a $5.00 prescription co-pay for the Kaiser plan, and a $5.00 generic/$10.00 brand name prescription co-pay for the PacifiCare HMO - (high option) plan.

Effective January 1, 2008, the parties implemented a $10.00 mandatory Office/Urgent Care co-pay for the Kaiser and PacifiCare HMO health plans, and a $5.00 generic/$20.00 brand name prescription co-pay for the Kaiser and PacifiCare HMO. Beginning in plan year 2008, pediatric Office/Urgent Care co-pays will be zero dollars ($.0) for children up to age five (5).

Beginning in plan year 2009, the parties elected to waive co-pays for preventative care for Kaiser and PacifiCare.

Beginning in plan year 2009, the parties implemented the following enhancements to the Delta Dental PPO: 1) Increased the annual plan maximum to $1,750 across all three network tiers, 2) Added orthodontia coverage for adults and children with a 50% coinsurance subject to a $1,200 lifetime maximum, 3) Added coverage for dental implants with 50% coinsurance subject to the annual plan maximum, and 4) allowed a third teeth cleaning if medically recommended.

Effective January 1, 2010, the parties increased the United HealthCare (UHC) Choices Plus PPO lifetime maximum benefit to $5 million.

I. Miscellaneous Rules:

1. Unpaid Leave of Absence:

As stated above, an employee loses the monthly County contribution if he/she is not in a pay status at least eight (8) 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 canceled, when he/she returns to an eligible pay status coverage(s) will resume 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 (8) 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:

An employee must submit a Change Form to his/her Human Resources

Personnel), Benefit Services Section within ninety (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. Changes involving increases in medical insurance premiums which are submitted after expiration of the ninety (90) days must be paid with after-tax dollars. No refund of premium overpayments will be made if a Change Form is not received within the ninety (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 ninety (90) days.

Section 5. Contributions

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

Coverage	Monthly Contribution	
	2010	2011
Employee who waives health insurance coverage	$228.00	$ 228.00
Employee only	$573.56	$ 614.86
Employee plus one Dependent	$1,046.49	$1,121.84
Employee plus two or more dependents	$1,236.23	$1,325.24

B. 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.

C. In addition, in Plan Years , 2010, and 2011, the County will buy down the premium of any County or Union sponsored health plan so the premium is decreased $6.00 per month for employee only coverage, $9.00 per month for employee plus one dependent coverage, and $11.00 per month for employee plus two or more dependents coverage.

D. No employee may receive multiple contributions from the Plan, 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.

E. If an employee's nontaxable benefit selections cost more than the amount of the applicable County contribution, 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 (8) 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, or any other employee benefit.

Section 6. Delta Dental Subsidy

Beginning January 1, 2010, the premiums for these plans will be on a three tier basis. For each month of the term of this contract, the County contribution to participants in Delta Dental shall be as follows:

	2010	2011
Employee Only	$20.59	$20.59
Employee plus one dependant	$36.02	$36.02
Employee plus two or more dependants	$56.58	$56.58

If the County discontinues the buy down of Delta Dental, the cost of such buy down shall be added proportionately to the contribution rate of all Options participants, whether such participants purchase Delta Dental or not.

Section 7. Administrative Fee

A $2.00 per month minimum fee shall be charged to each participant for the County costs to administer the Plan. A monthly administrative fee, as determined by the Committee may

be charged to each participant. Such fee shall be for enrollment, communications, third party administration, etc.

The above fee shall be collected via tax free salary reduction. It is the intent of the parties that all administrative costs of the Plan be revenue neutral.

Section 8. Health Insurance for Temporary and Recurrent Employees

A. The parties further agree to recommend jointly to the County's Board of Supervisors for adoption and implementation by amendment to the County Code, that the County contribution toward health insurance for certain temporary and recurrent employees who are not eligible for the Plan be as set forth below for the term of this agreement.

Coverage	Monthly Contribution	
	2010	2011
Employee Only	$481.56	$516.23
Employee plus one Dependent	$855.31	$916.89
Employee plus two or more dependents	$981.80	$1,052.49

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.

B. Health Insurance Subsidy for Non-Student Part-time Employees Eligible for Participation

1. 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 twenty (20) hours a week for the three (3) consecutive months prior to enrollment.

   An employee will be deemed to be in a pay status for an average of twenty (20) hours a week for the three (3) 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 (3) consecutive months prior to enrollment is equal to or greater than 249 hours.

   b. The employee is on a 3/4 or 4/5 monthly item and the employee's total pay status hours for the three (3) consecutive months prior to enrollment is equal to or greater than 360 hours.

C. 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 thirty (30) hours a week.

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

D. Ongoing Eligibility

To receive a contribution to a health insurance for a month, an employee must be in a pay status for at least eight (8) hours in the prior month. Effective January 1, 2007, an employee will be taken off this benefit effective July 1, if an employee is in a pay-status for an average of less-than twenty (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.

Section 9. Flexible Benefit and Mega-Flex Benefit Plan

Permanent County employees currently participating in, or eligible to participate in the Flexible Benefit Plan (FBP) and/or Mega-Flex Plan (Pensionable and Non-Pensionable), shall continue to be eligible for and participate in said plans upon unit certification or accretion into a Local 721 bargaining unit. Any and all future changes the County makes to the Flex and Mega-Flex Benefit Plans for non-represented employees, including contributions, plan design and benefit changes, shall be extended to and become part of said eligible or participating employee's Flex and Mega-Flex Plan.

It is the intent of Section 9 to provide a "grandfathered" benefit to employees currently receiving or eligible to participate in the Flexible Benefit/Mega-Flex Plans that elect to be represented by a certified employee organization. Any new employee subsequently hired or promoted into an accreted job classification or a classification covered by unit certification previously covered by the Flex/Mega-Flex Plan shall not participate in the Flex/Mega-Flex Program.

The County shall not discriminate against non-represented employees upon unit certification or accretion into a Local 721 bargaining unit, or otherwise restrict their participation in the Flex and Mega-Flex Benefit Plans, on the basis of their status as represented employees.

The parties agree that the exclusive management, control and administration of the Flex/Mega-Flex Program shall be at the discretion of the County. Any current and future changes or modifications to the Flex/Mega-Flex Program will be at the sole discretion of Management subject to the County meeting and consulting with the Union prior to implementing any changes to the plan(s). Any employee currently covered by Flex/Mega-Flex may waive this benefit and opt on a one-time only basis to be covered by Options. Once an employee elects to be covered by Options this choice will be irrevocable.

ARTICLE 9 RENTAL RATES

The parties agree to recommend to the County's Board of Supervisors that the monthly rental rates for employee-occupied County housing shall be as follows:

Address	Rate Effective 10/01/09
Warm Springs Rehabilitation Center	
Bldg. #5677 (Iguana Lodge)	
Rm. 1	90.00
Rm. 2	90.00
Rm. 3	90.00
Rm. 4	100.00
Bldg. #2950	300.00
Bldg. #2972	550.00
Bldg. #2946	1100.00
Area II (Trailer pad)	275.00
ACTON Rehabilitation Center	
Building #0877	
Rm. 1	150.00
Rm. 2	100.00
Rm. 3	150.00
Trailer Pads (Mobile Home)	
Pad #1	275.00
Pad #2	275.00
Pad #3	275.00
Pad #4	275.00
Pad #5	275.00
Pad #6	275.00
Apartment/Annex	290.00

Department of Parks and Recreation

1418 Descanso Drive, La Canada 91001	220.50
5441 Palm, La Canada	143.51
Vasquez Rocks 10700 W. Escondido Cyn. Rd., Agua Dulce	231.53

Department of Internal Services

12441 Osborne Street, Pacoima	151.04

ARTICLE 10 BILINGUAL PAY

The parties agree to recommend to the County's Board of Supervisors that said Board adopt and implement, through amendment to the County Code, an increase in the additional compensation which may be received, if all the conditions enumerated in Section 6.10.140 of said code are met, from $80 per month to $100 per month ($50.00 per pay period) effective January 1, 2001.

The parties further agree to recommend to the County's Board of Supervisors that effective January 1, 1992, said Board adopt and implement through amendment to County Code Section 6.10.140 that temporary and recurrent employees who meet the conditions stated in said County Code shall be eligible to receive bilingual pay.

ARTICLE 11 PAYDAYS

Section 1.

The parties agree that payroll warrants, including base pay, bonuses, overtime, or any other compensation, will be issued once a month, on the 15th day of the month, for work performed during the previous calendar month. If such a day falls on a Saturday, Sunday, or holiday, the payday shall be the immediately preceding regular work day. Employees may opt to receive pay twice a month, including the Earned Salary Advance (ESA), as at present, provided they participate in the Direct Deposit Program, in which the entire semi-monthly net pay is automatically deposited directly into the employee's checking or savings account at the bank, savings and loan, or credit union of his/her choice which is a member of the Automated Clearing House. Such deposits will be made on or before the 15th and 30th days of each month.

Section 2.

The parties further agree that any employee who is paid on a monthly basis, and who is not on the Direct Deposit Program, may receive not more than one emergency ESA warrant during any calendar year upon presentation of documentary proof of a bona fide emergency to the appointing authority. Upon request of the appointing authority, not later than the first day of the month, the Auditor-Controller shall issue an emergency ESA warrant not to exceed 50% of the employee's last regular payroll warrant, provided the appointing authority certifies that the employee has sufficient time worked and/or accrued time on the books to cover the period for which the advance is made. Such warrant shall

not be issued prior to 15 days after the last regular payday, and the amount of such warrant shall be deducted from the next regularly issued payroll warrant. Emergency warrants will be issued within 5 working days after receipt of the request by the Auditor-Controller.

Section 3.

The parties further agree that an employee who is not on the Direct Deposit Program may be paid a salary advance upon the certification of the employee's department head that such employee will be on an approved paid leave of absence of at least 10 consecutive working days extending over a regularly established payday and has sufficient time worked and/or accrued time on the books to cover the entire period for which the salary advance is made. Such salary advance shall be paid in accordance with rules and procedures promulgated by the Auditor-Controller and approved by the Board of Supervisors. An employee who opts for the Direct Deposit Program may be paid such a salary advance in accordance with existing policies applicable to twice-a-month paydays.

Section 4

The provisions of this Article will be impacted by the implementation of a new payroll/personnel system commonly known as e-HR in on or after January 2010 through December 31, 2012. Any impact on implementation of the proposed system changes (including bi-weekly pay) on wages, hours, or other terms and conditions of employment will be negotiated with Local 721 in the same manner, and subject to the same conditions, as that provided for in Article 29 e-HR of this Memorandum of Understanding.

ARTICLE 12 SICK LEAVE

Section 1.

The parties agree that on the effective dates listed below, full pay sick leave shall be earned and accrued as follows:

Employees hired prior to July 1, 1986, shall, effective January 1, 1994, earn 0.050 of an hour of full pay sick leave (0.075 of an hour for employees working a 56 hour shift) for each qualifying hour of service during a pay period. Qualifying hours include all active service hours, but do not include regular days off or overtime. Full pay sick leave earned is available for use on the first day of the subsequent pay period. There is no change to the maximum number of days of full pay sick leave that may be earned each calendar year. Employees will no longer receive a lump of sick leave on January 1 of each calendar year. Such employees will receive, on January 1, 1994, a number of days of special usage only sick leave on a one-time only basis. This number of days is equal to such employees' annual maximum number of full pay sick leave days. This special sick leave can be used only after all other full pay sick leave subject to 50% payoff at termination is used, (that sick leave earned on or after January 1, 1971), but may be used before full pay sick leave subject to 100% payoff is used (that sick leave earned prior to January 1, 1971). This special sick leave is not paid off at termination. Upon termination, an employee who otherwise qualifies for payoff of unused full pay sick leave is, in addition to all previously accrued and unused full pay sick leave, paid off for 50% of his or her current annual maximum number of sick leave days less any full pay sick leave taken in the year of termination.

Employees hired on or after July 1, 1986 shall, effective upon the implementation of phase 2 of the County-wide Timekeeping and Payroll-Personnel System (CWTAPPS) earn 0.050 of an hour (0.075 of an hour for employees working a 56 hour shift) for each qualifying hour of service worked during a pay period. Full pay sick leave earned is available for use on the first day of the subsequent pay period. There is no change to the maximum number of days of full pay sick leave that may be earned each calendar year.

Section 2.

The parties further agree to recommend jointly to the County's Board of Supervisors for adoption and implementation through amendment to said County Code that during the term of this agreement only, full-time, permanent employees may be paid for unused full-pay sick leave as follows:

a) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from July 1, 2009, through December 31, 2009, and if, by December 31, 2009, he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on December 31, 2009.

b) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from January 1, 2010, through June 30, 2010, and if, by June 30, 2010,

he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on June 30, 2010.

c) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, it the employee uses no sick leave for any reason from July 1, 2010, through December 31, 2010, and if, by December 31, 2010, he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on December 31, 2010.

d) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from January 1, 2011, through June 30, 2011, and if by June 30, 2011, he/she had completed at least 12 consecutive months of continuous service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on June 30, 2011.

e) An employee may, at his/her option, be paid for up to 3 sick leave days, in lieu of carrying such days, if the employee uses no sick leave for any reason from July 1, 2011, through December 31, 2011, and if, by December 31, 2011, he/she had completed at least 12 consecutive months of continuous

service as defined in this Article. Such payment shall be computed on the basis of the workday rate in effect on December 31, 2011.

Further, an employee who elects to receive payment for unused sick leave as provided in this Article shall make his/her election known in a manner prescribed by Management within one month following the date said employee qualifies for said payment.

Section 3.

For purposes of this Article, a day of full-pay sick leave shall be defined as:

a) Eight (8) hours for persons employed on a forty (40) hour per week basis.

b) A pro rata portion of eight hours in the case of one-half time or more permanent employees.

c) Twelve (12) hours for persons employed on a fifty-six (56) hour per week basis in the Probation Department, the Fire Protection Districts, and the Forester & Fire Warden's Department.

d) Eleven (11) hours for all other persons employed on a fifty-six (56) hour per week basis.

Section 4.

The parties further agree to recommend to the County's Board of Supervisors that Section 6.20.040 of the County Code shall continue to provide part pay sick leave benefits based on length of service. Such benefits shall be at the rate of 65% and 50% pay and shall be available for use subject to the conditions and limitations set forth in said County Code.

Section 5. Personal Leave

Beginning January 1, 2007, employees may use up to 96 (ninety-six) working hours (up to 144 working hours for those employees employed on a 56-hour workweek) of accrued full-pay sick leave in any one calendar year for personal reasons pursuant to County Code Section 6.20.030 A(2). When leave pursuant to this Section is needed to attend to the illness or injury of a family member, as defined in Article 16, Bereavement Leave, in the Local 721 Fringe Benefit MOU, departmental requirements for prior approval will be applied only to the extent practicable.

Persons employed in positions requiring a California license to practice nursing will be able to use up to 96 working hours for personal reasons in any one calendar year.

ARTICLE 13 PAYING OFF TIME CERTIFICATES

After an employee leaves County service, he/she shall be paid for any unused and payable sick leave, accumulated holiday time, and vacation time at the workday rate of pay in effect on the employee's last day of County Service. Such payment shall be made in one lump sum payment within 30 days or as soon as practicable thereafter. Payment for accumulated overtime shall be paid on the same basis.

Employees, other than those laid off due to a reduction in work force, who are later reemployed or reinstated by the County, shall be considered new employees in all respects with regard to service, compensation, and benefits.

Any full-time permanent employee, who has at least six months continuous service and is laid off pursuant to Civil Service Rules with less than 10 business days notice, shall be eligible to receive, at the employee's option, one-half of any earned base pay remaining on the books as of the employee's last day of County service. Upon the employee's request to the appointing authority, such payment shall be made within five business days following the employee's last day of County service. The employee's departmental payroll section shall submit the appropriate payroll information to the Auditor-Controller within two business days from the date of the employee's request.

ARTICLE 14 MEAL RATES

The parties agree to recommend jointly to the County's Board of Supervisors that said Board adopt and implement through amendment to the County Code the following meal rates to be paid by those persons who purchase meals in County institutions:

	Effective 10/01/09
Breakfast	$2.00
Lunch	$2.50
Dinner	$3.00

All employees who are currently provided free meals by the County shall continue to receive free meals for the term of the Memorandum of Understanding.

ARTICLE 15 VACATION

Section 1.

In accordance with phase 2 of CWTAPPS, vacation will be earned and accrued as described below:

On the day phase 2 of CWTAPPS is implemented, each employee otherwise eligible to receive paid vacation shall be credited with that amount of time earned since the employee's last vacation anniversary date. The only exception to this March 1, 1993, posting is for new employees who have not completed one year's service. For such employees, the pro rata share of vacation will be posted as reserve time and not be available for use until the employee completes one year. At that time, all the March 1, 1993, time plus accrued time since March 1, 1993 will be available for use. Subsequently, such employee will accrue additional vacation each pay period based on the accrual tables listed below for each qualifying hour of service. Qualifying hours include all active service hours, but do not include regular days off or overtime. Annual calendar year maximums remain the same as before implementation of CWTAPPS.

Table 1. Vacation for 40 hour employees:

Years of Service	Vacation Accrual Rate	Maximum Hours
0-4 years	0.041	80
4-9 years	0.060	120
9-10 years	0.064	128
10-11 years	0.068	136
11-12 years	0.072	144
12-13 years	0.076	152
13 years or more	0.080	160

Table 2. Vacation for 56 hour Probation employees:

Years of Service	Vacation Accrual Rate	Maximum Hours
0-4 years	0.057	112
4-9 years	0.084	168
9-11 years	0.096	192
11-13 years	0.108	216
13 years or more	0.112	224

Table 3. Vacation for Fire Department 56 hour employees:

Years of Service	Vacation Accrual Rate	Maximum Hours
0-4 years	0.075	144
4-10 years	0.097	192
10-12 years	0.111	216
12 years or more	0.122	240

Section 2.

The parties agree that effective December 31, 1993, employees whose current and deferred vacation total more than 40 days at the end of a calendar year may defer the excess vacation time over 40 days to the following calendar year. After that year, if such excess vacation time over 40 days has not been used, the employee will be paid for such excess vacation time at the straight-time rate in effect on the last day of said year of deferment.

Section 3.

Nothing in this Article diminishes the department head's authority to grant, schedule, and defer vacation time.

ARTICLE 16 BEREAVEMENT LEAVE

Section 1.

The parties agree to recommend to the County's Board of Supervisors that bereavement leave shall be as defined and provided for in the County Code in the event of death of father, mother, stepfather, stepmother, father-in-law, mother-in-law, brother, sister, husband, wife, child, stepchild, grandfather, grandmother, grandchild, or domestic partner, and domestic partner's father, mother, stepfather, stepmother, child, stepchild, and grand child.

The parties further agree that effective January 1, 1999, if an employee is required to travel a minimum of 500 miles one way, he or she shall be eligible to receive 2 additional working days of bereavement leave for a total of 5 days. In addition, the employee shall be allowed use of other paid or unpaid leave if one-way travel over 500 miles is required.

Section 2.

Nothing in this Article precludes an employee from requesting additional time off for bereavement as defined above. If granted by Management, such additional time off for bereavement shall be charged to the employee's accrued vacation, overtime, personal leave, or holiday time, or taken as time without pay, as elected by the employee.

ARTICLE 17 HOLIDAYS

Section 1.

The parties jointly agree to recommend to the County's Board of Supervisors for adoption and implementation through amendment to the County Code that the following dates be observed as holidays during the term of this agreement:

New Year's Day	January 1
Martin Luther King Jr.'s Birthday	Third Monday in January
Presidents' Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Fourth Friday in November
Christmas	December 25

Section 2.

In the event an employee covered by this agreement is scheduled to work a named holiday on or after January 1, 1996, such holiday may be accrued and taken off at a time chosen by the employee, subject to the approval of management. All unused holiday time not taken after two years from the date of the individual holiday may be paid at the employee's current rate at the option of Management. All accrued holiday time shall be paid at the employee's current rate when the employee separates from County service.

ARTICLE 18 DEFERRED COMPENSATION AND THRIFT PLAN

Section 1.

The parties have mutually agreed to the provisions of the Deferred Compensation and Thrift Plan ("Plan"), also known as Horizons, which is fully set forth in Chapter 5.25 of the County of Los Angeles Code as it was restated on August 19, 2003. With respect to employees covered by this Memorandum of Understanding, the Plan provides benefits mutually agreed upon by the parties. The parties intend that Horizons shall operate as an eligible deferred compensation plan pursuant to Section 457 of the Internal Revenue Code and other applicable laws.

Section 2.

The parties further agree on the following matters which provide operational details concerning Plan operation, or are related to the Plan but are outside the scope of its provisions:

A. The provisions of Chapter 5.25 are not subject to the Grievance Procedure set forth in Article 26 of this MOU,

B. The monthly matching contributions provided in Section 5.25.050 of the Plan, beginning on January 1, 2001 shall be dollar-for-dollar to a maximum of 4% of the participant's compensation, as defined in the Plan.

C. As set forth in Section 5.25.050 of the Plan, this Memorandum of Understanding provides for a dollar cap on matching County contributions and said cap establishes an annual expenditure limit that operates on a July 1 to June 30 cycle as set forth below:

The General County plus special fund and special district contributions provided by the Plan for represented employees shall not exceed $112 million during the period July 1, 2009, to June 30, 2010 and shall continue at this amount through succeeding July 1 and June 30 periods, or until amended by the parties. Any unspent monies will be carried over to the next fiscal year.

D. To the extent that employees represented by SEIU Local 721 are impacted, the termination of the Horizons Plan or the amendment of any Plan provisions that are subject to negotiation shall be negotiated between the parties.

E. In the event that the County is mandated by Federal or State law to re-enter the Social Security system during the term of the current Fringe Benefits Memorandum of Understanding, at the request of either party, the parties agree to open negotiations within 45 days of such request regarding the impact of such mandate on the matching contributions of the employees represented by SEIU Local 721 to be covered by Social Security.

F. In the event that applicable law is changed to require the Plan be terminated or merged into another form of deferred compensation program during the term of the current Fringe Benefits Memorandum of Understanding, at the request of either party, the parties agree to open negotiations within 45 days of such request regarding the impact of such termination or merger on Plan participants who are employees represented by SEIU Local 721.

Section 3.

It is agreed between the parties that any conflict between this Article and the Horizons Plan provisions of the County Code be resolved in favor of the Memorandum of Understanding provisions.

ARTICLE 19 JOIN LABOR-MANAGEMENT COMMITTEE ON EMPLOYEE WELLNESS

The parties agree that during the term of this Memorandum of Understanding they will actively cooperate in developing an employee wellness program. Said program shall include but not be limited to: smoking cessation, weight control, stress management, diet control and worksite wellness activities. Further, the parties agree that such a program shall be coordinated by the Joint Labor-Management Committee on Employee Wellness which shall be a sub-committee of the Local 721 Benefits Administration Committee (Article 8, Options). The Joint Labor-Management Sub-Committee on Wellness shall be comprised of three (3) employee representatives designated by Local 721 and three (3) representatives designated by Management. The Joint Labor-Management Sub-Committee on Wellness shall make advisory recommendations to the Benefit Administration Committee (BAC) regarding improvements in the Employee Wellness Program.

ARTICLE 20 JOINT LABOR-MANAGEMENT ADVISORY COMMITTEE ON PRODUCTIVITY ENHANCEMENT

The parties agree to recommend to the County's Board of Supervisors that the Advisory Committee on Productivity Enhancement established by said Board of Supervisors continue to function during the term of this agreement. Two members of this Committee shall be representatives of SEIU, Local 721.

ARTICLE 21 SOCIAL SECURITY RELATED ENHANCEMENTS OF BENEFITS

The parties agree to request that the Board of Supervisors adopt and implement the following: an increase in the amount of the health insurance premium paid by the County; a County administered savings plan for Retirement Plans A-E; reopening of Retirement Plans D and E; the applicability of Internal Revenue Code 414 (h) (2) to employee retirement contributions; health insurance for retirees; and Long Term Disability Program for Retirement Plans A-D.

Further, the parties negotiated the following items at the Fringe Benefits Table:

- Continuation of retirement subsidy through August 31, 1985
- Life insurance and disability coverage
- Survivor's benefits
- Life insurance and supplements
- Medicare
- Continuation of dependency coverage in health insurance plans
- Continuation of COLA levels for Retirement Plans A-D
- Continuation of COLA levels for Plan E, LTD, and survivors
- Reverting to non-integrated contribution rates in Retirement Plans A - D for employees impacted by Social Security withdrawal
- Two-year early retirement credit
- Parity of benefits for Retirement Plans D and E
- Long Term Disability
- No Long Term Disability offset

- Elimination of 3-day injury leave waiting period
- Complete restoration of injury leave benefits
- Annual enrollment periods for County-sponsored health insurance plans
- Continuation of health insurance coverage to employee during I.A. or extended sick leave
- Payment of health insurance premium for laid-off employees
- County-paid dental insurance coverage
- Dental coverage to County employees regardless of status
- Annual dental insurance enrollment
- Enhancement of dental insurance to include orthodontic, prosthodontics, and cosmetic coverage
- Full dental coverage for employees on I.A., sick leave, or layoff
- Increases in sick leave accrual
- Enhancements to sick leave

In the event that Los Angeles County rejoins the Social Security System, the Retirement and Benefit enhancements program herein may be terminated by the Board of Supervisors.

LTD Program for Retirement Plans A-D

- Tax-deferred contributions
- Thrift Plan

- Safety Net
- Health insurance enhancements for retirees

The parties acknowledge and agree that the aforementioned items are Social Security related enhancement benefits which were negotiated at the Fringe Benefit Table as a result of combining the Social Security and the Fringe Benefit Tables.

In the event that the County rejoins the Social Security System, the parties agree to meet and confer regarding the impact of Social Security coverage on affected employees. Such meet and confer process shall include, but not be limited to, the impact of the decision to terminate the Retirement and Benefit enhancements program provided for in this Article.

ARTICLE 22 OBLIGATION TO SUPPORT

The parties agree that subsequent to the execution of this Memorandum of Understanding and during the period of time said Memorandum is pending before the Board of Supervisors for action, neither Local 721, SEIU, nor Management, nor their authorized representatives, will appear before the Board of Supervisors or meet with members of the Board of Supervisors individually to advocate any amendment, addition, or deletion to the terms and conditions of this Memorandum of Understanding. It is further understood that this Article shall not preclude the parties from appearing before the Board of Supervisors nor meeting with individual members of the Board of Supervisors to advocate the adoption and approval of this Memorandum of Understanding in its entirety.

ARTICLE 23 AUTHORIZED AGENTS

For the purpose of administering the terms and provisions of this Memorandum of Understanding:

A. Management's principal authorized agent shall be County's Chief Executive Officer or his/her duly authorized representative [Address: 500 West Temple Street, Los Angeles, California 90012; Telephone: (213) 974-2404], except where a particular Management representative is specifically designated in connection with the performance of a specific function or obligation set forth herein.

B. The Local 721, SEIU principal authorized agent shall be the Executive Director or his/her duly authorized representative [Address: 500 South Virgil Avenue, Los Angeles, CA 90020. (213) 368-8660].

ARTICLE 24 PROVISIONS OF LAW

It is understood and agreed that this Memorandum of Understanding is subject to all current and future applicable Federal, State, and County laws and regulations, the Charter of the County of Los Angeles, and any lawful rules and regulations enacted by County's Civil Service Commission, Employee Relations Commission, or similar independent commissions of the County. If any part or provision of this Memorandum of Understanding is in conflict or inconsistent with such applicable provisions of Federal, State, or County rules and regulations, or is otherwise held to be invalid or unenforceable by any tribunal of competent jurisdiction, such part or provision shall be suspended and superseded by such applicable law, rule, or regulation, and the remainder of this Memorandum of Understanding shall not be affected thereby.

ARTICLE 25 FULL UNDERSTANDING, MODIFICATIONS, WAIVER

Where a Full Understanding, Modifications, Waiver Article is included in a separate Memorandum of Understanding applicable to a recognized employee representation unit, it shall apply to this Memorandum of Understanding.

ARTICLE 26 ARBITRATION OF GRIEVANCES

Wherever a provision for binding arbitration of grievances is included in the Grievance Procedure of a separate Memorandum of Understanding, it shall be applicable to the provisions of this Memorandum except any subject matter relating to County-sponsored employee group insurance plans that could impose on the carrier, the provider, or the County an obligation which would be in conflict with the applicable law and/or the contracts or service agreements between the County and the carrier or provider.

A written decision of an arbitrator resulting from the arbitration of a grievance under the following Articles of this agreement shall be entirely advisory in nature and shall not be binding upon any of the parties:

Non-Discrimination

Implementation

Term

Renegotiation

Authorized Agents

Provisions of Law

ARTICLE 27 COMMUTING PROBLEMS

The parties agree that during the life of this contract they will actively cooperate in the development and implementation of solutions to the problems of energy waste, air pollution, and congestion created by employee use of motor vehicles. This mutual effort shall include, but not be limited to, producing incentives for the use of car-pools and public transportation.

During the term of the 2009-2011 MOU the parties agree that the County will implement the provisions of the Commuter Benefit Plan (August 20, 2009 Proposal)

A Green@Work joint labor management committee will be convened within 60 days following approval of the MOU by the Board of Supervisors. The CEO shall designate five (5) representatives and Local 721 will designate five (5) representatives to participate in the committee. The purpose of convening the joint labor management committee is to review current efforts to provide employees with opportunities to reduce commuting times and consider ways to strengthen these efforts, including review of piloting "proximate commuting transfer match system" to identify transfer opportunities, expansion of TeleWork participation, use of incentives for employees to utilize public transportation, and expansion of alternative work schedules.

The Green@Work joint labor management committee will submit a report with recommendations to the Chief Executive Officer within one hundred and eighty days.

ARTICLE 28 PAID LEAVE FOR TEMPORARY EMPLOYEES

The parties agree that daily and hourly temporary employees shall continue to be eligible to receive paid leave in accordance with the following provisions:

1) Eligibility

Any temporary employee subject to this Memorandum of Understanding who is employed exclusively on an hourly as-needed ("F" item) or hourly recurrent ("H" item) basis during the calendar years 2009-2010 shall be eligible for paid leave pursuant to this Article.

2) Earning and Accrual of Leave

An eligible employee shall earn paid leave to a maximum of 24 hours per calendar year based on the total number of days worked during the year of eligibility, as shown below. For this purpose at least one hour of work per day shall constitute one day of work.

Minimum Number of Days Worked	Amount of Paid Leave
60 days	8 hours
100 days	16 hours
140 days	24 hours

Paid leave as shown above shall be credited to the employee on January 1 following the year in which it was earned.

3) Use of Leave

Paid leave, in increments of 8 hours only, may be taken off, subject to prior approval of Management, or paid for at the employee's request during the calendar year in which it was credited to the employee, and shall not be carried over to any subsequent year.

4) Pay for Unused Leave

Unused credited leave shall be paid for under any one or more of the following conditions:

1. At the employee's request.

2. At the end of the calendar year in which it was credited to the employee.

3. At the employee's termination from County service.

Pay for unused leave shall be at the employee's work day rate in effect at the time of payment.

The provisions of this Article do not apply to retirees of the County of Los Angeles.

ARTICLE 29 ELECTRONIC HUMAN RESOURCES (e-HR)

Section 1.

Intent: The parties understand that the County shall implement a new County-wide payroll/personnel system commonly known as Electronic Human Resources (e-HR) commencing on or after January 1, 2010 through December 31, 2012.

Section 2

To ensure a timely and efficient transition to the new system, known as Electronic Human Resources (e-HR), the County will make changes to the current system as required. At least 90 calendar days prior to making such changes, the County will notify Local 721, SEIU of any impact the proposed changes may have on wages, hours, or other terms and conditions of employment in writing. If Local 721, SEIU, wishes to negotiate with the County regarding the impact of any such system changes on wages, hours, or other terms and conditions of employment, Local 721, SEIU shall notify the County within 30 calendar days from the receipt of such notice. Negotiations shall commence within 10 working days from receipt of Local 721's demand to negotiate and shall be subject to the provisions as set forth in the Employee Relations Ordinance prior to implementation. However, such negotiations, excluding impasse procedures, shall not exceed 45 days unless mutually agreed by the parties.

Section 3.

The parties recognize that a Joint Labor Management Electronic Human Resources Committee has been established between the County and SEIU Local 721 for the purpose of meeting and consulting regarding implementation of the new payroll/personnel human resources system (electronic Human Resources – e-HR) which shall be implemented in phases commencing on or after January 1, 2010 and continue through to December 31, 2012. The joint labor management e-HR committee will meet regularly, but no less than quarterly, regarding any and all proposed changes, prior to implementation.

Section 4.

The Joint Labor Management e-HR committee will continue to work collaboratively on implementation of e-HR system changes in the area of Talent Management (Exams, Applications, Bulletins), Payroll Processing and Accounting (Semi-Monthly Pay, Work Day Rate Electronic Time Sheets) and Personnel (On-line access to view Leave/Benefit balances, check stubs, W-2 information and update personal information such as addresses, emergency contact information) and to jointly develop communication and marketing strategies to inform and educate employees regarding the implementation of the new e-HR system changes.

ARTICLE 30 CHILD CARE

The County of Los Angeles, recognizing the needs of working parents, and in the interest of retaining a quality workforce, agrees to pursue employer-associated child care options for children of County employees.

The parties agree to establish a child care labor-management committee, effective on the implementation date of this MOU. The committee shall consist of no more than five representatives from Local 721 and no more than five representatives from the County. The purpose of this committee is to meet and consult regarding the administration of current child care centers, the establishment of new child care programs, and determining funding sources for the provision of on-site child care at County facilities. The Chief Executive Office will consider funding recommendations from the committee to address child care planning expenses, child care needs assessments, and educational materials related to child care for County workers.

ARTICLE 31 MILEAGE REIMBURSEMENT

Section 1. Definitions

A. PERMITTEE means those employees as defined in Section 5.40.190 of the County Code of the County of Los Angeles.

Section 2. Mileage Rates

A. The parties jointly agree to recommend to County's Board of Supervisors that said Board provides mileage reimbursement for mileage permittees as follows:

1. $0.51 cent per mile for all miles driven in a month (claiming period), effective January 1, 2009

B. Management Rights

The department head has the right to determine which employees are required to provide a private vehicle to carry out County services. It is agreed that Management reserves the right to require any permittee to use a County vehicle at any time

C. Adjustment of Rates

The parties agree that reimbursement rates may be adjusted by the cents per mile adjustment on dates other than July 1 of each year to coincide with the adjustments in the standard mileage reimbursement rate as established by the Internal Revenue Service (IRS rate).

Section 3. Damage to Personal Vehicles

The parties agree to recommend to the County Board of Supervisors that said Board extend the provisions of County Code Section 5.85 regarding reimbursement for damage to personal vehicles to all permittees covered by this MOU. In addition, effective January 1, 2001, the parties agree to recommend that the Board of Supervisors amend Section 5.85 to provide rental car coverage, to be the actual costs of such rental car, not to exceed $40.00 per day, and a 30 day limit, and towing coverage, to be actual towing charges (and, if required, storage costs), not to exceed 50 miles in towing and $10.00 per day storage. Also, it is understood that damage which occurs in the employee's headquarters parking lot is covered by the insurance program described in Section 5.85 of the County Code, effective January 1, 2001.

Section 4. Personal Liability

Annually, the County will provide to each mileage permittee a notice that the County, pursuant to the California Government Code, will provide third party liability protection for employees who drive on County business. This notice will also contain procedures for employees to follow to claim this liability protection.

Section 5. Parking Reimbursement

Employees eligible for reimbursement under the provisions of Section 2 shall be entitled to reimbursement for actual parking expenses incurred in connection with the performance of their duties during the monthly period utilized for calculation of mileage reimbursement.

Reimbursable parking expenses shall be those expenditures actually incurred by an employee for parking at a facility other than the facility designated as the employee's headquarters for purposes of mileage reimbursement. Such expenses shall not include any expenditure by the employee at any public or private parking facility when such facility is utilized by the employee for access to and from his/her normal place of business.

Management may impose reasonable requirements on any employee for reporting date, location, duration, reasons and cost of parking for purposes of reimbursement.

Section 6. Overpayments, Underpayments, Disputed Claims

Overpayments

The parties agree in the event overpayments on warrants for reimbursement of mileage or parking are made by County to an employee, Management will endeavor to notify the employee of the overpayment prior to making any deductions to recover such overpayments. Upon request by the affected employee, Management will endeavor to reach a mutually acceptable method of repayment.

Underpayments

When a mileage permittee does not receive reimbursement for mileage to which he/she would be otherwise entitled, if he/she notifies his/her Departmental Payroll Clerk within two (2) business days of receipt of his/her regular pay warrant that would have included mileage reimbursement, the Auditor-Controller will correct the under reimbursement within three (3) business days in accordance with the regular paycheck error procedure.

Disputed Claims

In the event there is a dispute involving the number of claimed miles, the Auditor-Controller will adjust the mileage claim and reimburse the permittee the lower amount on the next scheduled payroll warrant. A copy of the adjusted claim and Notice of Adjusted Claim will be returned to the permittee.

If the permittee agrees with the adjusted amount, no further action is required and the claim is considered settled. If the permittee disagrees, then the permittee should complete the Notice of Adjusted Claim and return it along with the photocopy of the claim to his or her Mileage Clerk who will then forward it to the Auditor's Office. Upon review, if it is determined by the Auditor-Controller that an adjustment is appropriate, the under reimbursement will be corrected on the following payday.

Nothing contained in the Section shall be construed as preventing Management from taking any action necessary to comply with any applicable law.

Section 7. Rationing Re-opener

In the event fuel rationing is imposed by appropriate authority during the term of this agreement, the parties agree upon the written request of either the County or Local 721, SEIU, made following the announcement that rationing will be imposed, to reopen this agreement for the sole purpose of negotiations, to reach agreement on the subject of fuel rationing as it applies to employees required to use their personal autos on County business. All other provisions of this agreement shall remain in full force and effect during this period of negotiations.

Section 8.

The parties agree that upon either party's request, a joint labor-management committee will be established to discuss mileage issues.

ARTICLE 32 LEAVE DONATIONS

In an effort to provide a mechanism for assisting employees who have a serious or catastrophic illness or injury, or who are absent due to a major disaster as declared by the Board of Supervisors; the parties agree that effective January 17, 1994, full pay sick, and vacation hours may be transferred from one or more employees and donated to another employee, on an hour-for-hour basis, upon the request of both the receiving employee and the transferring employee(s), and upon approval of the receiving employee's appointing authority or designee under the following conditions:

A. The receiving employee is required to be absent from work due to injury or the prolonged illness of the employee; has exhausted or will foreseeably exhaust all earned leave hours, including but not limited to, sick leave, vacation, compensatory time and holiday credits, and is therefore, facing the loss of salary and benefits.

Employees who are absent from work due to an Emergency as declared by the Board of Supervisors will be eligible to participate in this Leave Donation program to the extent such employee has exhausted or will foreseeably exhaust all earned leave hours except full and part pay sick leave.

B. The transfers are voluntary. Transfers to be a minimum of one (1) hour and in whole hour increments thereafter.

C. Transfers for employees who are sick or injured are made from accrued full pay sick, or vacation leave balances. All current and deferred vacation hours may be donated. However, only that portion of full pay sick leave in excess of 160 hours may be donated. Transfers for employees who are absent due to an Emergency as declared by the Board of Supervisors, are limited to current and deferred vacation hours.

D. Transfers shall be allowed to cross departmental lines upon approval of the appointing authority, and/or, his/her designee in accordance with policies of the receiving departments.

E. Transfers of full sick pay hours will not count as time used and will not adversely affect an employee's right to cash in sick leave hours as provided for under Article 12, Section 2 of this MOU.

F. Transfers are irrevocable. If any donated hours remain at the end of the employee's catastrophic leave, they shall remain for the sole use of the recipient, except that if the employee dies the remaining 100% sick leave must be returned to the donor on a "last in first out basis."

G. The total transfer credits received by an employee shall normally not exceed 1040 hours, however, donations in excess of 1040 hours may be considered and approved by the employee's appointing authority, or his/her designee.

H. Upon approval of a request for donations, the appointing authority (or his/her designee) shall, at the employee's request, post a notice of the eligible employee's need for donations on departmental bulletin boards accessible to employees. Confidential medical information shall not be included in the notice.

I. Donations shall be administered according to procedures established by the Auditor-Controller and Chief Executive Officer that are not in conflict with the provisions of this Article, and requested on a form prescribed. Signed approvals of the receiving and donating employees must be properly provided before a donation is processed.

J. Nothing in this section shall be construed to modify the employment relationship between the County and the receiving employee; restrict County's management rights; nor modify existing County rules, policies or agreements regarding unpaid leave of absence or parental leave.

ARTICLE 33 PENSION SAVINGS PLAN

Section 1. Purpose

The Pension Savings Plan (the "Plan") is a retirement plan for temporary and part time employees of the County of Los Angeles who are not eligible to participate in the Los Angeles County Employees Retirement Association. It is intended that the Plan qualify under IRC Sections 457 and 3121 as a benefit enhancement provided to employees in lieu of participation in the Social Security System.

Section 2. Plan Document

The parties mutually agree that the benefits provided by the Plan shall be those provided in Chapter 5.19 of the County of Los Angeles Code (the "Plan") and is fully incorporated by reference in this Article 33.

Section 3. Operational Details

The parties further agree on the following matters which provide operational details concerning Plan operation, or are related to the Plan but are outside the scope of its provisions:

A. The provisions of Chapter 5.19 are not subject to the Grievance Procedure set forth in Article 26 of this MOU,

B. The County monthly contribution shall be 3 percent of compensation and the minimum monthly employee contribution shall be 4.5 percent of compensation.

C. The Plan Administrative Committee (PAC) shall have responsibility for the operation and administration of the Plan and trust, and the members of the PAC shall be trustees subject to the fiduciary duties imposed on trustees under California law, including but not limited to the duties imposed by the Uniform Prudent Investors Act.

D. The Plan shall be administered by the PAC, consisting of the Auditor-Controller, Chief Executive Officer, County Counsel, Treasurer and Tax Collector, a representative of Local 721, SEIU, and a representative of the Coalition of County Unions. Local 721, SEIU, and the Coalition of County Unions may each designate one named alternate member. Administrative costs will be charged against the account earnings, subject to limits set by Federal regulation. Policies and procedures will be established to minimize administrative costs. The PAC shall provide to each participant a periodic statement of account and information describing the benefits provided by the plan.

E. To the extent that employees represented by SEIU Local 721 are impacted, the termination of the Plan or the amendment of any Plan provisions that are subject to negotiation shall be negotiated between the parties.

F. In the event that the County is mandated by Federal or State law to re-enter the Social Security system during the term of the current Fringe Benefits Memorandum of Understanding, at the request of either party, the parties agree to open negotiations within 45 days of such request regarding the impact of such mandate

on the matching contributions of the employees represented by SEIU Local 721 to be covered by Social Security.

G. In the event that applicable law is changed to require the Plan to be terminated or merged into another form of deferred compensation program during the term of the current Fringe Benefits Memorandum of Understanding, at the request of either party, the parties agree to open negotiations within 45 days of such request regarding the impact of such termination or merger on Plan participants who are employees represented by SEIU Local 721.

Section 4.

It is agreed between the parties that any conflict between this Article and the Plan provisions of the County Code be resolved in favor of the Memorandum of Understanding provisions.

ARTICLE 34 TERMINATION PAY

The parties agree to study and implement roll over of termination pay (time certificates) into a tax qualified plan by July 1, 2005.

In November 2004, the Termination Pay Pick Up Plan (TPP) was implemented to tax defer termination pay (time certificates). Effective May 31, 2006, the TPP ceased accepting new applications pending further IRS guidance.

Pending the outcome of the IRS guidance, management shall continue to work with the Union to have the TPP comply with the new regulations; otherwise, investigate alternatives for the tax deferral of termination pay.

ARTICLE 35 401(K) SAVINGS PLAN

Permanent County employees currently participating in or eligible to participate in the 401(k) Savings Plan shall continue to be eligible for and participate in said plan upon unit certification or accretion of their classification into a Local 721 bargaining unit. Any and all future changes the County makes to the 401(k) Savings Plan for non-represented employees, shall be extended to and become part of said eligible or participating employee's 401(k) Savings Plan.

It is the intent of this Article to provide a "grandfathered" benefit to individual employees currently participating or eligible to participate in the 401(k) Savings Plan (Chapter 5.26 of the County Code) following unit certification or accretion of their class into a Local 721 Bargaining Unit.

Any employee subsequently hired, transferred, promoted, or who demotes into an accreted job classification, and/or whose class is in a newly certified unit shall not participate in the 401(k) Savings Plan. An employee, who was not otherwise previously eligible for or participated in the 401(k) Savings Plan, shall not become eligible to participate in the Plan based on the grandfathering provisions of this Article.

The "grandfathering" provisions apply on an individual employee basis and do not extend to job classifications.

Nothing in this Article changes the parties practice regarding the 401(k) Savings Plan for non-represented employees who voluntarily elect a change in their employment status to a represented bargaining unit.

The County shall not discriminate against employees, or otherwise restrict their participation in the 401(k) Savings Plan on the basis of their unit certification or accreted status as represented employees.

The parties agree that the exclusive management, control, and administration of the 401(k) Savings Plan shall be at the discretion of the County. Any current and future changes, modifications, or termination of the 401(k) Savings Plan shall be at the sole discretion of Management, subject to the County meeting and consulting with the Union prior to implementing any changes or termination of the 401(k) Savings Plan.

APPENDIX A

SEIU Local 721 – County of Los Angeles
Joint Labor Management
Health Insurance Cost Mitigation, Goals, and Objectives
Wellness and Health Insurance
Cost Containment Strategic Action Plan

I. Guiding Principles

A. *Provide affordable, quality and comprehensive benefits that meet the diverse work-life needs of employees and their dependents.*

B. *Create a County-wide wellness and consumer-wise culture by promoting adoption of healthy lifestyles and the cost sensitive use of health care benefits as tools to help improve employee health, control health insurance costs, reduce employee absenteeism and associated costs and to improve employee morale and productivity.*

C. *Provide competitive and highly valued employee benefits designed to help attract and retain healthy employees.*

D. *Obtain outstanding market value (cost, benefits, access and quality) for all benefits offered to employees.*

E. *Improve the effectiveness of County-wide wellness and disease management, programs to be consistent with wellness and this cost mitigation strategy.*

F. *Make recommendations on policies and best practices to coordinate the development of Employee Wellness Programs on a County-wide and department level basis.*

II. ***Strategic Goals***

A. ***Measurably control costs and level off annual rate increases below average/normal cost trends***

1. *The County and Local 721 will work collaboratively to limit annual HMO rate increases to less than normal/average cost trend.*

2. *Assure carrier administrative fees (profit, retention, etc.) are appropriate given actual claims expense and loss ratios.*

B. ***Measurably reduce unnecessary health care utilization to levels below current Options levels and to levels that reflect a healthier population***

1. *Reduce key utilization measures from current Options levels, including hospital and physician and prescription drug utilization.*

   Promotion of wellness and preventative office visits, urgent care and to the appropriate care should be encouraged to avoid unnecessary emergency care and hospital visits.

2. *Measure the effect of these reductions on Options costs and annual rate increases.*

3. *Support cost effective clinical care, complex case and disease management programs that promotes better results in the most prevalent and costly chronic diseases and/or acute conditions.*

C. ***Measurably improve employee health status to levels better than average for similar employee populations***

1. *Increase employee participation in targeted wellness, risk reduction and disease management programs. , .*

2. *Track employee participation levels, lifestyle/behavior changes and clinical outcomes year over year.*

3. *Measure the effect of these programs on employee health status, Options utilization, cost and annual premium rates.*

D. Measurably improve quality of care

1. *Hold carriers accountable for ongoing quality improvement related to critical processes and outcome measures and employee satisfaction.*

2. *Study and compare HMO/PPO "unit costs" and clinical quality outcomes to help obtain the most cost effective and efficient delivery of services.*

3. *Develop performance guarantees with the carriers tied to the above goals.*

E. Evaluate alternative Health Plans

Market current Health Plans to competitive bids via a Request for Proposal (RFP) process when determined to be necessary.

F. Implement a comprehensive year-round employee education and communication strategy that effectively engages employees in targeted wellness and disease management programs and that promotes positive employee lifestyle and behavior change.

G. Evaluate and implement cost effective "Value Based" plan designs.

III. Short Term Objectives and Action Plan

A. Data collection and reporting – Through the use of Health Plan specific planning and evaluation tools (specifically Executive Summary Analyses, Dash Boards and Action Plans):

1. *Identify and compare the most prevalent, fastest growing, and costly diseases/conditions and related risk factors for Options participants*

based on various measures of cost and utilization of services for each of the last two years.

2. *Measure and compare Options specific utilization levels and costs over the last two years and identify cost trends and utilization patterns that are considered above average.*

3. *Benchmark past years and compare future clinical care outcomes, cost, utilization patterns, and employee participation levels yearly to develop cost, utilization, and participation measures to determine the effectiveness of disease management and wellness programs.*

4. *Measure carrier clinical quality and employee satisfaction improvement over the last three years through the use of CCHRI data and Options specific surveys. Also, measure provider specific performance against appropriate industry benchmarks.*

5. *Obtain and compare HMO unit costs and quality outcomes data to assess the cost and quality differences between HMO plans.*

6. *Incorporate County specific wellness clinical disease management outcomes measures into HMO performance standards.*

B. *Wellness and Disease Management*

1. *Identify the availability of HMO/PPO Wellness, Risk Reduction and Disease Management Programs.*

2. *Implement "targeted" programs based on Options specific disease prevalence, related major risk factors and high cost areas of hospital, physician and prescription drug utilization.*

3. *Identify a) County b) Local 721 and c) HMO/PPO communication and incentive/reward resources that can be used to promote employee participation in and completion of Wellness and Disease Management Programs on a year-round basis. .*

.

4 *Obtain written commitments from the carriers regarding their data reporting capabilities, financial and program resources in support of this strategy.*

5. *Prioritize, implement, coordinate and evaluate programs on an ongoing basis (see Data Collection and Reporting).*

6. *Investigate the new predictive modeling programs and other industry advancements that identify and avoid serious illness in advance.*

7. *Develop a Health Fair model that effectively engages employees in seeking appropriate follow-up care with their primary care physician and year-round wellness programs.*

C. Employee Education and Communication

1. *Develop a year-round coordinated carrier, County and Local 721 employee education and communication campaign that targets major cost drivers, that promotes employee participation in wellness and disease management programs and results in employee lifestyle and behavior change.*

   Education should also promote consumer-wise and cost sensitive use of healthcare services, including targeted communications at the key time for patient decisions and engagement.

D. Worksite Wellness Committees

County management and departmental employees, including Local 721 representatives on worksite wellness committees, will work collaboratively in partnership to engage employees to participate in Employee Wellness Programs in order to improve their health status.

E. Evaluate and implement "Value Based" plan designs and evaluate affiliating with external Purchasing Alliances/Coalitions

1. *Identify potential plan design and funding alternatives that will help reduce unnecessary utilization and costs that incent members to use benefits in a more "consumer-wise" and cost effective manner.*

2. *Identify Value Based plan designs to encourage use of high-value care and reinforce positive employee behavior and lifestyle change, including compliance with appropriate prescription drugs for high cost care. Consider implementation of alternatives that have minimal*

impact on the employee's out-of-pocket expenses and that avoids cost shifting to employees.

3. *Plan design changes need to assure appropriate access to desired services County-wide.*

4. *Identify and pursue development of potential strategic alliances with purchasing coalitions that would add value to Options benefits as deemed useful.*

F. High Performing Providers

Have Options carriers identify high performing providers in efficiency and quality.

1. *Work with the carriers to develop an education campaign to motivate patients to use these providers.*

2. *Depending upon the results of the education program, consider reinforcing the education with financial incentives.*

3. *Develop a joint approach with the carriers to manage the least effective providers.*

G. Provider Contract Management

1. *Require that the County's carriers present and initiate a business plan for trend management through provider contracting*

Historical Footnote

Appendix A, negotiated during the 2003-2006 contract negotiations as a strategy to mitigate the upward spiraling cost of health insurance for employees, evolved into the "Cost Mitigation, Goals and Objectives" (CMGO's) and have resulted in reduced costs during the annual rate renewal process.

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.

SEIU, LOCAL 721, CTW, CLC

By_____
Executive Director
SEIU, Local 721, CTW, CLC

By_____

COUNTY OF LOS ANGELES
AUTHORIZED MANAGEMENT
REPRESENTATIVE

By_____
William T Fujioka
Chief Executive Officer

By_____

ADDITIONAL SIGNATURES

SEIU, LOCAL 721, CTW, CLC

By_____

By_____

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COUNTY OF LOS ANGELES
AUTHORIZED MANAGEMENT
REPRESENTATIVE

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ADDITIONAL SIGNATURES (Continued)

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SEIU, LOCAL 721, CTW, CLC

By Frank Dominguez

By Sandra Teasley

By

By Rita L. Wright

By Arturo Díaz

By John B

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ADDITIONAL SIGNATURES (Continued)

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