the two-party PERSCare, family dental (Guardian - Standard) and family optical (VSP - Standard) for the purchase of the optional medical, dental and optical insurance benefits. The amount provided herein set forth below includes the CalPERS statutory minimum. ~~In addition, for employees who participate in medical insurance through CalPERS, the City shall pay to CalPERS the statutory minimum. Each January 1, the amount shall be adjusted by the increase in the sum of two party PERS Care, family dental and family vision.~~

Effective January 1, 2014, employees shall be provided with the amount of $1873.00 for the purchase of the optional medical, dental and optical insurance benefits.

Effective January 1, 2015, employees shall be provided with the amount of $2000.00 per month for the purchase of the optional medical, dental and optical insurance benefits.

(1) Medical Insurance

Eligible employees may select any of the HMO or PPO ~~following~~ medical insurance plans offered by CalPERS:

~~HMO Plans~~	~~PPO Plans~~
~~1) Kaiser;~~	~~1) PERS Care;~~
~~2) Blue Shield Access +; or~~	~~2) PERS Choice; or~~
~~3) Blue Shield Net Value~~	~~3) PERS Select~~

If CalPERS changes any of the medical insurance plans by either adding to or deleting the plan options described above, employees will be limited to those plan options offered by CalPERS.

For each of the ~~foregoing~~ plans, employees will also be able to choose the benefit for the employee, employee + 1 or employee + family. Covered employees are required to participate in CalPERS medical insurance under one of the available options, unless the employee provides the City with proof that he/she has comparable medical insurance from another source.

(2) Dental Insurance

Employees shall also have the ability to select from two levels of dental insurance from the City's dental insurance provider, Guardian. The City reserves the right to change dental insurance providers if necessary. If it does, employees will be provided with equivalent benefits with the new provider. As with medical insurance, employees will have the options of: employee,

employee + 1 or employee + family. Employees do not have to choose any dental insurance and need not provide proof of dental insurance from another source. The following will be part of the dental insurance: 1) adult orthodontia coverage; 2) the benefit limit will be $2,000.00; 3) the major services benefit will be at 80%; and 4) the orthodontia limit will be $2,000.00.

3) Optical Insurance

Employees shall also have the ability to select from two levels of optical insurance from the City's optical insurance provider, Vision Service Plan (VSP). The City reserves the right to change optical insurance providers if necessary. If it does, employees will be provided with equivalent benefits with the new provider. As with medical insurance, employees have the options of: employee, employee + 1 or employee + family. Employees do not have to choose any optical insurance and need not provide proof of optical insurance from another source.

c) Employee Contributions for Benefit Options:

If an employee chooses optional benefits whose aggregate cost exceeds the maximum City contributions to the Cafeteria Plan, the City will automatically deduct the excess amount on a pre-tax basis from the employee's bi-weekly payroll.

d) The Receipt of Cash Through the Cafeteria Plan:

Employees will be eligible to receive cash up to a maximum of $475 per month (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving one of the optional benefits provided through the plan or if they choose optional benefits that do not cost as much as the maximum dollar amount they receive through the plan. ~~as follows:~~

~~(1) Receipt of Cash for Opting Out of the Optional Benefits~~

~~Employees who elect not to be covered by any of the three optional benefits provided through the cafeteria plan, and meet the opt-out requirements, if any, shall receive the following monthly amount as cash wages for each benefit for which the employee opts out:~~

~~1)~~	~~medical insurance~~	~~$450.00*~~
~~2)~~	~~dental insurance~~	~~$100.00~~
~~3)~~	~~optical insurance~~	~~$15.00~~

~~*Subject to reduction for MEA Health Insurance Trust as described below.~~

~~(2) Maximum Receipt of Cash If Optional Benefits Chosen Result in the Employee Still Having Cafeteria Plan Contributions Available~~

~~The cafeteria plan offers employees the ability to purchase each of the three optional benefits with the City's contribution to the cafeteria plan. Employees may choose to purchase benefits that cost less than the City's contribution to the cafeteria plan and choose to receive cash wages with their remaining City contribution. An employee who chooses to receive any of the optional benefits under the cafeteria plan shall be eligible to receive up to $475* as cash wages as long as he/she has not reached the cafeteria plan maximum amount with his/her purchases.~~

~~*Subject to reduction for MEA Health Insurance Trust as described below.~~

~~(3) MEA Health Insurance Trust For Employees In PERSCare Family as of October 1, 2008 who wish to stay on that Plan upon the effective date of the cafeteria plan (hereinafter for this section only "grandfathered employees")~~

~~Each January, the City will review the difference between the PERSCare family plan rate and the PERSCare two party rate. The City will take that number and multiply it by the number of grandfathered employees to establish the gross monthly amount of the Health Insurance Trust.. The gross monthly amount of the Health Insurance Trust (on a monthly basis) will then be divided by the number of employees in the unit receiving cash from the cafeteria plan (either opt out pay or cash back from choosing benefits that result in the receipt of cash back through the plan) and will be equally subtracted from the monthly medical insurance opt out amount an employee receives or the amount of cash back an employee receives. The City will then deposit the gross monthly amount of the Health Insurance Trust in a trust established by MEA from which MEA will fund the difference between the PERSCare two party and PERSCare family on behalf of the grandfathered employees. MEA will be responsible for managing the trust to ensure it complies with the law Grandfathered employees who have remained in PERSCare family can only opt out during open enrollment and once they opt out cannot reenter PERSCare as a grandfathered employee.~~

~~For example, if the PERSCare family rate is $2,007 and the PERSCare two party rate is $1,544, the difference is $463. If there are 20 grandfathered employees who choose to remain in~~

~~PERSCare family, the City will multiply 20 times $463 to get a gross monthly amount Health Insurance Trust amount of $9,260. The City will then deposit $9,260 per month into the health trust described above. If there are 195 bargaining unit members eligible for cash (no employee who has chosen PERSCare family will be eligible for cash in this plan), the City will divide $9,260 by 195 employees. The result, $47.49, will then be subtracted from the amount of cash each employee can receive as medical insurance opt out pay or cafeteria cash back.~~

~~When there are no grandfathered employees currently receiving PERSCare family, the deduction from cash back or opt out pay will be eliminated, the City's deposit will cease and the trust will be dissolved.~~

~~If, after opting out of one or more optional benefits or purchasing optional benefits through the cafeteria plan (under C(1)(d)(1) or C(1)(d)(2)) an employee would exceed the City contribution amount to the cafeteria plan through the receipt of the cash wages described herein, the cash wages the employee will be provided is that amount which will bring the employee to the maximum amount as described above.~~

~~Thus, for example, (under C(1)(d)(1) above) if an employee (eligible to receive $1,690.00, for example) opts out of dental insurance and purchases medical and optical insurance with premiums which add up to $1,397.00, he/she would receive $100.00 for opting out of dental insurance. However, if the premiums added up to $1,629.00 (and the maximum amount was $1,690.00) the employee would only receive $61 for opting out of dental insurance, not the $100.00 because the $61 would cause the employee to reach the cafeteria plan contribution maximum. That $61.00 would then be subject to being reduced pursuant to the trust as described above.~~

~~As another example, (under C(1)(d)(2) above) if an employee purchases $1,547.00 worth of optional benefits per month including medical insurance, (and the maximum amount was $1,690.00) he/she will receive $143.00 per month in cash. However, if such an employee only purchases $700.00 per month in medical, dental and optical insurance, he/she will receive $475.00 per month in cash. Both of these amounts (the $143 and the $475) are subject to be reduced by the trust as described above.~~

e) Flexible Spending Accounts: The cafeteria plan will also offer employees the opportunity to participate in both a health care and dependent care flexible spending account (each an FSA) whereby employees will be able

to defer up to the maximum permitted by law~~$2,500 per year~~ ~~(~~for both the health care FSA~~)~~ ~~and up to $5,000 per year (for~~ and the dependent care FSA to pay for any eligible out of pocket expenses related to health care or dependent care on a pre-tax basis. The provisions of both of these FSA's will be provided in a plan document. The plan document will be available to each eligible employee upon request. Essentially, before January 1 of every year, employees will be able to elect to have their compensation (up to the aforementioned limits) for the upcoming year deducted biweekly and contributed on a pre-tax basis to the FSA. During the year (and for a short grace period thereafter), an employee can receive reimbursements under the FSA for covered expenses incurred during the year, up to the amount of the employee's contributions for the year. The FSA deductions will be withheld from employees' regular payroll.

f) Mandatory Health and Welfare Benefits: The following are benefits that all employees are included in at the City's cost: term life insurance ($50,000.00 policy) and disability insurance which provides two thirds (2/3) of monthly salary up to a maximum of up to $6,000.00 per month, except as may be provided under the applicable plan document. This plan has a 60-day elimination period. Employees may use accrued leaves to supplement payments received by the disability insurance plan. However, the employee may not receive more than 100% of their regular wages. ~~Articles 7 and 8 of this Agreement will be superseded by the provisions of this paragraph C(2) on January 1, 2010.~~

g) Supplemental Term Life Insurance: Employees may also purchase supplemental term life insurance, if available, with deductions from their bi-weekly compensation as designated by each employee. Although employees may use cash wages they receive through the cafeteria plan (if applicable) to purchase supplemental term life insurance, they cannot defer cash wages they receive through the cafeteria plan directly into the purchase of supplemental term life insurance. It must be an after tax deduction from their paycheck.

h) Deferred Compensation: In accordance with the tax rules, any cash that an employee may receive through the cafeteria plan may not be deferred to the employee's accounts under the City's retirement plans. The employee may, however, be able to elect to increase his/her deferrals to the City's retirement plans from his/her regular wages.

i) Benefits if on an Industrial Leave: In the event an employee is on a leave without pay as a result of an industrial injury, the City shall pay the PERS statutory minimum for that employee (assuming the employee wants medical coverage from the City) for the duration of the leave. In addition, outside of PEMHCA, assuming the employee wants to be covered by medical, dental or optical ~~vision~~ insurance the employee shall receive his/her additional cafeteria plan contribution and or cash back (up to the

maximum amount provided above) for one month for each full year of service up to one year. If an employee chooses to opt out of insurance and receive cash as described above, he/she will be eligible to receive that cash for one month for each year of full service up to one year.

C~~D~~. Retiree Medical Insurance ~~For Employees Hired By the City Before January 1, 2010~~

1. Retirees hired before January 1, 2010

Retirees hired before January 1, 2010 (service retirement only) retiring on and after February 1, 1990, shall be eligible for continued medical benefits up to $300.00 per month (which includes the PERS statutory minimum paid directly to CalPERS, and the employee will receive a check for the difference between $300 and the CalPERS statutory minimum) unless and until the following occur:

1. The retiree reaches age 70, or

2. The retiree becomes eligible for Medicare (if the employee is eligible for Medicare, the City will pay the designated Medicare supplement rate not to exceed $300 per month), or

3. The retiree is or becomes eligible to be a participant in another employer-paid medical plan or Veteran's Administration benefit, or

4. ~~For Kaiser enrollees only, the retiree moves from the Kaiser Permanente service area~~.

For eligible retirees (as described below) who are age 70 or above, the City shall pay up to $150/month toward medical coverage under PERS. If the statutory minimum exceeds $150, the City shall pay the statutory minimum directly to CalPERS for such employees. In this situation the employee will not get a check from the City. Eligible retirees include those full time MEA employees who:

1. Retire after July 1, 2000; and

2. Take a service retirement and are not subsequently covered under PERS with another agency; and

3. Have 20 or more years of full time service with the City of Beverly Hills prior to retirement.

For those retirees over age 70 who do not otherwise meet the eligibility criteria the City will pay the PERS statutory minimum on their behalf.

~~1. All employees employed by the City on or before December 31, 2009, shall maintain their existing entitlements to retiree medical benefits. These benefits are set forth above in paragraph B of this Article.~~

~~2.~~ Such r~~R~~etirees and their dependents will not be permitted to receive cash back options per the cafeteria plan.

~~**E. Retiree Medical Insurance For Employees Hired On Or After January 1, 2010**~~

2. Retirees Who Were Hired On or After January 1, 2010

Employees hired into the unit as new employees by the City on or after January 1, 2010 who retire from the City will receive the PERS statutory minimum paid by the City.

In addition, ~~for employees hired into the unit as new employees on or after January 1, 2010,~~ in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute the sum of $150.00 per month ($69.23 per pay period) to a retirement account on behalf of such employees.

For employees who enter the unit on or after January 1, 2010 who were City employees as of December 31, 2009, they will receive retiree medical benefits ~~(based on their years of service with the City) in accordance with the benefits of this MOU~~ as though they were a member of the bargaining unit prior to January 1, 2010 as addressed in subparagraph 1 above.

~~**F. Purchasing Additional Insurance If Funds Are Insufficient to Cover The Cost of Chosen Benefits**~~

3. Provision Applicable to All Retirees

Any retiree whose City contribution for retiree medical, dental and/or optical~~vision~~ insurance is insufficient to cover the actual cost of such insurance for the retiree and his/her eligible dependents can purchase such insurance through CalPERS by paying the additional amount in excess of the City contributions, if any.

Alternative Retiree Medical Program

Notwithstanding any provision above, employees in the unit who have previously voluntarily chosen to participate in the Alternative Retiree Medical Program (ARMP) will not receive retiree medical benefits from the City. Their choice of ARMP was made in lieu of receipt of the retiree medical benefit provided above.

~~5. DENTAL INSURANCE~~

~~The City shall contribute per employee the actual cost of the dental insurance up to the family coverage dental premium in the City dental plan.~~

~~6. OPTICAL INSURANCE~~

~~The City shall provide an optical insurance plan to employees, the cost of which shall not exceed $22.50 per month per employee.~~

~~7. LIFE INSURANCE~~

~~Employees shall be entitled to a $50,000 term life insurance policy under the City's life insurance program. The premium for such policy shall be paid for by the City under the life insurance program of its choosing. Each such employee shall have the option to purchase additional life insurance at the City's unit cost, if available.~~

~~8. DISABILITY INSURANCE~~

~~The City shall provide a disability insurance plan for employees. The premium cost shall not exceed $23.81 per month per employee and shall be borne by the City. This insurance provides for 2/3 of monthly salary up to a maximum of $6,000 per month and shall include a 60 day elimination period.~~

5~~9~~. DEFERRED COMPENSATION

The City shall contribute $70.00 a month per employee to the City's deferred compensation plan.

6~~10~~. HOLIDAYS

A. Holidays

Employees shall be entitled to the following paid holidays if such employee worked the normally assigned duty period the day before and the day after the holiday, or was absent on authorized paid leave during said periods:

New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
Presidents' Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veterans' Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Day After Fourth Thursday in November
Christmas Day	December 25

1. Every employee whose regular work schedule is Monday through Friday will observe holidays as follows:

   If the holiday falls Monday through Friday, the employee will be granted a paid day off on the day on which the holiday falls.

If an employee is required to work on a holiday, the employee will be paid for the holiday, plus paid either 1½ times his or her regular rate of pay for the hours actually worked on the holiday or compensatory time at 1½ times the hours actually worked, at the employee's discretion subject to the maximum cap on accrual of compensatory time of 40 hours.

If a holiday falls on a day which is an off day for employees working the 9/80 or 4/10 work schedules, the employee shall receive a floating holiday in lieu of holiday pay. Floating holidays may be taken at each employee's discretion, subject to approval of the department head or designee. Generally, these floating holidays may be used after the holiday has occurred unless the employee requests to use the floating day contiguous to the actual holiday. If an employee does not use his/her floating holidays within the calendar year (with the exception of those floating holidays which are earned in November or December, in which case the employee will be able to use the floating holiday from that year for the first two months of the following year) in which the employee has received it, he/she will not earn an additional floating holiday in the next calendar year. The parties encourage employees in the unit to use their floating holidays. Since floating holidays cannot be removed from an employee once earned, and the parties do not want employees to have more floating holidays on the books than would be received within the current year, a floating holiday carried over at the end of the year results in the employee being unable to earn that holiday in the next calendar year. Department Heads or designees will not act unreasonably in granting requests to use floating holidays.

2. If the January 1, July 4, November 11 and December 25 holidays fall on a Saturday, the preceding Friday shall be considered the holiday; if the holiday falls on a Sunday, the following Monday shall be considered the holiday. Employees whose work schedule is different from the Monday through Friday schedule, shall receive holiday benefits in the following manner:

If the holiday falls on one of his/her workdays, he/she shall be given that day off with pay, if possible.

If the holiday falls on one of his/her days off, he/she shall be given one day off during the same pay period or receive compensation for one additional day's pay at the following rates: 5/40 – eight hours, 9/80 – 9 hours 4/10 – 10 hours and 3/12 – 12 hours.

If a holiday falls on a day on which the employee is required to work, he/she will be paid for the holiday, plus either 1½ times his or her regular rate of pay for the hours actually worked on the holiday or alternate time off at 1½ times the hours actually worked, at the Department Head's (or designee's) discretion.

3. All employees shall receive holiday pay for the number of hours that corresponds to their regular work day. (i.e., If the holiday falls on the employee's 8, 9, 10 or 12 hour day, the employee shall receive 8, 9, 10 or 12 hours of holiday pay, respectively).

4. For employees of the Library, on any other day on which the Library closes which are not listed on the holiday schedule, the employee may use vacation or compensatory time off to get paid for the day or, if approved by the employee's supervisor, come to work and perform duties approved by the employee's supervisor. An employee on probation for six months or less (who is not otherwise entitled to use vacation) will have the right to access vacation which has been earned (but which is not yet available for use) to be paid for all or part of the day when the Library is closed and they are unable to work.

B. Personal Holiday

~~Upon~~ After six months of service~~satisfactory completion of a probation period~~, employees shall earn personal holidays during the fiscal year as follows: For employees working a 5/40 – 16 hours, 9/80 – 18 hours, 4/10 – 20 hours and 3/12 – 24 hours. Said holiday leave may be taken at the employees' discretion subject to supervisor and department head (or designee) approval. Employee shall request such holiday leave in writing. If an employee does not use all his/her personal holiday leave earned within the fiscal year in which the employee has received it, the amount of the employee's holiday leave accrual in the following year will be reduced by the amount of personal holiday leave carried over from the previous fiscal year such that employees cannot have more than two days of accrued personal holiday leave at any time. The parties encourage employees in the unit to use their personal holiday leave. Department Heads or designees will not act unreasonably in granting requests to use personal holiday leave.

7~~11~~. VACATION

A. Authorization For Taking Vacation

With the exception of employees who change positions within the unit by promotion, transfer or for some other reason, vacation accumulated shall not be available for use until an employee completes six months of service~~his/her probationary period~~. Upon completion of six months of service~~probation~~, every employee may take accumulated vacation if approved by the employee's department head or designee.

B. Accumulation

Employees may not accumulate more than 480 hours of vacation at any time.

Notwithstanding the above paragraph, employees with more than fourteen years of service whose vacation accumulation at the beginning of a calendar year is less than 480 hours may accumulate annual vacation which will result in their balance being above 480 hours. However, if at the end of any calendar year the vacation accumulation is above 480 hours they will not continue to accrue vacation until the balance falls below 480 hours, whereupon they will then continue to accrue vacation during that calendar year.

C. Application

An employee entitled to vacation shall make written application therefore in the manner and within the time directed by the Appointing Authority. Every department head or designee shall