

**CITY OF SAN JOSE
UNCLASSIFIED NON-MANAGEMENT (UNIT 82)
BENEFIT & COMPENSATION SUMMARY
JULY 1, 2015 – JUNE 30, 2018**

SALARY

Effective June 21, 2015, all salary ranges for employees holding positions in classifications assigned to Unit 82 shall be increased by 3%. This will result in the top and bottom of the range of all classifications represented by Unit 82 increasing by 3%. Employees in classifications represented by Unit 82 will receive a base pay increase of 3% effective June 21, 2015.

Effective June 19, 2016, all salary ranges for employees holding positions in classifications assigned to Unit 82 shall be increased by 3%. This will result in the top and bottom of the range in all classifications represented by Unit 82 increasing by 3%. Employees represented by Unit 82 will receive a base pay increase of 3% effective June 19, 2016 subject to annual budget appropriations.

Effective June 18, 2017, all salary ranges for employees holding positions in classifications assigned to Unit 82 shall be increased by 3%. This will result in the top and bottom of the range in all classifications represented by Unit 82 increasing by 3%. Employees represented by Unit 82 will receive a base pay increase of 3% effective June 18, 2017 subject to annual budget appropriations.

OVERTIME COMPENSATION

Hours assigned and worked in excess of 40 hours per week shall be compensated at the rate of 1.5 times the number of overtime hours worked. The employee shall request, and the City shall have the option to approve or not approve, overtime compensation in the form of compensatory time off or overtime pay.

BILINGUAL PAY

An employee who is required to use a non-English language on a regular basis may be eligible to receive a bi-weekly payment of \$29 for oral translation only or \$40 per pay period for oral/written translation. Employees must be certified as bilingual by the Human Resources Department.

EDUCATION REIMBURSEMENT

The City will reimburse each employee 100% of expenses incurred, up to \$1000.00 per fiscal year, for registration, tuition, fees, and textbooks for college accredited courses which are either related to or beneficial for the employee's current position or related to or beneficial for a lateral transfer, promotion or other career opportunity within the City service as approved by the Department Director or designee. Of the \$1000.00 amount, up to \$300.00 may be used for non-college accredited courses, Continuing Education Units, Adult Education Classes, workshops, membership dues in professional associations, professional licenses, and professional certificates which are either related to or beneficial for the employee's current position or related to or beneficial for a lateral transfer, promotion or other career opportunity within the City service, as approved by the Department Director or designee. Please refer to CPM section 4.3.1 for program details.

*Part-time and Temporary employees **are not eligible** for this benefit.*

RETIREMENT

Full-time eligible employees are members of the Federated City Employees' Retirement System. For more information regarding retirement benefits, please refer to the Federated City Employees' Retirement System Handbook, which summarizes the information from the San Jose Municipal Code.

TIER 1 – Employees Hired On or Before September 29, 2012:

Tier 1 is a retirement defined benefit program. To be eligible to receive the Tier 1 defined benefit pension, the employee must have a minimum of five (5) years of service in the Retirement System and be at least fifty-five (55) years of age. The Federated Retirement System provides eligible employees with medical benefits after fifteen (15) years of service and dental benefits after five (5) years of service; however, employees should refer to the Federated Handbook for specific rules and benefits. The monthly retirement allowance is based on the following formula:

$$\text{Years of Service} \times 2.5\% \times \text{Final Compensation} = \text{Monthly Retirement Allowance.}$$

The maximum retirement benefit a retiree may receive is 75% of his or her final compensation.

Note: Final Compensation is the highest average monthly salary during 12 consecutive months.

For additional information, please see the Federated City Employees' Retirement System Tier 1 Fact Sheet:

<http://www.sjretirement.com/Uploads/Fed/FED%20FACTS%20SHEET%20AS%20OF%206.22.14.pdf>

TIER 2A – Employees Hired or Rehired On or After September 30, 2012:

Tier 2A is a retirement defined benefit program. To be eligible to receive the Tier 2A defined benefit pension, the employee must have a minimum of five (5) years of service in the Retirement System and be at least sixty-five (65) years of age. The Federated Retirement System provides eligible employees with medical benefits after fifteen (15) years of service and dental benefits after five (5) years of service; however, employees should refer to the Federated Handbook for specific rules and benefits. The monthly retirement allowance is based on the following formula:

$$\text{Years of Service} \times 2.0\% \times \text{Final Compensation} = \text{Monthly Retirement Allowance.}$$

The maximum retirement benefit a retiree may receive is 65% of their final compensation.

Note: Final Compensation is the highest average monthly salary during 36 consecutive months.

For additional information, please see the Federated City Employees' Retirement System Tier 2 Fact Sheet: http://www.sjretirement.com/Uploads/Fed/FEDFACTS_Tier%202_FY1415.pdf

TIER 2B – Employees Hired or Rehired On or After September 27, 2013:

Tier 2B is a retirement defined benefit program. To be eligible to receive a monthly allowance, the employee must have a minimum of five (5) years of service in the Retirement System and be at least sixty-five (65) years of age; however, employees should

refer to the Federated Handbook for specific rules and benefits. Employees in Tier 2B will not be eligible for retiree healthcare benefits, unless they are rehires who met the requirements to receive the retiree healthcare defined benefit when the employee left City service. The monthly retirement allowance is based on the following formula:

$$\text{Years of Service} \times 2.0\% \times \text{Final Compensation} = \text{Monthly Retirement Allowance.}$$

The maximum retirement benefit a retiree may receive is 65% of their final compensation.

Note: Final Compensation is the highest average monthly salary during 36 consecutive months.

For additional information, please see the Federated City Employees' Retirement System Tier 2B Fact Sheet: http://www.sjretirement.com/Uploads/Fed/FEDFACTS_Tier%202b_2014-2015.pdf

TIER 2C – Employees Rehired On or After September 27, 2013:

Tier 2C is a retirement defined benefit program. To be eligible to receive a monthly allowance, the employee must have a minimum of five (5) years of service in the Retirement System and be at least sixty-five (65) years of age; however, employees should refer to the Federated Handbook for specific rules and benefits. Employees in Tier 2C will not be eligible for retiree medical benefits. Rehired employees who have met the eligibility requirement for retiree dental benefits will receive the retiree dental benefits. The monthly retirement allowance is based on the following formula:

$$\text{Years of Service} \times 2.0\% \times \text{Final Compensation} = \text{Monthly Retirement Allowance.}$$

The maximum retirement benefit a retiree may receive is 65% of their final compensation.

Note: Final Compensation is the highest average monthly salary during 36 consecutive months.

For additional information, please see the Federated City Employees' Retirement System Tier 2C Fact Sheet: <http://www.sanjoseca.gov/DocumentCenter/View/38654>

This section is just a summary of retirement benefits. The City's Municipal Code and/or City Charter provide the parameters of the City's retirement provisions. In addition, although Measure B Charter Amendment, approved by the voters on June 5, 2012, is currently the subject of litigation, it is anticipated that additional changes to retirement benefits will take place when put into effect.

*Part-time and temporary employees **are not eligible** for membership in the City's retirement system, but participate in the "PTC" plan in lieu of Social Security wherein the City and the employee each contribute 3.75% of gross income to a defined contribution retirement account.*

RETIREE HEALTHCARE

Employees may be eligible to receive retiree healthcare benefits, in accordance with the San Jose Municipal Code.

Effective June 28, 2009, the City and Unit 82 began transitioning from the current partial pre-funding of retiree healthcare benefits to full pre-funding of the Annual Required Contribution (ARC) over a period of five years. The Federated Plan's initial unfunded retiree healthcare liability shall

be fully amortized over a thirty-year period so that it shall be paid by June 30, 2039 (closed amortization).

In subsequent fiscal years, the City and the Plan members shall be contributing the full Annual Required Contribution in the ratio currently provided under Section 3.28.385 of the San Jose Municipal Code effective December 20, 2015.

The City has established a qualified 115 trust ("Trust"). Employee contributions will begin going into the Trust in time to avoid any potential of reaching IRS limits on the existing medical benefits account or upon receipt of a ruling from the IRS that the contributions can be treated as pre-tax, whichever occurs first. If employee contributions are deposited into the Trust prior to receiving a ruling from the IRS that the contributions can be treated as pre-tax and the City subsequently receives an IRS determination that the contributions should be treated as post-tax, the City will indemnify any employee as to any IRS liability arising solely from the contributions that were taken as pre-tax prior to the IRS determination. The City will look to determine an alternative trust vehicle for prospective contributions should the IRS determine that the contributions are post-tax.

New employees hired into full-time benefitted positions in Unit 82 on or after September 29, 2013, and who elect to join Tier 2, will not participate in or be eligible for the retiree healthcare defined benefit program. The City will pay the unfunded liability contribution that these employees and the City would have otherwise paid had they gone into the retiree healthcare defined benefit program.

MEDICARE PART A AND B ENROLLMENT

Effective July 1, 2012, a member who is eligible for retiree healthcare benefits in the Federated City Employees' Retirement System shall be required to enroll in Medicare Part A and B at the age of 65. Additionally, the plan member shall be required to enroll in a Medicare Plan provided by the Federated City Employees' Retirement System and assign Medicare Part A and B to the Medicare Plan if required by the healthcare provider.

If a plan member was hired before March 1986 and is not eligible for Medicare Part A at no cost, the plan member shall be required to provide such verification from the U.S. Social Security Administration to the Department of Retirement Services within 6 months from the date the plan member becomes age 65. Plan members shall be required to enroll in a Medicare Plan provided by the Federated City Employees' Retirement System within 6 months from the date the plan member is age 65.

If a plan member fails to meet the requirements set forth above within 6 months from the date the member becomes age 65, the plan shall cease to provide retiree healthcare benefits until the plan member completes such requirements. This means that the member and qualifying dependents (if applicable) shall not receive retiree healthcare benefits. The Plan member and qualifying dependents shall be re-enrolled in retiree healthcare benefits beginning the 1st day of the following month after such requirements have been completed.

If the Plan member dies during the period which the plan member failed to complete the requirements set forth above, the eligible spouse or domestic partner and child(ren) shall be re-enrolled in a health insurance plan. When the spouse or domestic partner is age 65, the same requirements must be fulfilled, otherwise retiree healthcare coverage will cease until such requirements are completed, as set forth above.

DEFERRED COMPENSATION PLAN

To supplement retirement income, employees may put aside a percentage of gross taxable income up to a maximum set by Section 457 of the IRS code and have that money placed in investments on a tax-deferred basis.

Please contact Human Resources, Deferred Compensation Division for the current maximum amount that may be deferred.

Assets under this plan are available only upon retirement, separation from City service, or death. Additional contribution options are available to employees age fifty (50) and older and those within three (3) years of retirement.

HEALTH INSURANCE¹

The City pays eighty-five percent (85%) of the cost of the lowest priced Non-Deductible HMO plan for the employee or the employee and dependent coverage and the employee pays fifteen percent (15%) of the premium for the lowest priced Non-Deductible HMO plan. If the employee selects a plan other than the lowest priced Non-Deductible HMO plan, the employee pays the difference between the total cost of the selected plan and the City's contribution toward the lowest priced Non-Deductible HMO plan.

If the employee selects a plan other than the lowest priced plan, the employee pays the difference between the total cost of the selected plan and the City's contribution towards the lowest priced plan.

An employee may not be simultaneously covered by City-provided medical benefits as a City employee, and as a dependent of another City employee or retiree.

Co-pays for Non-Deductible HMO plans shall be as follows:

- a. Office Visit Co-pay shall be \$25
- b. Prescription Co-pay shall be \$10 for generic and \$25 for brand name
- c. Emergency Room Co-pay shall be \$100
- d. Inpatient/Outpatient procedure Co-pay shall be \$100

A Kaiser Permanente 1500 Deductible Plan shall be available to employees, in addition to the existing plan options.

All available plans have a four (4) tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren), and Family).

¹ Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

DENTAL INSURANCE¹

The City will provide dental insurance for eligible employees and their dependents in accordance with one of the two available plans. Both of these plans are described in detail in the City of San Jose Employee Benefits Handbook and in pamphlets available in the Human Resources Department.

For full-time employees, the City will pay 100% of the lowest priced plan for the employee or the employee and dependent coverage. For any other plan, the City will pay 95% for the employee or the employee and dependent coverage.

All available plans have a four (4) tier rate structure (Employee, Employee plus spouse/domestic partner, Employee plus Child(ren), and Family).

An employee may not be simultaneously covered by City-provided dental benefits as a City employee, and as a dependent of another City employee or retiree.

HEALTH AND DENTAL IN LIEU

The purpose of the payment-in-lieu of health and/or dental insurance program is to allow employees who have alternative health and/or dental insurance coverage to drop the City's insurance and receive a payment in lieu.

Employees who qualify for and participate in the payment in-lieu of health and/or dental insurance program will receive the following per pay period:

Health Insurance Tier	Health-in-Lieu	Dental-in-Lieu
Employee	\$89.09	\$6.65
Employee plus spouse/domestic partner	\$147.87	\$13.30
Employee plus Child(ren)	\$129.39	\$11.64
Family	\$221.84	\$19.95

A City employee who receives healthcare coverage as a dependent of another City employee or retiree shall be eligible for the employee only coverage for the payment-in-lieu of health and/or dental program.

An employee may choose, during open enrollment or within thirty days of a qualifying event, to drop health and/or dental coverage and receive a payment-in-lieu. To qualify, the employee must prove acceptable alternate group coverage and work 35+ hours/week.

FLEXIBLE SPENDING ACCOUNTS – MEDICAL/DEPENDENT CARE

The City participates in Dependent Care Assistance and Medical Reimbursement Programs. Under these programs, employees may put aside up to \$5000 in pre-tax income to pay for eligible dependent care and may set aside up to \$2500 in pre-tax income for eligible medical care.

¹ Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

LIFE INSURANCE

The City shall pay the full premium for employee coverage equal to two (2) times the employee's annual salary. Additional employee coverage equal to two (2) times the employee's annual salary, up to \$750,000 of total coverage, is available at employee cost. Dependent coverage is also available at employee cost. Coverage from \$2000 up to \$10,000 for spouse and/or dependent children is available at employee cost.

*Part-time and temporary employees **are not eligible** for this benefit.*

ACCIDENT INSURANCE

Available for employee, spouse and children at employee's expense.

LONG-TERM DISABILITY

Employees have the option to purchase long-term disability insurance which will subsidize their income in the event of a non-work related injury or illness. The City does not participate in the State Disability Insurance plan. Therefore, if an employee suffers a non-work related injury or illness and is unable to work, the employee would not receive any City compensation.

The City offers employees a choice of two long-term disability plans, one with a 30-day waiting period and another with a 60-day waiting period. Employees must use accrued leave balances to receive compensation during the waiting period when using the long-term disability benefit.

*Temporary employees **are not eligible** to purchase long-term disability insurance.*

EMPLOYEE ASSISTANCE PROGRAM

The City recognizes that professional counseling is an important benefit to assist employees in resolving personal and family issues which may otherwise affect the employee's job performance and well being. Through the Employee Assistance Program (EAP), licensed counselors are available to help employees resolve issues and identify strategies for coping with difficult situations.

The City will provide up to five (5) counseling sessions per incident per fiscal year at no cost to the employee.

*Part-time unbenefited and temporary employees **are not eligible** for this benefit.*

SUBSTANCE ABUSE PROGRAM

It is the policy of the City to maintain a safe, healthful and productive work environment for all employees. The City will act to eliminate any substance abuse which increases the potential for accidents, absenteeism, substandard performance, poor employee morale or tends to undermine public confidence in the City's workforce.

The Substance Abuse Policy prohibits employees from reporting to work under the influence of alcohol or drugs, exhibiting symptoms of alcohol or drug use, using, possessing, selling or

providing drugs or alcohol while on duty, and employees shall not have the ability to work or be on paid stand-by when impaired as a result of the use of alcohol or drugs. Additionally, employees are required to notify their supervisor when any medication or drug they are taking could create an unsafe and dangerous situation. Employees may be requested to submit to a drug and/or alcohol analysis when there is reasonable suspicion that an employee is intoxicated or under the influence of drugs or alcohol.

The City offers self-referral and rehabilitation/treatment options for employees that may be experiencing a problem with alcohol and/or drug use. The City pays 70% of a first occurrence rehabilitation program and the employee pays 30% as approved by the Employee Assistance Program (EAP).

Please refer to CPM Section 1.4.2 for complete policy guidelines.

*The Substance Abuse Policy applies to all employees; however, part-time and temporary employees **are not eligible** for the Employee Assistance Program benefit.*

HOLIDAYS¹

Full-time employees who are in paid status before and after the holidays specified below shall be eligible to receive holiday leave on each of the following fourteen (14) paid holidays:

New Years Day	Columbus Day
Martin Luther King Day	Veterans Day
Presidents' Day	Thanksgiving Day
Cesar Chavez Day	Day After Thanksgiving
Memorial Day	Christmas Eve Day
Independence Day	Christmas Day
Labor Day	New Years Eve Day

VACATION

Vacation accrues at the following rates for each paid hour (either worked or paid absence):

Years of Service	Hours of Vacation Per 26 Pay Period Cycle
1 – 5 years	80 hours
6 – 10 years	120 hours
11 – 12 years	136 hours
13 – 14 years	152 hours
15 or more years	168 hours

Employees shall not accrue vacation in excess of two times their annual vacation accrual rate. Once the maximum accumulation has occurred, vacation will cease to accrue until the employee's vacation balance has fallen below their maximum vacation accrual amount.

¹ Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

PERSONAL LEAVE¹

Each full-time employee shall be entitled to a total of twenty-four (24) hours per payroll calendar year. Such leave may be scheduled in one-half hour increments, at any time, subject to approval of the supervisor. Personal leave does not accrue. Any such leave not taken by the date of separation for employees separating during the year, or by the end of the last pay period in the calendar year for other employees, shall not be paid out nor carried over to subsequent years. Under no circumstances, such as promotion, transfer, and/or rehire, shall an employee receive more than 24 hours of personal leave in any given calendar year.

Employees hired on or after July 1 shall be entitled to only twelve (12) hours of personal leave in the first payroll calendar year of employment.

Each benefited part-time employee shall be entitled to annual personal leave of eight (8) hours per year except that, in the first payroll calendar year of employment, employees hired before July 1st will get eight (8) hours of annual personal leave and employees hired on or after July 1st will get four (4) hours of annual personal leave.

SICK LEAVE

Paid sick leave accrues at a rate of .04616 for each paid hour exclusive of overtime (either worked or paid absence). For a full-time employee, this equals approximately one (1) day per month.

Accrued sick leave may be used for the care related to the illness or injury of employee's child, mother, father, spouse, or domestic partner².

Up to a total of forty-eight (48) hours of accrued sick leave per calendar year may be utilized if the employee is required to be absent for the care related to the illness or injury of the employee's grandparent, grandchild, brother, sister, father-in-law, mother-in-law, step-father, step-mother, or step-child.

SICK LEAVE PAYOUT

Members of the Federated Retirement System hired on or before September 29, 2012, and who retire with at least fifteen (15) years of service are eligible to receive, upon retirement, payout for a portion of their unused earned sick leave at the rate of:

Accrued Sick Leave Hours	Sick Leave Payout
0 – 399 Hours	50% of final hourly rate
400 – 799 Hours	60% of final hourly rate
800 – 1,200 Hours	75% of final hourly rate

¹ Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

² A domestic partner, as referenced in sections above, must be the domestic partner registered with the Human Resources Department.

Effective June 22, 2013, for purposes of sick leave payout, an employee's sick leave balance and hourly rate shall be frozen. This means that an employee will receive no more in sick leave payout after having met the requirements herein than they would have been entitled to on June 22, 2013. Any sick leave usage after June 22, 2013, will come first from the sick leave balance accrued after June 22, 2013. An employee will continue to accrue sick leave after June 22, 2013, but it may not be used for sick leave payout purposes.

- For example, if an employee's hourly rate is \$40 and their sick leave balance is 1000 hours on June 22, 2013, if they meet eligibility requirements, they shall receive payout of their sick leave balance at the time of retirement using the formula above, but no more than 1000 hours and at an hourly rate of no more than \$40. This will occur even if the employee has subsequently earned more than 1000 hours in sick leave or received a pay increase so that their hourly rate is higher than \$40. In this example, if the employee does not have available sick leave to use that was accrued after June 22, 2013, and uses sick leave and reduces their sick leave balance on June 22, 2013, to 800 hours, they will only be entitled to a sick leave payout of 800 hours, regardless of any sick leave accrued after June 22, 2013. This means that if sick leave payout hours are reduced by usage, they are not able to be reestablished in the sick leave balance subject to payout.

Employees hired on or after September 30, 2012, shall not be eligible for any sick leave payout.

*Part-time and temporary employees **are not eligible** for this benefit.*

MILITARY LEAVE

Persons employed by the City engaging in active military duty for training or other purposes may be provided paid military leave for up to thirty (30) calendar days per fiscal year. In addition, under certain circumstances the City may provide Supplemental Salary and benefits for eligible employees. Please refer to CPM Section 4.2.2 for additional information.

DISABILITY LEAVE

The Disability Leave Supplement was eliminated effective June 24, 2012. Employees will be allowed to integrate accrued vacation and accrued sick leave once vacation has been exhausted. No employee shall receive an amount, including any temporary disability payments, in excess of their regular salary.

MODIFIED DUTY

Employees shall be voluntarily separated from City service if the City offers the employee temporary modified duty at identical or similar rate of pay, within the employee's medical limitations, and the employee refuses or fails to accept duty for which he or she is physically qualified. Any such separations will comply with ADA.

LEAVES OF ABSENCE

Unpaid leaves of absence may be granted for up to twelve (12) months, with possible extension of up to six (6) months. (Employees on unpaid leave may continue their insurance benefits by paying full premiums.) Please refer to CPM Section 4.2.1 for program details.

BEREAVEMENT LEAVE

Each full-time employee shall be granted bereavement leave with full pay for up to forty (40) hours to attend to the customary obligations arising from the death of any of the following relatives of such employee or employee's spouse or employee's domestic partner.²

Bereavement leave shall be granted to eligible part-time employees on the same basis and subject to the same restrictions, conditions and limitations as apply to such leave with pay and such compensation for full-time employees; provided, however, that each eligible part-time employee shall be entitled to bereavement leave with pay for a number of hours based on the benefit category of such part-time employee. Such number of hours shall be in accordance with the following hours per week scheduling:

Regularly Scheduled Hours Per Week	Hours of Bereavement Leave with Pay
30-34 Hours	Up to 30 Hours
25-29 Hours	Up to 25 Hours
20-24 Hours	Up to 20 Hours

All leave must be used within fourteen (14) calendar days following the death of an eligible person. Under extreme circumstances, the fourteen (14) day requirement may be waived by the Director of Employee Relations. The decision of the Director of Employee Relations shall be final with no process for further appeal.

Parent/Step parent	Grandparent/Step-grandparent
Spouse/Domestic partner ²	Grandchild
Child/Step child	Great grandparent
Brother/Sister	Son/daughter-in-law
Step Brother/Step Sister	Brother/sister-in-law
Half Brother/Half Sister	

TIME DONATION PROGRAMS

The City has Time Donation Programs, which allow employees to donate accrued vacation and/or comp time to fellow employees under special circumstances. An employee must meet the criteria established under the Time Donation Policy to receive time donations.

Please refer to CPM Section 4.2.10 for additional information.

² A domestic partner, as referenced in sections above, must be the domestic partner registered with the Human Resources Department.