



CITY OF NEWPORT BEACH BENEFITS SUMMARY

Key and Management Employees (K & M)

Effective July 1, 2015 through December 31, 2018

This is a general outline of employee compensation and fringe benefits. For a complete explanation of benefits, benefit eligibility and restrictions, please refer to the current Key & Management Compensation Plan.

The Key & Management Group is divided into five categories: Executive Management, Administrative Management, Administrative Management (Safety), Division Management, and Confidential.

COMPENSATION

Salary Adjustments:

Non Safety: 2.65% cost-of-living adjustments on January 1, 2016, January 1, 2017 and January 1, 2018.

Safety: vary by position and may be aligned with adjustments for public safety employee associations. Refer to the Key & Management Comp Plan for more detail.

Overtime: Normal overtime for all non-exempt employees shall be paid at one and one half (1.5) times the regular rate of pay for each hour worked beyond the 40 hour limit of the work week.

Comp Time Accrual: Maximum accrual is 80 hours. Comp Time shall be calculated at the rate of one and one half (1.5) hours for each hour worked in excess of the basic 40 hour work week.

Bilingual Pay: Eligible employees may earn \$150 per month upon approval of the Department Director. Testing is required. **(Directors excluded)**

Jury Duty: Paid leave up to sixty (60) days when required by law to attend a legal proceeding as a juror.

LEAVES

Holidays: Twelve (12) holidays per year which include: Independence Day, Labor Day, Veteran's Day, Thanksgiving, Friday following Thanksgiving, half-day Christmas Eve, Christmas, half-day New Year's Eve, New Years Day, Martin Luther King Day, Washington's Birthday (President's Day), Memorial Day, and a Floating Holiday (1) credited on July 1st. Effective the pay period including January 1, 2013 holidays will be paid based on the employee's regular work day schedule. Employees will receive eight (8) hours of holiday pay annually for the Floating Holiday.

In-lieu of Holidays off, public safety employees may receive 3.7 hours per pay period of Holiday compensation, as provided in the Key & Management Compensation Plan.

Bereavement Leave: Forty (40) hours per incident per year for the death or terminal illness of an immediate family member.

Administrative Leave: Exempt personnel may receive a minimum of 8 hours and a maximum of 80 hours of Administrative Leave each calendar year. Hours are determined by the Department Director with approval by the City Manager.

Leave Sellback: Employees have the option of selling back flex or vacation leave hours in excess of 160 twice per year.

Flex Leave: Employees shall accrue Flex leave at the following rates*:

<u>Years of Continuous Service</u>	<u>Hours Per Pay Period</u>	<u>Annual Hours</u>	<u>Maximum Balance (hours)</u>
1 but less than 5	6.00	156.00	468.00
5 but less than 9	6.61	171.86	515.58
9 but less than 12	7.23	187.98	563.94
12 but less than 16	8.15	211.90	635.70
16 but less than 20	8.77	228.02	684.06
20 but less than 25	9.38	243.88	731.64
25 and over	10.00	260.00	780.00

Regular full-time employees in the **Executive Management** category will earn flex leave according at the following accrual rates:

<u>Years of Service</u>	<u>Hours Per Pay Period</u>	<u>Annual Hours</u>	<u>Max Bal.</u>
1 but less than 15	8.77	228	684.06
15 and over	9.69	252	755.82

* Based on prior agreements, public safety Key & Management employees may accrue Flex or Sick leave at a different rate

BENEFITS

Cafeteria Plan: Effective January 1, 2016 the City contributes \$1,625 per month, plus the CalPERS medical contribution, for medical, dental and vision benefits. Effective January 1, 2017, the cafeteria amount will increase to \$1,725 per month. Employees with proof of other group medical coverage may opt-out of the City plan and receive the maximum cafeteria allowance of \$1,000 as taxable cash back.

Disability Insurance: City disability coverage requires a 30 calendar day waiting period. Employees contribute 1% of base salary toward disability insurance. The benefit is 66.67% of gross salary up to maximum of \$10,000 per month.

Life Insurance: City paid policy up to \$50,000 in coverage based on annual salary.

Employee Assistance Program (EAP): The EAP provides confidential counseling, education and referral on work and life issues at no cost to the employee; subject to provider guidelines.

Retirement Benefit (non-Safety):

TIER 1 (for employees hired on or before November 23, 2012 and in the 2.5%@55 PERS formula): Effective January 1, 2016, employees shall contribute a total of 12.7% toward PERS, broken down as follow: 8% of the required member contributions and 2.42% and 2.28% of cost sharing under Government Code 20516(a) and 20516(f) respectively; effective January 1, 2017, the cost sharing under 20516(f) shall increase to 2.58%, for a total employee contribution of 13.0%.

TIER 2 (for employees hired in the 2%@60 PERS formula): Effective January 1, 2016, employees in Tier 2 shall contribute a total of 12.7% toward PERS, broken down as follow: 7% of the required member contributions and 5.7% of cost sharing under 20516(f); effective January 1, 2017, the cost sharing under Government Code 20516(f) shall increase to 6.0%, for a total employee contribution of 13.0%.

TIER 3 (for employees hired under the PEPRA 2%@62 PERS formula): The minimum required member contribution for Tier 3 employees is subject to change based on annual PERS valuation. For FY15-16 the rate is 6.25%. Effective January 1, 2016, in addition to the required member contribution, Tier 3 employees shall make an additional contribution under Government Code 20516(f), such that the total employee contribution equals 12.7%. Effective January 1, 2017, in addition to the required member contribution, Tier 3 employees shall make an additional contribution under 20516(f), such that the total contribution equals 13.0%.

Retirement Benefit (Safety):

The City contracts with PERS to provide a pension plan for public safety employees. Depending on date of hire, employees may be enrolled in Tier 1, 2 or 3. Employee contributions for Key & Management Safety members may vary based on job classification assignment. Refer to the Key & Management Compensation Plan for a complete description.

The City has the following contract provisions: Single Highest Year (Tier 1) and Highest Consecutive 36 Months (Tiers 2 and 3); 4th Level 1959 Survivor Benefit; Sick Leave Credit (Non Safety only); Military Service Credit; \$500 Lump Sum Death Benefit; 2% COLA; and Pre-retirement Optional Settlement 2 Death Benefit.

LIUNA: Employees participate in a LIUNA Plan (Laborer's International Union of North America), which is a supplemental defined benefit retirement plan. Benefit payouts are based on an age at retirement and years-of-service formula. Employees contribute 1.5% of salary.

Retiree Medical Plans

Retiree Health Benefits Program: The City participates in a retiree medical benefit program for employees through a Retiree Health Savings plan (RHS), with contributions paid by both the City and the employee. Employees hired prior to January 1, 2006 whose age and years of services total 50 or more, select from either the fully-converted plan or hybrid plan. This is a one-time, irrevocable selection. Employees employed after January 1, 2006 participate in the fully-converted plan only. Refer to the Key & Management Compensation Plan for a complete description of employee and employer contribution amounts and other program terms.

Tuition Reimbursement: Reimbursement up to \$2,000 per fiscal year for job related, off-duty courses that are in furtherance of a degree or certificate.

MISCELLANEOUS

Direct Deposit: All newly hired employees shall receive their paycheck via direct deposit.