



BENEFITS SUMMARY

Newport Beach Employees LEAGUE (LEAGUE)

Effective January 1, 2019 through December 31, 2021

This summary is for informational purposes only and is not binding. For a complete explanation of all benefits and compensation, benefit eligibility, and restrictions, refer to the current Memorandum of Understanding (MOU) and the Employee Policy Manual.

COMPENSATION

Salary Adjustments: 1.9% - December 22, 2018; 1.9% - December 21, 2019; and 1.92% - December 19, 2020.

FLSA Overtime¹: Non-exempt employees earn overtime for actual work hours in excess of 40 in their defined FLSA workweek.

Contract Overtime¹: Non-exempt employees are eligible for contract overtime. Holiday Pay (or Holiday to Flex Leave) and pre-scheduled Vacation/Flex Leave are included in the 40-hour calculation for contract overtime. No other paid leaves count towards the 40-hour calculation.

Overtime Rate: Both FLSA and Contract Overtime are paid at time and one half (1.5) and are calculated using the regular rate of pay, except Contract Overtime calculations do not include any funds associated with the Cafeteria Plan allowance (cash back, opt-out cash).

Compensatory Time Off: Non-exempt members may receive Compensatory Time Off in lieu of cash for each overtime hour at the rate of one and one half (1.5) hours.

Certificate Pay: Employees may be eligible for certificate pay for job-related certificates, up to a maximum of \$5,000 annually. For a complete listing of eligible certificates refer to the current MOU.

Night Shift Differential: Members assigned a work schedule which includes four or more hours worked between 5 PM - 5 AM shall receive \$1 (\$0.50 for automotive shop mechanics) per hour for every hour worked past 5 PM. E.g. Normal work schedule is Monday through Friday, 1 PM – 10 PM, employee, would be eligible for 5 hours of Night Shift Differential pay for all five days. This pay is not offered when working overtime beyond a normal work schedule.

Call-Back Duty Pay: A unit member called back to work after their normal shift has ended, and it is not prescheduled for overtime, will receive pay for actual hours worked, with a two-hour minimum payment.

Standby Pay: Eligible members on a standby assignment shall receive \$8 per hour for each hour of such duty. E.g. An employee on standby assignment for 16 hours shall receive \$128.

Uniform Allowance: Reported to PERS as \$3.65 per pay period.

Safety Shoes: Eligible employees receive an annual voucher for safety shoes. See current MOU for more information.

¹ Overtime is calculated in tenths of an hour.

LEAVES

Flex Leave²: Unit members shall accrue Flex Leave based on years of continued service at the following rates:

Years of Service	Biweekly Hours	Annual Hours	Accrued Hour Limit
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

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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

Vacation² and Sick Leave: Employees hired on or before January 1, 1990, who did not convert to the Flex Leave program, may accrue Vacation and Sick Leave for time off of work. Those employees accrue Vacation and Sick Leave based on years of continued service at the following rates:

VACATION LEAVE		SICK LEAVE	
Years of Service	Accrual per Pay Period	Years of Service	Accrual per Month
0 but less than 5	3.38 hours	0-1 year	4 hours
5 but less than 9	3.99 hours	1-2 years	5 hours
9 but less than 12	4.61 hours	2-3 years	6 hours
12 but less than 16	5.22 hours	3-4 years	7 hours
16 but less than 20	5.84 hours	4+	8 hours
20 but less than 25	6.46 hours		
25 and over	7.07 hours		

Holidays: There are 11 holidays observed per year, which include: New Year’s Day, Martin Luther King Jr. Day, President’s Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, Friday following Thanksgiving, Christmas Eve (½ day), Christmas, and New Year’s Eve (½ day).

In addition to the holidays observed, unit members receive eight (8) hours for a “floating holiday” credited to their Flex Leave bank during the pay period which includes July 1.

Bereavement Leave: 40 hours of paid leave for the necessary absence due to the death or terminal illness of an immediate family member. See MOU for list of qualifying family members.

²The City complies with the IRS Title 26 CFR § 1.451-2 Constructive Receipt of Income with regard to Flex Leave pay out.

BENEFITS

Cafeteria Plan: Members participating in the City’s medical plans receive a monthly cafeteria allowance of \$1,725 (plus the CalPERS medical premium contribution) to cover the costs of health premiums. If the cafeteria allowance exceeds the premium amounts, employees will receive the difference in taxable cash.

Opt-out: Eligible employees receive \$1,000 per month as taxable cash back.

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

Disability Insurance: Employees pay one percent (1%) of base salary as a post-tax deduction for this benefit.

	<u>Short-Term Disability (STD)</u>	<u>Long-Term Disability (LTD)</u>
Benefit Amount	66.67% of covered wages	66.67% of covered wages
Maximum Benefit	\$1,846 a week	\$15,000 monthly
Waiting Period	30 calendar days	180 calendar days

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.

Tuition Reimbursement: Maximum tuition reimbursement is \$1,500 per fiscal year.

Deferred Compensation (457 Plan): Effective December 21, 2019 (January 1, 2020), the City will match each member’s active contribution, up to \$25 per month.

Retirement Benefits: The City contracts with the California Public Employees Retirement System (CalPERS) to provide retirement benefits and has implemented first, second and third tiers. CalPERS makes the final decision as to which tiered benefit an employee will receive.

Member Contributions: 13%

Tier I (Legacy 2.5%@55): Members contribute 10.42% of the total net employee rate, which is 8 % employee rate and 2.42% employee rate modifier, and 2.58% towards the employer rate.

Tier II (Classic 2%@60): Members contribute 7% of the total employee rate and 6% towards the employer rate.

Tier III (PEPRA 2%@62): The minimum required member contribution for Tier III employees is subject to change based on the annual PERS valuation. The employee rate may increase or decrease as provided by CalPERS; the City adjusts the employee rate and adjusts the employer rate contribution so that the total member contribution aligns with Tiers I and II members.

RETIREE MEDICAL PLANS

Retiree Health Benefits Program: The City participates in a Retiree Health Savings (RHS) defined contribution plan with contributions paid by both the City³ and the employee. Employees hired prior to January 1, 2006, and whose age and years of services totaled 50 or more, were enrolled in either the fully-converted plan or hybrid plan. Employees hired on or after January 1, 2006 participate in the fully-converted plan. Please refer to the LEAGUE MOU for full details.

FULLY-CONVERTED PLAN

HYBRID PLAN

I. Employee payments to City to support program prior to retirement:

None

II. Contributions to employees’ accounts during employment:

1. Part A: 1% salary contribution (employee).
2. Part B ³: \$2.50 per month for each year of service plus age (City).
3. Part C: Cash from leave conversion at retirement (see MOU for amount).
4. Lump payment upon retirement of \$100 for every month paid into the previous defined benefit plan, prior to January 1, 2006, up to 180 months (City).

III. City contributions to employees’ RHS account after retirement:

None.

I. Employee payments to City to support program prior to retirement:

\$100 per month until retirement

II. Contributions to employees’ accounts during employment:

1. Part A: 1% salary contribution (employee).
2. Part B: No City contribution.
3. Part C: Cash from leave conversion at retirement (see MOU for amount).
4. Lump payment upon retirement of \$75 for every month paid into the previous defined benefit plan, prior to January 1, 2006, up to 180 months (City).

III. City contributions to employees’ RHS account after retirement:

\$400 per month.

³ Employees vest in the program after 5 years of continued, full-time service. Once an employee vests, the City deposits the amount accumulated during the five-year waiting period and begins the monthly contributions.