

**Proposed County Ordinance for  
Modifications to Exempt  
Compensation Plan**

**Attachment 1**



1 upon two step increments, approximately five percent (5%). Effective June 18, 2011,  
2 step advancements within a base salary range shall be based upon a one step  
3 increment, approximately two and one-half percent (2.5%). The employee shall be  
4 eligible for the first step advancement after completion of 1,040 hours and subsequent  
5 step advancements after completion of additional increments of 2,080 hours.

6  
7 SECTION 2. Subsection 13.0613(i)(1) of the San Bernardino County  
8 Code is amended, to read:

9 **13.0613 Exempt Group Working Conditions.**

10 (i) Health Insurance and Retirement System Contributions.

11 (1) *Health Insurance Contributions.*

12 (A) Benefit Plan Contributions.

13 (I) Employees in a regular position scheduled for  
14 a minimum of 40 hours per pay period are eligible to receive the benefits of this  
15 Subdivision in the amounts described in subsection 13.0613(i)(1)(A)(II) below.  
16 Employees must be paid for at least one-half plus one hour of their scheduled hours in  
17 order to receive the benefits of this Section. For instance, an employee scheduled to  
18 work 80 hours per pay period must be paid at least 41 hours to be eligible for the  
19 benefits of this Subdivision.

20 (II) Except as provided in subsection  
21 13.0613(d)(1), the bi-weekly amount of the County-provided Benefit Plan for  
22 employees who participate in County-sponsored health plan coverage will be as  
23 follows:

Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
\$115.00	\$230.00

26 (III) Under no circumstances will the monetary  
27 value of the Benefit Plan be prorated.

28

1 (IV) Employees who are on an approved Medical  
2 Leave of Absence and whose paid hours in a pay period are less than the required  
3 number of hours will continue to receive the benefits of this Subdivision for up to six  
4 pay periods per episode of illness or injury. Employees who are on an approved  
5 Workers Compensation claim shall receive the benefits of this Section for up to 20 pay  
6 periods while off work due to that work injury. Employees who are integrating paid  
7 leave time with Short-Term Disability (STD) insurance provided by the County shall  
8 receive the benefits of this Subdivision under the following circumstances: upon  
9 election of full integration of disability payments and paid leave time, employees who  
10 are paid less than one-half plus one of their scheduled hours but have available leave  
11 balances of one-half plus one of their scheduled hours or more shall receive the  
12 benefits of this Subdivision. Employees who are on an approved leave of absence  
13 without pay under the Family Medical Leave Act of 1993 will continue to receive the  
14 Benefit Plan dollars and the Medical Premium Subsidy, if any, for up to six pay periods.  
15 Employees who are on a leave of absence without pay shall not be eligible to receive  
16 the monetary benefits of this Subdivision unless on a medical leave or a Family  
17 Medical Leave Act eligible leave.

18 (V) Effective June 18, 2011, the Benefit Plan  
19 amounts specified above shall be reduced to zero, and an equivalent amount shall be  
20 added to the Medical Premium Subsidy provided pursuant to subsection  
21 13.0613(i)(1)(C).

22 (B) Section 125 Premium Conversation Plan.

23 (I) Eligible employees shall be provided with a  
24 Section 125 Premium Conversation Plan. The purpose of the Plan is to provide  
25 employees a choice between paying premiums with either pre-tax salary reductions or  
26 after-tax payroll deductions for health insurance, dental insurance, voluntary life (to the  
27 IRS specified limit) and accidental death and dismemberment insurance premiums  
28 currently maintained for Exempt Group employees or any other programs(s). The

1 amount of the pre-tax salary reduction or after-tax payroll deduction must be equal to  
2 the required insurance premium.

3 (II) Benefit Plan elections shall not reduce  
4 earnable compensation for purposes of calculating benefits or contributions for the San  
5 Bernardino County Employees' Retirement Association.

6 (III) To be eligible for this benefit, an employee  
7 must be in a regular position and be regularly scheduled to work at least 40 hours in a  
8 pay period or be on an approved leave pursuant to the Family Medical Leave Act.

9 (IV) Election of pre-tax salary reductions and  
10 after-tax payroll deductions shall be made within 30 days of the initial eligibility period  
11 in a manner and on such forms designated by the Human Resources Employee  
12 Benefits and Services Division Chief. Failure to timely submit appropriate paperwork  
13 will result in after-tax payroll deductions for all eligible premiums for the remainder of  
14 the Plan year.

15 (V) Once a salary reduction has begun, in no  
16 event will changes in elections be permitted during the Plan year except to the extent  
17 permitted under Internal Revenue Service rulings and regulations, and consistent with  
18 the County's Plan Document. Examples of mid-year qualifying events include:  
19 marriage, divorce, birth, adoption, death, over age dependent, loss of student status,  
20 employee's or employee's spouse's or domestic partner's reduction in work hours,  
21 loss of spouse's or domestic partner's employment, gain or loss of spouse's or  
22 domestic partner's insurance, relocation outside an HMO network service area,  
23 entitlement to Medicare for employee or employee's dependent, significant increase in  
24 County insurance cost during the Plan year, loss or gain of Medicare or Medicaid  
25 coverage and spouse's, domestic partner's or dependent's open enrollment. The  
26 employee must submit request for a change due to a mid-year qualifying event within  
27 30 days of the qualifying event. The Human Resources Employee Benefits and  
28

1 Services Division Chief, or designee, will authorize changes as long as the change is  
2 made on account of and consistent with an employee's change in status.

3 (C) Medical and Dental Subsidies.  
4

5 (I) The County will establish a Medical Premium  
6 Subsidy (MPS) to offset the cost of health and dental plan premiums charged to  
7 eligible employees. The MPS shall be applied first to health insurance premiums and  
8 then to dental plan premiums. The applicable MPS amount shall be paid directly to  
9 the providers of the County-sponsored health and dental plans in which the eligible  
10 employee has enrolled. The MPS shall not be considered compensation earnable for  
11 purposes of calculating benefits or contributions for the San Bernardino County  
12 Employees' Retirement Association. In no case, shall the MPS exceed the total cost  
13 of the health and dental insurance premium for the coverage selected.

14 Effective July 17, 2010, the County will establish a  
15 MPS, if applicable, in the following amounts:

	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only	0	0
Employee +1	\$61.12	\$122.23
Employee +2	\$126.32	\$252.64

22 Effective June 18, 2011, the County will establish a  
23 MPS, if applicable, in the following amounts:

	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only	\$115.00	\$230.00
Employee +1	\$176.12	\$352.23
Employee +2	\$241.32	\$482.64

1 (II) The County has established a Dental  
2 Premium Subsidy (DPS) for all employees whose premium costs for health and dental  
3 exceeds the Medical Premium Subsidy in an amount up to \$9.46, but not to exceed  
4 the combined total of the employee's out-of-pocket expenses. For example, an  
5 employee who selects "employee only" coverage for health and dental with a  
6 combined per pay period premium cost of \$234.00 will receive a DPS in the amount of  
7 \$4.00 per pay period.

8 SECTION 3. Subsection 13.0613(i)(2)(A) of the San Bernardino County  
9 Code is amended, to read:

10 **13.0613 Exempt Group Working Conditions.**

11 (i) Health Insurance and Retirement System Contributions.

12 (2) *Retirement Systems Contributions.*

13 (A) County Contributions.

14 (I) For all employees, the County will pick up a  
15 portion of the employee's required contribution to the San Bernardino County  
16 Employee's Retirement Association (SBCERA) in the amount of seven percent (7%) of  
17 the employee's earnable compensation as defined in the SBCERA bylaws. For the  
18 purpose of this section, Exempt employees shall be divided into the Benefit Groups as  
19 specified in section 13.0604(b). Effective June 18, 2011, the County's seven percent  
20 (7%) pick up of a portion of the employee's required contribution to SBCERA shall be  
21 discontinued, and the supplemental amounts provided in subsection  
22 13.0613(i)(2)(A)(II) below shall be the only employee contribution pick up.

23 (II) Exempt employees shall receive the following  
24 supplemental amounts biweekly to be applied under this Section: Group A  
25 employees, \$442.53 per biweekly pay period; Group B employees, \$236.41 per  
26 biweekly pay period; Group C employees, \$152.17 per biweekly pay period; Group D  
27 employees, \$94.67 per biweekly pay period.  
28

1 (III) The employee must choose to have the  
2 contributions designated as all employer or all employee contributions for retirement  
3 purposes. If the employee designates the pick up as employer contributions, then for  
4 each dollar applied, the employee's retirement obligation shall be satisfied in the  
5 amount of the actuarial value of that dollar to the Retirement Association as  
6 determined by the Board of Retirement, and the employee may not withdraw this  
7 contribution from the Retirement Association.

8  
9 If the employee designates the pick up as  
10 employee contributions, then for each dollar applied, the employee's retirement  
11 obligation shall be satisfied in the amount of \$1.00, and upon separation without  
12 retirement, an employee may withdraw this contribution from the Retirement  
13 Association. Upon retirement or separation, all contributions applied under this  
14 Section will be considered for tax purposes as employer-paid contributions.

15 If the employee does not file a designation,  
16 the contributions shall be made as employee contributions. Employees receiving  
17 Retirement System contributions under the Benefit Plan in effect prior to the effective  
18 date of this Section shall continue to have contributions under this Section applied (as  
19 employer or employee contributions for retirement purposes) in the same manner as  
20 previously applied for the employee until a revised designation is made by the  
21 employee.

22 Any dollars which are remaining after all  
23 Retirement System obligations are fully satisfied shall be paid to the employee in  
24 cash.

25 SECTION 4. Subsection 13.0613(i)(2)(C)(I) of the San Bernardino County Code  
26 is amended, to read:  
27  
28

1 **13.0613 Exempt Group Working Conditions.**

2 (i) Health Insurance and Retirement System Contributions.

3 (2) *Retirement Systems Contributions.*

4 (C) Special Provisions.

5 (I) Employees who have 30 years of service credit  
6  
7 and no longer make retirement contributions under the provisions of the County  
8 Employees' Retirement Law of 1937 shall be paid in cash seven percent (7%) of  
9 earnable compensation as defined by the bylaws of the Retirement Board as well as  
10 the supplemental amount under § 13.0613 (i)(2)(A)(II) above. This paragraph shall  
11 be effective through June 17, 2011.

12 Except as provided below, effective June 18, 2011, Employees who have 30  
13 years of service credit shall not be paid in cash seven percent (7%) of earnable  
14 compensation. Employees with at least 25 years of service as set forth in Government  
15 Code section 31625.3 as of June 18, 2011, and who either already have or thereafter  
16 attain 30 years of service credit as set forth in Government Code section 31625.3 shall  
17 have one opportunity during the employee's employment to receive cash payments of  
18 seven percent (7%) of earnable compensation for up to twenty-six (26) consecutive  
19 pay periods.  
20

21 SECTION 5. Subsection 13.0613 (hh) is added to Chapter 6 of Division 3 of  
22 Title 1 of the San Bernardino County Code, to read:

23 **13.0613 Exempt Group Working Conditions.**

24 (hh) Benefit Reductions. The County recognizes that this ordinance  
25 implements reduction or elimination of certain items of compensation and benefits for  
26 members of the Exempt Group. It is the intent of the County to reduce or eliminate the  
27 same items of compensation and benefits for all bargaining units of the County,  
28

1 County Fire, or any Board-governed Special District at such time as the Memorandum  
2 of Understanding for each of those bargaining units expires.

3  
4 Items of compensation and benefits covered by this subsection are the  
5 following: 1) Reduction of step increase increments from approximately five percent  
6 (5%) to approximately two and one-half percent (2.5%) for all current and newly-hired  
7 employees; 2) Elimination of the seven percent (7%) County pick-up of the employee's  
8 share of retirement system contributions (not including supplemental contribution  
9 amounts contributed on behalf of Exempt employees); and 3) Conversion of Benefit  
10 Plan payments to Medical Premium Subsidy payments and establishing fixed dollar  
11 caps at current levels for all Medical Premium Subsidy payments.

12 If any bargaining unit does not agree to reduce or eliminate any items of  
13 compensation and benefits listed above, then the item or items of compensation or  
14 benefits not reduced or eliminated by that bargaining unit shall automatically be  
15 restored prospectively for members of the Exempt group unless the Board of  
16 Supervisors: 1) Imposes such benefit elimination or reductions on bargaining units  
17 that do not agree after exhaustion of the dispute resolution procedure contained in the  
18 applicable Employee Relations Ordinance; or 2) Reduces positions and/or budget in  
19 the impacted departments by the value of the reductions which would have been  
20 obtained if the reductions in compensation would have been applied to the employees  
21 in that bargaining unit.

22 In addition, if any bargaining unit receives a newly negotiated across-the-board  
23 enhancement in compensation and benefits for all its members, excluding those  
24 enhancements for which the County, County Fire or Board-Governed Special Districts  
25 is currently already contractually obligated, such enhancement shall also be  
26 automatically received by members of the Exempt Group.  
27  
28



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Board of Supervisors this \_\_\_\_ day of \_\_\_\_\_, 2011.

LAURA WELCH, Clerk of the Board of Supervisors of the County of San Bernardino, State of California

\_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
JEAN-RENE BASLE  
County Counsel

By: \_\_\_\_\_  
KENNETH C. HARDY,  
Deputy County Counsel

Date: \_\_\_\_\_