

City of Dublin



Employee Benefit Plan

Established – July 1, 2023



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Section 1 – Eligible Employees:

All benefits shall apply to full-time employees of the City of Dublin, unless otherwise stated. The benefits outlined in this plan shall not be provided to temporary (part- or full-time), provisional or contract employees, or to individuals who provide services to the City pursuant to contract unless the contract explicitly provides for such benefits.

Section 2 – Market Rate Adjustments and Consumer Price Index (CPI) Adjustments:

Effective July 1, 2023, salary ranges (top and bottom) shall be adjusted based on the change in Consumer Price Index (CPI) from February 2022 through February 2023 using the San Francisco-Oakland-San Jose region (Urban Wage Earners and Clerical Workers) as published by the Bureau of Labor Statistics. The maximum adjustment shall be no greater than three and one-half percent (3.5%), the minimum adjustment will be one percent (1%). Employee salaries will also be adjusted July 1, 2023, based on the CPI results.

Additionally, a total compensation salary survey of benchmark classifications was conducted. Any classification that was deemed to be under market was brought up to the 65th percentile of the City's comparator cities. Individual employees will not be adjusted, unless their current salary falls below the minimum of an adjusted range.

In recognition of historically high CPI values the last two years, employees will receive a one-time \$1,500 stipend the first check paid out in January 2024.

Effective July 1, 2024, salary ranges for most classifications (top and bottom) shall be adjusted based on the change in Consumer Price Index (CPI) from February 2023 through February 2024 using the San Francisco-Oakland-San Jose region (Urban Wage Earners and Clerical Workers) as published by the Bureau of Labor Statistics. For those classifications that were over market in July of 2023, a total compensation survey will be conducted in April of 2024. The maximum adjustment shall be no greater than three and one-half percent (3.5%), the minimum adjustment will be one percent (1%). Employee salaries will also be adjusted July 1, 2024, based on the CPI results, but in no event shall any adjustment provided for in this section result in an employee earning a salary in excess of the top of the range for their classification.

Effective July 1, 2025, salary ranges for most classifications (top and bottom) shall be adjusted based on the change in Consumer Price Index (CPI) from February 2024 through February 2025 using the San Francisco-Oakland-San Jose region (Urban Wage Earners and Clerical Workers) as published by the Bureau of Labor Statistics. For those classifications that continued to be over market in April of 2024, a total compensation survey will be conducted in April of 2025. The maximum adjustment shall be no greater than three and one-half percent (3.5%), the minimum adjustment will be one percent (1%). Employee salaries will also be adjusted July 1, 2025, based on the CPI results, but in no event shall any adjustment provided for in this section result in an employee earning a salary in excess of the top of the range for their classification.

Effective July 1, 2026, salary ranges for most classifications (top and bottom) shall be adjusted based on the change in Consumer Price Index (CPI) from February 2025 through February 2026 using the San Francisco-Oakland-San Jose region (Urban Wage Earners and Clerical Workers) as published by the

Bureau of Labor Statistics. For those classifications that continued to be over market in April of 2025, a total compensation survey will be conducted in April of 2026. The maximum adjustment shall be no greater than three and one-half percent (3.5%), the minimum adjustment will be one percent (1%). Employee salaries will also be adjusted July 1, 2026, based on the CPI results, but in no event shall any adjustment provided for in this section result in an employee earning a salary in excess of the top of the range for their classification.

Section 3 – Merit-Based Salary Adjustments:

- a) Annual adjustments in salary (based on the anniversary of the employee's date of hire or if applicable, the anniversary date of the most recent promotion) shall be based upon employee performance as determined by the performance evaluation. It is the duty of the supervisor and Department Head to give a fair and unbiased evaluation based on job performance of the employee.
- b) For the period of July 1, 2023, through June 30, 2027, employees will be eligible for an annual merit increase of up to 2.5%, based on their performance as outlined in their annual review, with an additional .5% at the discretion of the Department Director with agreement from the City Manager, for a maximum of 3%.
- c) In no event shall any salary adjustment result in an employee earning a salary in excess of the top of the range of their classification.

Section 4 – Performance Pay Adjustments:

If applicable, performance pay adjustment increases will be consistent with increases outlined in Section 3. Eligibility criteria is outlined in the City's Personnel Rules.

Section 5 – Medical Insurance:

All City employees who are members of the California Public Employees Retirement System (CalPERS) shall be eligible to select from plans administered by the Public Employees Medical and Hospital Care Act (PEMCHA).

- a. The City currently contracts with the California Public Employees' Retirement System (CalPERS) for the purpose of providing medical insurance benefits for active employees and their eligible dependents, eligible retired employees, and eligible survivors of retired employees. The eligibility of a dependent to participate in this program shall be in accordance with the terms of the Public Employees' Medical and Hospital Care Act (PEMCHA). The Eligibility of retired employees and survivors of retired employees to participate in this program shall be in accordance with those provisions of the PEMHCA providing for participation by CalPERS annuitants.
- b. Effective January 1, 2016, the City's employer contribution towards medical insurance benefits for each eligible employee shall be the minimum contribution amount required by Government

Section 22892. Contributions provided under this Section are required only to the extent mandated by PEMHCA.

- c. In the event CalPERS requires a minimum employer payment in excess of the amount recited above, the City shall pay such additional amounts as approved by the City Council. Because CalPERS may change carriers and plans, the City shall not be required to provide a specific insurance coverage and shall only be required to provide those benefits as described in the Benefit Plan so long as the city contracts for benefits with CalPERS for medical insurance benefits. The City shall provide each eligible annuitant, as defined by the PEMHCA, with an employer contribution towards medical insurance benefits that is equal to any contribution provided to active employees under the Benefit Plan and in accordance with Government Code Section 22892.

Section 6 – Flexible Benefit Program:

The City shall make available a flexible benefit program (tax deferred employee contribution) that can be applied to specific expenses, e.g., health premiums, and medical, dental, and vision expenses not covered by the insurance plan. The City's plan is subject to the requirement and availability of Internal Revenue Code Section 125, allowing employees to use pre-tax compensation for PEMHCA medical premiums, eligible dependent care expenses, eligible uninsured medical expenses, or a combination thereof. All costs associated with the enrollment and administration of an eligible employee's account shall be paid by the City.

- a. The City shall not treat contributions made to the program as compensation subject to income tax withholding unless the Internal Revenue Service and/or the Franchise Tax Board indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any federal, state, or local tax liability of the employee that may arise out of the implementation of this Section or any penalty that may be imposed, therefore.
- b. Contributions to the flexible benefit program shall be used only for payment of those benefits that are available through the City's program. Any amount remaining after the Employee has designated the portion of his or her flexible benefit (125 plan) contribution amount for the purposes described in this Section shall be deemed forfeited.
- c. Each eligible employee shall file an election in writing during the month of open enrollment for medical insurance each year designating how the contributions in his or her flexible benefits account are to be spent during the ensuing year. Thereafter, no changes to designations shall be allowed until the enrollment of the following year, except for change for changes due to an eligible qualifying event.
- d. Each employee shall be responsible for providing immediate written notice to the Director of Human Resources of designee of any changes to the number of his or her dependents which would affect the amount of the City's payment into the program.

- e. Beginning with the January 1, 2023, premium, eligible employees shall receive up to \$2,030 per month toward the premium cost for CalPERS health insurance based on the employee's annual plan election less the amount of any contribution provided by the City directly to CalPERS under government Code Section 22892.
- f. Beginning with the January 1, 2024, premium, eligible employees shall receive a monthly allowance up to the amounts listed below. Eligibility is based on the employee's plan selection and participation level (e.g., employee only coverage, employee plus 1 dependent or employee plus two or more), less the amount of any contribution paid under Section 2 above.

Employee only = \$1,260/month

Employee and 1 dependent = \$2,255/month

Employee and 2 or more dependents = \$2,525/month

- g. For CalPERS plan years 2025, 2026, and 2027, the City will increase the monthly contribution outlined in Section 7(f) by half of the percent increase in Kaiser premiums at each level, except if the newly calculated amount exceeds the actual rate of Kaiser for the given year. If this situation occurs, the City contribution from the prior year will carry over.
- h. The City shall continue to provide a flexible benefit program as provided in this Section unless amended or repealed by the City Council.

Section 7 – Alternative Benefit:

Effective July 1, 2015, subject to proof of other health coverage and completion of CalPERS Health Form HBD12 indicating same, eligible City employees who are members of the California Public Employees Retirement System (CalPERS) and (1) elect to opt-out of receiving City contributions under Government Code Section 22892; as described in Section 2b; (2) are not enrolled in a City-sponsored health insurance plan as the dependent of another City employee; and (3) provide proof of medical insurance coverage from a plan other than a City-sponsored plan shall receive an alternative benefit in the form of a cash payment.

- a. Effective July 1, 2015, the amount of alternative benefit is \$350 per month and benefit must be elected each year during open enrollment or upon a qualifying event.
- b. Effective January 1, 2024, the amount of alternative benefit provided to an employee is based on the level of insurance coverage that the employee could have received if the employee had enrolled in a City-sponsored health insurance plan, as follows:

Employee only = \$250/month

Employee and 1 dependent = \$450/month

Employee and 2 or more dependents = \$625/month

- c. For the purpose of this Section, the term "dependent" shall mean a dependent eligible for coverage under a CalPERS medical plan.

- d. Any cash payment provided under this Section shall be paid and reported to the Internal Revenue Service (IRS) and the California Franchise Tax Board as compensation subject to income tax withholding and is considered a non-reportable CalPERS payment/benefit. Each eligible employee shall be solely and personally responsible for any tax liability that may arise out of receipt of the alternative benefits provided under this Section.

Section 8 – Dental Insurance:

The City will contribute on behalf of each employee schedule to regularly work at least 30 hours per week, a maximum of the "full-family premium" per month to a dental insurance plan selected by the City. The City will contribute on behalf of each regular employee scheduled to work between 20 to 29 hours per week, a maximum of the "employee only" premium per month to a dental insurance plan selected by the City.

Effective January 1, 2024, in lieu of enrolling in a City-sponsored dental plan, employees may elect to opt-out of dental for themselves and eligible dependent(s). The amount of alternative benefit provided to an employee is based on the level of insurance coverage that the employee could have received if the employee had enrolled in a City-sponsored dental plan, as follows:

- Employee only = \$25/month
- Employee and 1 dependent = \$50/month
- Employee and 2 or more dependents = \$75/month

For the purpose of this Section, the term "dependent" shall mean a dependent eligible for coverage under the City-sponsored dental plan.

Any cash payment provided under this Section shall be paid and reported to the Internal Revenue Service (IRS) and the California Franchise Tax Board as compensation subject to income tax withholding and is considered a non-reportable CalPERS payment/benefit. Each eligible employee shall be solely and personally responsible for any tax liability that may arise out of receipt of the alternative benefits provided under this Section.

Section 9 – Vision Insurance:

The City will contribute on behalf of each employee schedule to regularly work at least 20 hours per week, a maximum of the "employee only premium" per month to a vision insurance plan selected by the City.

Section 10 – Trust Fund/Health Reimbursement Arrangement (HRA):

- a. **Plan Limits:** Beginning on calendar year January 1, 2021, full-time, regular employees will have a \$1,000 limit for eligible reimbursements. Employees regularly scheduled to work between 20 and 30 hours per week shall have a pro-rated share based on hours regularly scheduled.
- b. **Plan Year:** The "Plan Year" shall cover reimbursements for eligible expenses incurred between January 1 and December 31 of the calendar year.

- c. Third Party Administrator (TPA)/Eligible Claims: Employees eligible for this benefit may request reimbursement through the third-party administrator selected by the City.
- d. Administrative Rules: The reimbursement of any expenses pursuant to this section shall be contingent upon the fulfillment of requirements pursuant to the provision(s) of the Internal Revenue Code and the City's selected third-party administrator.

Section 11 – Disability Insurance:

The City will contribute on behalf of each regular employee scheduled to regularly work at least 20 hours per week, the total premium cost of a Long-Term Disability Plan selected by the City. In addition, the City Manager shall be authorized to implement a short-term disability program, which would allow regular employees scheduled to work at least 20 hours per week, to purchase short-term disability insurance through payroll deductions, if such a plan is available.

Section 12 – Life Insurance:

The City will contribute on behalf of each full-time employee scheduled to regularly work at least 40 hours per week, the total premium cost of a \$50,000 Term Life Insurance Policy selected by the City. In addition, the City Manager shall be authorized to implement a supplemental life insurance program, which would allow full-time employees to purchase additional term life insurance through payroll deductions, if such a plan is available.

Section 13 – Retirement:

For employees who are "Classic" members (as determined by CalPERS), the City will provide the California Public Employees Retirement System 2.7% at age 55 (Section 21354.5 of the California Public Employees' Retirement System plan) retirement plan with the one-year final compensation (Section 20042 of the California Public Employees' Retirement System plan) benefit option. The City Council shall have the authority to further amend the plan to include benefit options offered by the Public Employees Retirement System. Effective July 1, 2011, classic members shall pay 8% of the employees' contribution rate.

Effective January 1, 2013, the City shall comply with the California Public Employees' Pension Reform Act of 2013 (PEPRA). Eligible employees who join the City's CalPERS retirement system on or after January 1, 2013, and are considered "PEPRA" members (as defined by CalPERS) and shall have a retirement formula of 2%@ 62; 3-Year final compensation average and shall contribute their portion toward a new CalPERS retirement tier as defined by law.

Effective July 11, 2015, and pursuant the adoption of City Ordinance 1-2015 (June 2, 2015), employees shall share in the City's CalPERS costs by contributing a percentage of the employee's compensation reportable to CalPERS (i.e., "compensation earnable") towards the City's employer contribution, in accordance with Government Code section 20516(f). Employees who are Classic CalPERS members will contribute 7%, and PEPRA CalPERS members will contribute 3.05%.

The City shall apply the provisions of Internal Revenue Code (IRC) 414(h) (2) to all eligible payroll deductions for employee CalPERS contributions so long as such provisions remain available to the City.

Section 14 – Retiree Health Reimbursement Arrangement (HRA):

The City shall make available a Retiree HRA account to eligible employees who were hired before January 1, 2016, and who retire from the City of Dublin while meeting the eligibility requirements for CalPERS retiree health insurance as provided under PEMCHA laws.

- a. Beginning on January 1, 2016, the City's Retiree HRA Plan Year shall begin January 1 and end December 31 of each calendar year.
- b. Beginning with January 1, 2023, CalPERS premium year, eligible CalPERS annuitants under the City of Dublin's CalPERS health contract shall receive reimbursement up to \$2,030 per month toward the cost of CalPERS health insurance premiums. Reimbursement is provided in the form of cash to the eligible CalPERS annuitant on a monthly basis based on the CalPERS annuitant's annual election less the amount of any contribution provided by the City directly to CalPERS under Government Code Section 22892. In no event, shall the City's total reimbursement exceed the amount described in this section.
- c. Beginning with January 1, 2024, CalPERS premium year, an annual adjustment, equal to the difference in the CalPERS Kaiser Family rate, not to exceed \$100 per month, shall be provided.
- d. Employees hired by the City on or after January 1, 2016, are not eligible for the Retiree HRA as defined in this section. The City's maximum contribution toward CalPERS retiree health coverage shall be the PEMCHA minimum contribution as determined by CalPERS under Government Code Section 22892.

Section 15 – Deferred Compensation Plan:

Participation in a variety of deferred compensation plans is offered. Participation in the City's deferred compensation plan shall be voluntary, but for employees who choose to participate, effective January 1, 2024, the City will match an employee's contribution to the 457 deferred compensation plan up to a maximum of \$50/month.

Section 16 – Holidays:

The following days shall be deemed holidays in accordance with the Personnel System Rules:

a) New Year's Day	January 1
b) Martin Luther King Jr. Day	Third Monday in January
c) Washington's Birthday	Third Monday in February
d) Memorial Day	Last Monday in May
e) Independence Day	July 4
f) Labor Day	First Monday in September
g) Veteran's Day	November 11

h) Thanksgiving Day	Fourth Thursday in November
l) Day following Thanksgiving	Day following above
j) Day preceding Christmas	December 24
k) Christmas Day	December 25
l) Day preceding New Year's Day	December 31

In addition to the designated holidays listed above, effective January 1, 2021, employees shall be provided two (2) floating holiday per calendar year. Effective January 1, 2024, in recognition of time off for employees to celebrate their cultural or religious holidays, the City will provide two (2) additional floating holidays, for a total of four (4).

Civic Service Leave will no longer be provided.

Floating holidays are subject to the following restrictions:

- 1) Must be used during the calendar year and cannot be carried over; and
- 2) Requires advance approval of the Department Head and the City Manager.

All holidays will be credited at eight (8) hours each for full-time employees. Part-time employees will receive a pro-rated number of hours.

Section 17 – Education Reimbursement:

Full-time and regular part-time employees shall be eligible to participate in an education reimbursement program. The City shall only reimburse the employee for courses undertaken which are job-related or are part of a job-related course of study and/or degree program. The employee must obtain prior authorization from the City Manager and reimbursement will only be provided upon submittal of proof of satisfactory completion of the courses undertaken with a passing grade when applicable. The City will reimburse an amount equal to 75% of the employee's tuition and/or fees, (including books). For full-time employees, the amount reimbursed shall not exceed \$2,000 per Fiscal Year beginning July 1, 2020; for employees scheduled to work between 20-39 hours per week, the amount shall be pro-rated based on regularly scheduled hours. The payment of any reimbursements shall be contingent upon the fulfillment of reporting requirements established by the City Manager.

Section 18 – Wellness Reimbursement Program:

Beginning July 1, 2020, the City shall provide a wellness reimbursement program of \$25.00 per month to all regular full-time and part-time employees. Eligible wellness expenses may include activities that promote health, wellbeing and physical movement and/or exercise. Employees shall be reimbursed biennially in December and June of each fiscal year.

Section 19 – Employee Service Awards:

Beginning July 1, 2020, regular full-time and part-time employees may opt in for a cash service award in the year in which they complete 10, 15, 20, and 25 years of service; cash award amounts are as follows: 10 years \$500.00, 15 years \$600.00, 20 years \$800.00, 25 years \$1,000.

Section 20 – Employee Commute Alternative Program/Transit Commuter Program:

The City established an Employee Commute Alternative Program to help ease traffic congestion, improve air quality in the Bay Area and work to achieve less stressful commutes. The City supports this program by encouraging City employees to register with the 511 Regional Rideshare Program through www.511.org and by participating in the Alameda County Congestion Management Agency - Guaranteed Ride Home program. The City shall provide a \$5.00 per day commute alternative cash incentive to all eligible employees pursuant to providing proper commute verification information. In addition, the City offers a pre-taxed Transit Commuter Program administered through third-party administrator (WageWorks) for the cost of public transit. Both Commuter programs comply with SB 1128, which requires employers with 50 or more to offer at least one commuter benefit option to employees.

Section 21 – Car Allowance and Mileage Reimbursement:

The following positions shall be eligible to receive the designated monthly allowance. The receipt of the car allowance pursuant to this section shall be full compensation for all operating costs excluding tolls, parking fees and out of area travel.

a. Management Positions Receiving Monthly Allowance

<u>Eligible Positions</u>	<u>Monthly Allowance</u>
Assistant City Manager	\$190
Assistant Director of Community Development	\$190
Assistant Finance Director	\$190
Assistant Parks and Community Services Director	\$190
Assistant Public Works Director/City Engineer	\$190
Capital Improvement Program Manager	\$190
Chief Building Official	\$190
Chief Information Security Officer	\$190
Communications Manager	\$190
Community Development Director	\$190
Deputy City Manager	\$190
Economic Development Director	\$190
Finance Director	\$190
Human Resources Director	\$190
Parks & Community Services Director	\$190
Parks & Community Services Manager	\$190
Planning Manager	\$190
Principal Engineer	\$190
Public Works Director/Assistant City Engineer	\$190
Public Works Manager	\$190
Public Works Transportation & Operations Manager	\$190

b. Miscellaneous Employees Receiving Car Allowance

The following position shall be eligible to receive the designated monthly car allowance.

<u>Eligible Position</u>	<u>Monthly Allowance</u>
Senior Civil Engineer	\$190
c. <u>Operating Costs</u>	Employees whose services and compensation are provided for under separate agreement who receive a car allowance shall be eligible to receive 40 percent (rounded up to the nearest cent) of the amount recognized by the Internal Revenue Service for the use of a private vehicle as an operating cost.
d. <u>Mileage Reimbursement</u>	For employees not receiving a car allowance, when traveling on City business, the City will reimburse the amount recognized by the Internal Revenue Service for the use of a private vehicle.
e. <u>Out of Area Travel Reimbursement</u>	When traveling out of the area on City business, the City will reimburse the amount recognized by the Internal Revenue Service for the use of a private vehicle, or air transportation costs, whichever is less.
f. <u>Administrative Requirements</u>	The payment of any mileage reimbursements or car allowance shall be contingent upon the fulfillment of requirements established by the City's accounting procedures and other rules and policies.

Section 21 – Resident Registration Fees:

Effective July 1, 2015, non-resident employees shall be granted Dublin resident fees and rates for City Parks and Community Services classes, trips and facility rentals; priority registration does not apply.

Section 22 – Effective Date:

The provisions of this Benefit Plan shall be administered in accordance with the regulations, policies and procedures issued by the City Manager or designee which shall include, but not limited to, the method and frequency of reimbursement to eligible employees for the benefit program(s) selected and appropriate procedures for the verification of payment made pursuant to the Benefit Plan.

This Benefit Plan shall be effective July 1, 2023, and shall supersede Resolution No. 115-10 and 61-20, all amendment to, and any previous resolutions adopted by the City Council which are in conflict.