EMPLOYEE MANUAL	
Title: **OTHER BENEFITS**	
Policy No.: 18.0	Section Nos.: 18.0 – 18.11
Approval Date: November 2022	Effective Date: January 2023
Approved By: Board of Directors	

18.0 OTHER BENEFITS

The Agency provides its employees with a variety of benefits. A copy of each type of benefit, insurance policy or a certificate summarizing its terms will be maintained in the Agency's Human Resources Office, and will be available for inspection by any probationary full-time and regular full-time employees during business hours. The benefits, terms and limitations of such coverage shall be as set forth in the actual policies carried by the Agency, and are subject to change at the Agency's discretion. In the event this Manual contains statements, which differ from factual provisions of applicable benefit plan documents, the actual provisions of the benefit plan documents will govern.

The Agency shall not be responsible to insure, reimburse or otherwise indemnify any employee for costs or expenses not covered by any policy, and the Agency reserves the right at any time or times to change the carrier and policy by which the Agency and its full-time employees are insured. No coverage is provided to temporary or part-time employees.

18.1 Life Insurance

Group life insurance, which includes death and dismemberment benefits, presently is provided by the Agency for probationary full-time and regular full-time employees, and the premium is paid by the Agency. This benefit becomes effective on the first day of the month following 60 days of service.

18.2 Deferred Compensation Plan

A voluntary non-qualified deferred compensation Section 457 plan, (currently Lincoln Financial Services) is available to any eligible employee (generally probationary and regular full-time) who elects, pursuant to the Plan, to defer a portion of his/her compensation and who fulfills the requirements for participation in the Plan. The Agency will match 50% of employee contributions up to a maximum of 3% of employee salary (up to the IRS yearly maximum) for all participating employees.

Part-time employees who are not members of PERS may elect to also participate in Deferred Compensation under the FICA-Substitute Retirement Plan. Deferred Compensation contributions of at least 7.5% of salary (including both employee and employer contributions) are counted as a substitute for Social Security participation.

Information on the Plans is available from the Human Resources Office.

18.3 Flexible Benefits Spending Plan

The Flexible Benefits Spending Plan (cafeteria plan) is a voluntary program and is available to all full-time probationary and regular full-time employees pursuant to plan terms. The plan allows participants the opportunity to defer a portion of their compensation to pay for certain health-related and dependent care expenses on a pre-tax basis. The plan also allows for employee contributions for Agency group health insurance premiums to be deducted from earnings on a pre-tax basis. The Human Resources Office will provide the Information about this plan together with enrollment forms. The plan is administered by an outside consultant.

18.4 Employee Assistance Program (EAP)

The Agency cares about employees' well-being. As part of that concern, it has established an Employee Assistance Program (EAP) that provides confidential, professional assistance when personal or relationship problems affect life and work. The program offers information, consultation and counseling for employees, their dependents and domestic partners. More information is available from the Human Resources Office or call the EAP at (800) 535-4985.

18.5 Employee Longevity Policy

The purpose of this policy is to recognize employees who are at the top of his/her established Salary Range and to encourage employees with little opportunity for advancement to stay with the Agency.

An employee who has remained at the top of his or her Salary Range for a minimum of 18 months and who has received an overall performance rating of at least "Expected Performance" will be considered for longevity pay. The longevity pay will be in a lump sum amount as a percentage of his/her annual salary. The longevity pay percentage amount will be determined on a fiscal year basis in accordance with budgetary guidelines.

If the employee does not receive a promotion or range adjustment, but remains at the top of his or her range, he or she will be considered for the longevity pay every 18 months from the date of his or her first lump sum payment.

The employee's supervisor and Human Resources must confirm eligibility. After eligibility is confirmed, the General Manager must approve the lump sum amount. If an employee does not qualify for longevity pay at the time of eligibility, then the employee will not be eligible again for at least 6 months, or their next review, whichever comes first.

18.6 Mileage Reimbursement

Employees who use their private automobile in the performance of duties shall be reimbursed for such mileage at the standard rate permitted by the IRS at the time. Mileage reimbursement shall automatically be adjusted whenever the IRS adjusts their rate. Employees are required to present a current proof of insurance to Human Resources if requested.

An employee receiving a vehicle allowance shall not be entitled to additional remuneration for the cost of gasoline, repairs, maintenance or insurance on his/her vehicle, except that if the employee travels more than 300 miles in a roundtrip, he/she may submit a request for mileage driven.

18.7 California Public Employee's Retirees' Retirement System (PERS)

The Agency is a member of the California Public Employee's Retirees' Retirement System (PERS), and each full-time probationary and regular full-time employee, who works a minimum of one thousand (1,000) hours/fiscal year, automatically becomes a member upon his/her entry into employment. Eligible employees who are considered "classic" members of CalPERS will be enrolled in the PERS Local Miscellaneous 2% at 55 Plan. The Agency and employee contribution for this retirement plan is paid by the Agency. Employees who become "new" members of PERS on or after January 1, 2013 will be enrolled in the PERS Local Miscellaneous 2% at 62 Plan in accordance with the Public Employees' Pension Reform Act of 2013 (PEPRA). New members for this retirement plan will be required to contribute at least 50% of the expected normal cost. The PERS membership booklets (available from PERS) describe the retirement programs and their benefits.

18.8 Supplemental Defined Contribution Plan

This provision applies to Agency management employees that are subject to the California Public Employees' Pension Reform (PEPRA) and are not participating in Social Security. These positions are defined as Assistant General Manager, Chief Engineer, Chief Operating Officer, Director of Finance, Director of Administrative Services, Director of Operations and Maintenance, Director of Technology Services and Director of Water Resources. For these positions, the Agency will make an annual supplemental defined contribution to a 401(a) plan in the amount of 10%of the employee's salary below the PEPRA pensionable cap.

18.9 Benefits of the Retired Employee – Employees Hired Before January 1, 2009

At present, a retired employee and eligible dependents shall be entitled to the same health and dental insurance premium payments as a regular employee. This may be modified in the future by the Agency, subject to the regulations of State law.

Upon retirement, an employee's remaining vacation and personal leave benefits shall be added to his/her final compensation. Unused sick leave may be:

1. Converted to additional retirement credit at the rate of 0.004 year for each day of unused sick leave (8 hour day/2080 hour year);
2. Converted to cash at the rate of 50% of the employee's hourly rate; or
3. A combination of retirement credit and cash.

18.9.1 Retirees may opt out of the CalPERS medical plan due to having dual coverage (covered under another medical plan), or elect to have a different medical plan outside of CalPERS. If the retiree opts out of the CalPERS medical plan, the Agency will enroll the retiree into the Agency's Health Reimbursement Account (HRA) and contribute the employer's share of the retiree's eligible plan on a monthly basis. The HRA can be used to pay for medical-related expenses, i.e., premiums, copays, deductibles, prescriptions, etc. The HRA is non-taxable to the retiree.

18.9.2 Retirees may opt out of the CalPERS medical plan due to having dual coverage (covered under another medical plan), or elect to have a different medical plan outside of CalPERS. If the retiree opts out of the CalPERS medical plan, the Agency will pay the retiree the employer's share as a cash-in-lieu option of the eligible plan. The cash-in-lieu is taxable to the retiree.

Notwithstanding anything to the contrary, the Agency reserves the right to modify, terminate, or otherwise change the manner or type of provision of these or other benefits, subject to the requirements of applicable law.

18.10 Benefits of the Retired Employee – Employees Hired On or After January 1, 2009

A retired employee and eligible dependents shall be entitled to the same dental insurance premiums as a regular employee. This may be modified in the future by the Agency, subject to regulations of State Law.

A retired employee and eligible dependents shall be eligible for Agency contributions to medical insurance premiums, subject to a vesting schedule, as regulated by Government Code 22893. The vesting benefit package for retiree medical provides for employer paid retiree medical benefits based on years of "CalPERS" credited years or service.

1. A minimum of ten years of CalPERS service credit is required to receive 50% of the employer contribution.
2. Five of the ten years of service credit must be performed at the Santa Clarita Valley Water Agency.
3 Each additional service credit year after ten years increases the employer contribution percentage by 5% until twenty years, at which time the retiring employee is eligible for 100% of the employer contribution, as follows:

Years of Service	% of Employer Contribution
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

4. The employer contribution would be the same amount that the State contributes each year.
5. While this vesting schedule requires five years of service time with the Agency, the calculation for years of service is calculated based on all CalPERS service time. That is, for an employee with fifteen years of CalPERS service with another organization and five years of CalPERS service with the Agency, the employee would have twenty years of service time and would receive the 100% of the monthly amount.
6. Exceptions to the vesting requirements who are eligible for the full employer contribution are:
   a. An employee who retires on disability retirement
   b. An employee who performs 20 years of service credit solely with the Agency

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2. Converted to cash at the rate of 50% of the employee's hourly rate; or
3. A combination of retirement credit and cash.

18.10.1 Retirees may opt out of the CalPERS medical plan due to having dual coverage (covered under another medical plan), or elect to have a different medical plan outside of CalPERS. If the retiree opts out of the CalPERS medical plan, the Agency will enroll the retiree into the Agency's Health Reimbursement Account (HRA) and contribute the employer's share of the retiree's eligible plan based on the vesting schedule, on a monthly basis. The HRA can be used to pay for medical-related expenses, i.e., premiums, copays, deductibles, prescriptions, etc. The HRA is non-taxable to the retiree.

18.10.2 Retirees may opt out of the CalPERS medical plan due to having dual coverage (covered under another medical plan), or elect to have a different medical plan outside of CalPERS. If the retiree opts out of the CalPERS medical plan, the Agency will pay the retiree the employer's share as a cash-in-lieu option of the eligible plan based on the vesting schedule, on a monthly basis. The cash-in-lieu is taxable to the retiree.

Notwithstanding anything to the contrary, the Agency reserves the right to modify, terminate, or otherwise change the manner or type of provision of these or other benefits, subject to the requirements of applicable law.

18.11 Medicare Eligible Retirees

The Agency contribution toward coverage for eligible retirees shall not exceed the basic rate the Agency pays for its then-current employees. When an eligible retiree qualifies for coverage under Medicare or other equivalent program, the retiree will be converted to a CalPERS Medicare Plan, or such equivalent plan as may exist at the time.