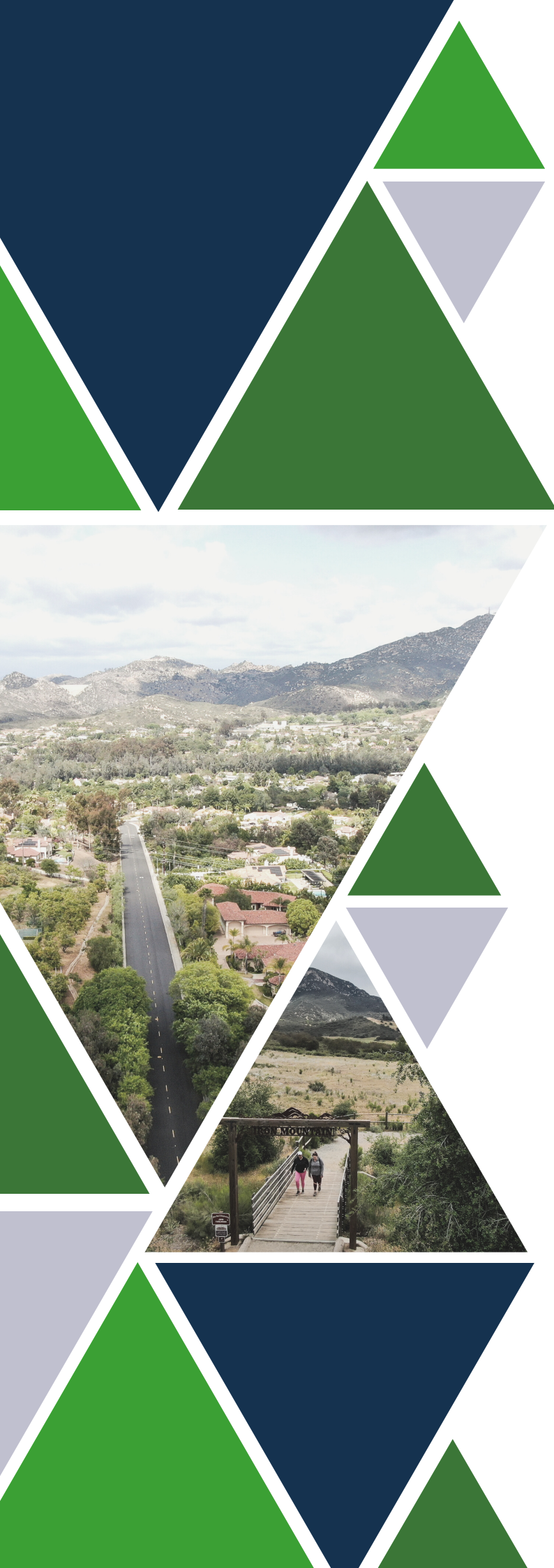


MANAGEMENT/CONFIDENTIAL  
GROUP

# SALARY & BENEFIT PLAN

CITY OF POWAY

JULY 1, 2021 - JUNE 30, 2027



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# Article 1. Wages

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## **Years 1 & 2:**

One-time stipends equivalent to the amounts below will be paid to all regular, full-time employees. Regular part-time employees will receive stipends based on the amounts listed below prorated to the part-time employee's Full-Time Equivalent (FTE):

- \$7,500 in Fiscal Year 2021-22\*
- \$7,500 in Fiscal Year 2022-23\*

\*Management/Confidential employees will have the choice to take the stipend as a one-time cash payment or to make a one-time deposit into the employee's MissionSquare 457 account, up to the maximum IRS allowable amount. Any part of the stipend which equates to six percent (6%) or less of the employee's salary paid to Classic employees of Tier 1 & 2 will be reported to CalPERS. Pursuant to the California Code of Regulations section 571.1, the stipends are not reportable as compensation for employees in Tier 3, commonly referred to as "PEPRA" employees hired after January 1, 2013 when the Public Employees' Pension Reform Act (PEPRA) took effect.

Employees must be employed on the last day of the first full pay period in the fiscal year in order to receive the payment or deposit into their MissionSquare 457 account. Temporary and seasonal part-time or full-time employees are not eligible to receive stipends at any amount.

Employees who are hired after the first stipend payment will receive a prorated portion of the stipend payment based on the remaining pay periods in the fiscal year.

## **Years 3-6:**

Wages shall increase by three percent (3%) effective the beginning of the pay period that includes July 1, 2023.

Wages shall increase by five percent (5%) effective the beginning of the pay period that includes July 1, 2024.

Effective at the beginning of the pay period that includes July 1, 2024, positions below median and those affected by compaction, based on market surveys in March 2024 and internal alignment, will be brought to median within the City of Poway classification and compensation structure.

Wages shall increase by five percent (5%) effective the beginning of the pay period that includes July 1, 2025.

Wages shall increase by five percent (5%) effective the beginning of the pay period that includes July 1, 2026.

Wages shall be paid in accordance with the most recent publicly adopted City Council salary schedule.

# Article 2. Leaves

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## Section 1. Vacation

### A. Groups 1-3 – Management

#### 1. Computing Vacation Leave

All employees in these Management groups shall be entitled to use vacation leave with pay as it is accrued, from the first day of service, with pre-approval from the employee's supervisor.

Annual vacation leave shall be computed in accordance with the following schedule:

<b>Years of Continuous Employment</b>	<b>Vacation Leave Accrual</b>
0 through 5	4.615 hours per pay period
After 5 years	5.538 hours per pay period
After 10 years	6.923 hours per pay period
After 15 years	7.662 hours per pay period

Annual vacation leave for Fire Battalion Chiefs working a 112-hour biweekly schedule shall be computed in accordance with the following schedule (using a multiplier of 1.4 times the rate for an employee working an 80-hour biweekly schedule):

<b>Years of Continuous Employment</b>	<b>Vacation Leave Accrual</b>
0 through 5	6.461 hours per pay period
After 5 years	7.753 hours per pay period
After 10 years	9.692 hours per pay period
After 15 years	10.727 hours per pay period

Part-time employees shall accrue vacation leave at their prorated FTE.

#### 2. Vacation Leave Accrual

Vacation time can be accumulated to a maximum of 200% of one year's eligibility. When an employee's vacation leave accrual reaches the maximum level, the employee will stop accruing additional vacation leave until such time as the employee uses vacation leave below the maximum level. At that time, the employee will begin accruing additional leave from that point forward.

Employees who have reached maximum accrual can request a review by their Department Director in the event a vacation request is denied.

Employees will not accrue vacation while on leave-without-pay status.

3. Use of Vacation Time

The times at which an employee may take vacation shall be determined by the immediate supervisor with due regard for the wishes of the employee and particular regard for the needs of the City. Vacation leave in excess of thirty calendar days shall be granted or not granted at the sole discretion of the City Manager.

In the event one or more holidays fall within a vacation leave period, such holidays shall not be charged as vacation leave, except for Fire Battalion Chiefs working a 112-hour biweekly schedule.

For Fire Battalion Chiefs, in the event one or more holidays fall within a vacation leave period, vacation leave will be charged for the holiday(s) and the normal holiday pay set forth in Section 4 of this Article shall be paid.

An employee may elect to use accrued vacation leave for scheduled dental and medical appointments, treatments, procedures or other related activities.

4. Conversion of Accrued Vacation Leave

Annual conversion of a portion of accrued vacation to cash for Groups 1-3 is permitted subject to the following guidelines:

- a. A maximum of 40 hours may be converted, one time per fiscal year, on an hour-for-hour basis, at the employee's current rate of pay. Fire Battalion Chiefs working a 112-hour bi-weekly schedule may convert a maximum of 56 hours, one time per fiscal year, on an hour-for-hour basis, at the current rate of pay.
- b. After conversion, the employee must have at least 80 hours remaining to their credit. Fire Battalion Chiefs must have 112 hours remaining after conversion.
- c. Requests for conversion by Group 1 employees shall be approved by the City Manager. Requests for conversion by Groups 2 and 3 employees shall be approved by the Human Resources & Risk Management Director.

5. Payout of Vacation Leave

Employees who terminate employment shall be paid in a lump sum for all accrued vacation leave as required by law.

## B. Group 4 – Confidential

1. Computing Vacation Leave

All employees in this group shall be entitled to use vacation leave with pay as it is accrued, from the first day of service, with pre-approval from the employee's supervisor.

Annual vacation leave shall be computed in accordance with the following schedule:

<b>Years of Continuous Employment</b>	<b>Vacation Leave Accrual</b>
0 through 5	3.692 hours per pay period
After 5 years	4.615 hours per pay period
After 10 years	5.538 hours per pay period
After 15 years	6.462 hours per pay period

Part-time employees shall accrue vacation leave at their prorated FTE.

2. Vacation Leave Accrual

Vacation time can be accumulated to a maximum of 200% of one year's eligibility. When an employee's vacation leave accrual reaches the maximum level, the employee will stop accruing additional vacation leave until such time as the employee uses vacation leave below the maximum level. At that time, the employee will begin accruing additional leave from that point forward.

Employees who have reached maximum accrual can request a review by their Department Director in the event a vacation request is denied.

3. Use of Vacation Leave

The times at which an employee may take vacation shall be determined by the Department Director with due regard for the wishes of the employee and particular regard for the needs of the City based on impacts to coverage within and/or operations and services provided by the department.

In the event one or more holidays fall within a vacation leave period, such holidays shall not be charged as vacation leave.

An employee may elect to use accrued vacation leave for scheduled dental and medical appointments, treatments, procedures or other related activities.

4. Conversion of Accrued Vacation Leave

Annual conversion of a portion of accrued vacation to cash for Group 4 is permitted subject to the following guidelines:

- a. A maximum of 40 hours may be converted, one time per fiscal year, on an hour-for-hour basis, at the employee's current rate of pay.
- b. After conversion, the employee must have at least 80 hours remaining to their credit.
- c. Requests for conversion by Group 4 employees shall be approved by the Director of Human Resources & Risk Management.

## 5. Payout of Vacation Leave

Employees who terminate employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination.

## Section 2. Executive Leave

### A. Group 1 – Management

Employees designated in this group shall be entitled to sixty-four (64) hours executive leave each fiscal year. Executive leave hours will be prorated based on a new employee's start date. If not taken during the fiscal year, any remaining executive leave will be exchanged for compensation in the last full pay period of the fiscal year at the employee's current rate of pay. Executive leave may not be carried over into the next fiscal year. Employees who terminate employment shall be paid in a lump sum for the value of unused executive leave.

### B. Groups 2A and 2B – Management

Employees designated in these groups, including Fire Battalion Chiefs, shall be entitled to thirty-two (32) hours executive leave each fiscal year. Executive leave hours will be prorated based on a new employee's start date. If not taken during the fiscal year, any remaining executive leave will be exchanged for compensation in the last full pay period of the fiscal year at the employee's current rate of pay. Executive leave may not be carried over into the next fiscal year. Employees who terminate employment shall be paid in a lump sum for the value of unused executive leave.

### C. Prorated Executive Leave

Executive leave shall be granted upon hire or promotion on a prorated basis, based upon hire or promotion date.

## Section 3. Sick Leave

### A. Sick Leave Use

Sick leave shall be allowed for the following qualifying reasons:

- For the employee's own illness or injury.
- For the employee's own diagnosis, care, or treatment of an existing health condition; or preventative care, including medical and dental appointments.
- For the diagnosis, care, or treatment of an existing health condition or preventative care for an employee's family member as defined in Labor Code 245.5(c), including: parent, parent-in-law, child, spouse, registered domestic partner, grandparent, grandchild, or sibling.
  - In accordance with California Kin Care Law, regular full-time employees may use available Family Sick Leave (FSL) to care for a family member. For the

purpose of FSL, a family member is the same as that defined in Labor Code 245.5(c). If FSL is exhausted, employees must use other available accrued leave (e.g., vacation).

- To obtain relief or services related to being the victim of domestic violence, sexual assault, or stalking, including the following, with appropriate certification of the need for such services:
  - A temporary restraining order or restraining order.
  - Other injunctive relief to help ensure the health, safety or welfare of themselves or their children.
  - To seek medical attention for injuries caused by domestic violence, sexual assault, or stalking.
  - To obtain services from a domestic violence shelter, program, or rape crisis center as the result of an act of domestic violence, sexual assault, or stalking.
  - To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.
  - To participate in safety planning and other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

If an employee's sick leave balance is exhausted, another paid leave (e.g. vacation, comp. time) will be used. Employees must use available sick leave for the first thirty days of a long-term personal illness, injury or disability.

## B. Sick Leave Accrual

All probationary and regular employees within the unit who are employed in regular full-time positions shall accrue sick leave at a rate of 3.69 hours per pay period. Fire Battalion Chiefs working a 112-hour biweekly schedule shall accrue 5.538 hours of sick leave per pay period. Part-time employees will accrue sick leave at their prorated FTE. Employees will not accrue sick leave while on leave-without-pay status. Accumulation of sick leave shall be unlimited.

## C. Notification

In order to receive compensation while absent on sick leave, the employee shall notify their immediate supervisor or the Department Director in the manner established by the department prior to the time set for the beginning of duties.

Certification by the employee's physician may be required if an abuse of sick leave is suspected or if an unusual pattern of use has been documented and the employee has been counseled. This requirement is at the discretion of the Department Director.

## D. Family Sick Leave

A regular full-time employee may use accrued sick leave up to forty-eight (48) hours in each fiscal year to care for a family member, including: parent, parent-in-law, child,

spouse, registered domestic partner, grandparent, grandchild, sibling, or designated person. A regular part-time employee may use up to 50% of sick leave of which they would accrue in one year to care for a family member each fiscal year. Fire Battalion Chiefs working a 112-hour biweekly schedule may use up to seventy-two (72) hours of accrued sick leave in each fiscal year as described herein. Employee must notify their supervisor in advance, if possible, when such leave is being taken and so note in the comments section of their timecard, as well as on a Leave Request, if done in advance. An employee cannot use personal sick leave in place of Family Sick Leave and must use other available accrued leave when Family Sick Leave is exhausted.

## E. Annual Conversion of Sick Leave

In the last full pay period of the fiscal year, an employee must convert sick leave to cash and deposit all, or a portion, as outlined in item F, into a Retirement Health Savings Plan (RHSP) under the following conditions:

1. After conversion, employee must have a minimum balance of 168 hours of sick leave. Fire Battalion Chiefs working a 112-hour biweekly schedule must have a minimum balance of 235 hours after conversion. Part-time employees must have a minimum sick leave balance at their prorated FTE.
2. Employee has used 32 hours (48 hours for Fire Battalion Chiefs or prorated FTE for part-time employees) or less of sick leave in the immediately preceding 12 months.
3. Employee must convert 50% of the annual sick leave accrual, less sick leave used in the immediately preceding 12 months, up to a maximum of 40 hours (a maximum of 56 hours for Fire Battalion Chiefs or prorated FTE for part-time employees). Sick leave use includes use of family sick leave.

Example: employee used 16 hours in preceding 12 months  
96 hours of annual accrual x 50% = 48 hours  
48 hours - 16 used = 32 hours converted to cash

*Fire Battalion Chiefs Only:*

Example: employee used 24 hours in preceding 12 months  
144 hours of annual accrual x 50% = 72 hours  
72 hours - 24 used = 48 hours converted to cash

## F. Retirement Health Savings Plan (RHSP)

1. Employees in Group 1 that satisfy the provisions contained in Article 2, Section 3.E.(1-3) of the Management/Confidential Group Salary and Benefit Plan must contribute 100% of their annual sick leave conversion to a Retirement Health Savings Plan account as a cash deposit.
2. Employees in Group 2-4 that satisfy the provisions contained in Article 2, Section 3.E.(1-3) of the Management/Confidential Group Salary and Benefit Plan must contribute 50% of their annual sick leave conversion to a Retirement Health Savings

Plan account as a cash deposit (e.g., an employee that is eligible to convert 40 hours of sick leave would receive the equivalent of 20 hours in cash and the equivalent of 20 hours would be contributed to their RHSP account as a cash deposit).

3. Any fees related to the RHSP will be paid by employees.
4. The annual RHSP contribution shall take place in the last full pay period of the fiscal year.
5. In the event of an employee's death, if the employee is a participant in the RHSP and does not have a surviving spouse or surviving IRS qualified dependent/s, the employee's Retirement Health Savings Plan account balance shall remain in the trust (i.e., RHSP) to be allocated among all RHSP Management/Confidential employee participants. The allocation will be on a pro-rata share, based upon RHSP Management/Confidential employee participant account balances.

## G. Payout of Sick Leave

After five (5) years of continuous employment with the City, and upon termination or retirement, an employee will receive compensation for unused sick leave.

1. Upon retirement, employee will receive 50% of all sick leave hours accrued in the form of a deposit to their Retirement Health Savings Plan account. Effective the pay period that includes July 1, 2021, payout of sick leave shall be provided on a graduated scale for employees who retire, based on years of service as follows:
  - a. An employee who retires after 5-9 years of service will receive 50% cash-out, with a cap of \$6,915.84 beginning July 1, 2021, and \$7,054.15 beginning July 1, 2022.
  - b. An employee who retires after 10-14 years of service will receive 50% cash-out, with a cap of \$9,221.13 July 1, 2021, and \$9,405.55 beginning July 1, 2022.
  - c. An employee who retires after 15-19, years of service will receive 50% cash-out with a cap of \$11,526.40 beginning July 1, 2021, and \$11,756.94 beginning July 1, 2022.
  - d. An employee who retires after 20 or more years of service will receive 50% cash-out with a cap of \$12,102.73 beginning July 1, 2021 and \$12,344.78 beginning July 1, 2022.
  - e. Each cap will increase by the same percentage as across-the-board wage increases, beginning with the July 1, 2023, wage increases as outlined in the table below:

	7/1/2023	7/1/2024	7/1/2025	7/1/2026
	6.0%	5.0%	5.0%	5.0%
<b>5-9 years</b>	\$ 7,477.40	\$ 7,851.27	\$ 8,243.83	\$ 8,656.02
<b>10-14 years</b>	\$ 9,969.88	\$ 10,468.37	\$ 10,991.79	\$ 11,541.38
<b>15-19 years</b>	\$ 12,462.36	\$ 13,085.48	\$ 13,739.75	\$ 14,426.74
<b>20+ years</b>	\$ 13,085.47	\$ 13,739.74	\$ 14,426.73	\$ 15,148.07

- f. Upon leaving City employment for reasons other than retirement, employee will receive 50% of all sick leave hours accrued. Calculations will be at the employee's rate of pay at the time of termination and will not exceed \$2,000.
- g. Upon the death of an employee, compensation for unused sick leave shall be at the same rate as the retirement benefit. Payment shall be made to the employee's designated beneficiary.
- h. If an employee leaves the City after five or more years of employment and receives a sick leave cash out, then returns, they must complete an additional five consecutive years before being eligible for another cash out.

## Section 4. Holidays

### A. Designated Holidays

The holidays for employees in the Management/Confidential Group are as follows:

Holiday	Date
New Year's Day	January 1
Martin Luther King Day	3rd Monday – January
Presidents Day	3rd Monday – February
Memorial Day	Last Monday – May
Independence Day	July 4
Labor Day	1st Monday – September
Veterans Day	November 11
Thanksgiving Day	4th Thursday – November
Day after Thanksgiving	4th Friday – November
Christmas Day	December 25

Holidays falling on Sunday shall be observed on the following Monday. Holidays falling on Saturday shall be observed on the preceding Friday.

To be eligible for holiday pay, an employee must be in a paid status in the pay period that includes the holiday.

## B. Additional One-Time Designated Holidays

The following holidays will be observed as additional one-time designated holidays:

- Year 1: Thursday, December 23, 2021 (in exchange for the 8 hours of flex credit from Friday, December 24, 2021 which is a dark Friday)\*
- Year 2: No additional one-time, designated holidays (Christmas is on Sunday – observed on Monday, December 26, 2022; New Year’s Day is on Sunday – observed on Monday, January 2, 2023)
- Year 3: No additional one-time, designated holidays (Christmas is on a Monday – City Hall will be closed; New Year’s Day is also on a Monday – City Hall will be closed)
- Year 4: Monday, December 23, 2024, and Tuesday, December 24, 2024 (City Hall is closed Friday, December 20, 2024.)
- Year 5: Friday, December 26, 2025
- Year 6: No additional one-time, designated holidays (Christmas is on a Friday and New Year’s Day is on a Friday)

\*In Year 1, the observed and designated holidays will be Thursday, December 23, 2021 and Saturday, December 25, 2021. Friday, December 24, 2021 is a dark or closed Friday and will not be an observed or designated holiday due to the exchange of flex hours to be closed on Thursday, December 23, 2021. Holiday pay will not be paid on Friday, December 24, 2021 to employees who are not a flex schedule or on an opposite flex schedule.

## C. Holiday Pay

The City will pay nine hours for each Designated Holiday for those employees whose regular work schedule is a nine-hour workday. For holidays falling on a Friday, holiday pay shall be eight hours. Holiday pay will remain at eight hours for any employee whose regular work schedule is an eight-hour workday. Employees in this unit shall be paid holiday pay, whether on or off duty on a Designated Holiday. This does not apply to Fire Battalion Chiefs.

Holiday pay for Fire Battalion Chiefs shall be 12 hours pay at their regular rate of pay. In addition to regular pay for hours worked, Fire Battalion Chiefs shall be paid holiday pay whether on or off duty on the holidays above. In the event a Fire Battalion Chief is scheduled to work on a Designated Holiday and is out on sick leave, the normal holiday pay will be paid.

If a Group 3 or 4 employee works on a holiday, they will also be compensated for the hours worked at the rate of two (2) times the employee's regular rate of pay.

If a Designated Holiday falls on an employee's regular day off, or on a day that City Hall is closed (i.e. dark Friday), the employee will receive eight (8) flex day accrual hours, which can be used in one-hour increments following the pay period in which it is received. Effective the pay period that includes July 1, 2015, employees covered by this Salary and Benefits Plan document will be allowed to accumulate flex day accrual hours up to a cap of 24 hours. Once the cap is reached, an employee will not receive additional flex day accrual hours until such time as the employee uses flex day accrual hours below the cap.

## D. Part-Time, Regular Employees – Holiday Pay

Pursuant to Article 4, Section 11, part-employees receive the holiday pay that is equivalent to a prorated amount of what full-time employees receive based on the full-time equivalent (FTE) status of the part-time employee. This will include designated holidays and additional one-time designated holidays. For example, if in total, full-time employees receive 96 hours of holiday pay in a fiscal year, part-time employees with an FTE of .50 will receive 48 hours. Part-time employees will receive a bank of the prorated holiday hours at the beginning of the fiscal year, depending on the number of holidays approved and on which days the holidays fall (i.e. Friday holidays are 8-hour holidays). The City will apply the hours, based on the part-time employee's regularly scheduled hours, on each designated holiday. Any leftover hours for the year will be considered flex day accrual hours. Employees covered by this Salary and Benefits Plan document will be allowed to accumulate flex day accrual hours up to the amount of pro-rated holiday hours put into the bank at the start of the fiscal year. If the employee does not use all of the holiday hours in the bank, the full amount will be rolled over to the next fiscal year only. If they are not used, they will be forfeited at the end of the fiscal year before the next bank of pro-rated holiday hours is established. .

## Section 5. Bereavement Leave

Regular and probationary employees shall be eligible for five (5) days of bereavement leave with up to forty (40) hours of paid bereavement leave following the death of a family member. Safety employees working a 112-hour biweekly schedule shall be eligible for up to forty-eight (48) hours off with pay. Employees have up to three months following the death of a family member to use bereavement leave and the five days do not have to be consecutive. Bereavement leave is subject to the following provisions:

- A. The relatives designated shall include spouse, child, parent, sibling, grandparent, grandchild, and domestic partner. It also includes "in-law" relatives and those relationships generally called "step". Employees are entitled to five (5) days of bereavement leave upon the death of each family member. For example, an employee who loses a parent and grandparent within the same year can take two five-day periods of bereavement leave during the year.
- B. Bereavement leave is not compensable when the employee is on leave of absence, bona fide layoff, or for days falling outside the employee's regular work period.

- C. All requests for paid bereavement leave shall be made in writing as soon as practical but in no event later than the first day back to work, and shall be subject to approval of the employee's supervisor and/or manager. The City may ask for documentation to support the request in the form of a death certificate, obituary, or written verification of death, burial, or memorial service from a mortuary, funeral home, burial society, crematorium, religious institution or government agency. Documentation must be submitted within 30 days of the first day of the bereavement leave.

## **Section 6. Benefit Day Hours**

In addition to provisions for vacation, sick leave, and holidays set forth elsewhere herein, employees covered by this Salary & Benefits Plan document, including Fire Battalion Chiefs, shall be entitled to 18 benefit day hours each fiscal year. Part-time, regular employees shall be entitled to benefit day hours at their prorated FTE. Benefit day hours will be prorated based upon an employee's hire date and FTE. Nine (9) of the eighteen (18) benefit day hours are for Cesar Chavez Day which will remain as an unscheduled benefit day until 10 other cities in San Diego County close their offices in observance of this day, at which time it shall be observed as a fixed holiday on the day so designated. If Cesar Chavez Day becomes a fixed holiday as described herein, the number of benefit day hours shall be reduced to nine (9). The times at which an employee may use benefit day hours shall be determined by the Department Director with due regard for the wishes of the employee and particular regard for the needs of the City based on impacts to coverage within and/or operations and services provided by the department. Benefit day hours may be taken in one-hour increments. If not taken by the end of the second pay period in June, any remaining benefit day hours shall be forfeited. Employees who terminate employment shall be paid in a lump sum for the value of any remaining benefit day hours.

## **Section 7. Jury Duty**

Employees shall be compensated at the regular rate of pay for serving jury duty during the employee's scheduled work hours. The duration of jury duty and hours to be compensated shall be in accordance with City policy and the Personnel Rules.

# **Article 3. Payroll and Workweek**

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Regular paydays are designated as every other Friday for the two-week period ending the previous Sunday. In no event will the City advance pay, including pay for earned vacation, without the prior written approval of the City Manager.

## **A. Groups 1, 2A and 2B – Management**

1. Except for Fire Battalion Chiefs, it is recognized that employees in these groups may be required to work hours in excess of 40 hours in a workweek, and it is agreed that employees in this group shall not be remunerated for such work beyond the current monthly salary rate of the individual employee, but for the purposes of computing benefits, the regular number of working or duty hours in a workweek from Monday through Sunday is established at 40 hours for all full-time employees in the group.

2. The Fire Chief and Deputy Fire Chief will be provided supplemental compensation at their straight time hourly rate, for hours worked outside of scheduled work hours when assigned to a mutual aid incident and reimbursement funding is received by the City. At no time shall payment exceed the reimbursement amount received by the City. The City Manager must approve the supplemental compensation.
3. Fire Battalion Chiefs shall be assigned to a 112-hour biweekly work schedule. The Fire Chief may assign Fire Battalion Chiefs to an 80-hour biweekly schedule at which time compensation and benefits shall be adjusted to reflect the biweekly work schedule typical of employees in the Group. Effective July 1, 2024, Fire Battalion Chiefs shall be compensated at a one-and-one-half (1.5) times for all hours worked in excess of the employee's regular scheduled time, subject to approval of the Fire Chief.
  - a. Overtime compensation shall be at one-and-one-half (1.5) times for all hours worked beyond scheduled duty when assigned to a mutual aid incident and reimbursement funding is expected. Fire Battalion Chiefs providing coverage during these deployments shall receive overtime compensation at one-and-one-half (1.5) times their normal rate for hours worked outside of the employee's regular scheduled time.
  - b. Fire Battalion Chiefs assigned to a 112-hour bi-weekly work schedule are permitted to trade shifts as approved by the Fire Chief. Shift trade requests are made voluntarily by the employees involved and shall not cause overtime compensation.
4. The Deputy Fire Marshal, Senior Fire Inspector, and Fire Inspector will be provided with overtime compensation at one-and-one half (1.5) times for all hours worked beyond scheduled duty when assigned to a mutual aid incident and reimbursement funding is expected, subject to Fire Chief approval. In accordance with the current California Fire Assistance Agreement, the Deputy Fire Marshal, Senior Fire Inspector, and Fire Inspector will be compensated portal to portal while assigned to an emergency incident. At no time shall payment exceed the reimbursement amount received by the City.

## B. Groups 3 and 4 – Professional/Confidential

1. Hours of Work
  - a. Employees are required to record their time using standard, not military, time.
  - b. Employee time from 1 to 7 minutes shall be rounded down, and thus not counted as hours worked, but employee time from 8 to 14 minutes must be rounded up and counted as a quarter hour (15 minutes) of work time.
  - c. The 9/80 work schedule shall be defined as working eight (8) nine (9) hour, days and one (1) eight (8) hour day in a two week pay period, totaling forty hours in each FLSA workweek. For all employees working a 9/80 work schedule, their designated FLSA workweek shall begin exactly four hours after the start time of

the employee's eight (8) hour shift on the day of the week that corresponds with the employee's alternating day off.

## 2. Overtime

No employee may work overtime without advance approval. Employees who do not secure prior approval may be subject to disciplinary action pursuant to established guidelines for discipline.

For full-time employees, hours worked on Sundays and holidays, as defined in Article 2, Section 4, which fall outside an employee's regular work schedule, shall be paid at double the employee's base hourly rate of pay.

Employees in this group shall be paid one and one-half times (1.5) their hourly rate of pay for all hours worked beyond their regularly scheduled hours in one FLSA 40-hour workweek.

A minimum of three hours pay at the rate of time and one-half (1.5) shall be paid for each incident of callback overtime. Callback overtime is unscheduled overtime as opposed to scheduled overtime or an early start or extended shift. For the Public Works Department Standby/Callback program, certain Public Works supervisor positions in the Management/Confidential Employee Group, not previously considered as eligible to be placed on the Standby roster, will be eligible effective February 20, 2024 at the discretion and approval of the Public Works Director.

If an employee responds to a trouble call via telephone outside normal work hours, the employee will be compensated for telephone time in 15-minute increments on an overtime basis, consistent with Article 3(B)(1)(b).

## 3. Compensatory Time Off (CTO)

An employee wishing to use their accrued compensatory time off shall provide the City with reasonable notice. Reasonable notice is defined as at least ten (10) days. If reasonable notice is provided, the employee's request may not be denied unless it is unduly disruptive to the department to grant the request. A request to use compensatory time off without reasonable notice may still be granted within the discretion of the supervisor, manager, assistant director or director responsible for considering the request. Compensatory time off, in lieu of overtime, shall be taken as one and one-half (1.5) hours off for each overtime hour worked.

The maximum accumulation of compensatory time off shall be 80 hours.

- a. In the event an employee accrues 80 hours of compensatory time in any one fiscal year, the employee will be ineligible to work overtime for compensatory time off for the remainder of that fiscal year and will only be eligible for cash compensation for overtime worked unless the employee uses CTO and brings the accrued balance below 80 hours.
- b. Once an employee uses CTO and brings the balance below 80 hours, the employee may again accrue CTO hours up to 80 hours.

- c. An employee's CTO balance will be cashed out to zero in the final pay period of the fiscal year at the employee's rate of pay at the time of the cash out. Said cash payment may only occur as part of the final pay period of the fiscal year in which the compensatory time off was accrued.
- d. Upon separation from employment, an employee's CTO balance will be cashed out at the employee's then regular rate of pay.

## Article 4. Benefits

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### Section 1. Medical and Dental

Employees shall be covered by medical and dental benefits on the first date of employment with coverage as set forth from time to time in the agreement between the City and the carrier(s). If an employee begins employment between the 1<sup>st</sup> and 14<sup>th</sup> of the month and has dependent coverage, the amount of premiums owed by the employee for the month, will be prorated based on the start date. If an employee begins employment between the 15<sup>th</sup> and 31<sup>st</sup> of the month, the City is not charged by its carriers and therefore, the employee will not be charged any dependent coverage for the days worked between the 15<sup>th</sup> and 31<sup>st</sup> of each month.

Health benefit premiums for each employee at the employee-only coverage level shall be paid in full by the City.

Dependents of each employee may also be covered by health benefit coverage, upon proper application and acceptance. The cost of dependent coverage of the medical and dental plan will be shared equally between the City and the employee for any PPO plans. For HMO medical plans, the City will contribute 60% towards the cost of dependent care and the employee will contribute 40%. The employee's share of the cost will be made through payroll deduction.

Effective with the new plan year December 2023, health benefit premiums for each employee shall be paid as follows:

**Kaiser HMO**

Employee Only:  
Employee Plus One:  
Family:

**City Paid**

100% Employee Only  
100% Employee Only + 60% of Dependent  
100% Employee Only + 60% of Family

**CIGNA HMO**

Employee Only:  
Employee Plus One:  
Family:

**City Paid**

100% Employee Only  
100% Employee Only + 60% of Dependent  
100% Employee Only + 60% of Family

**CIGNA PPO**

Employee Only:  
  
Employee Plus One:  
  
Family:

**City Paid**

Equivalent to the amount paid by the City of CIGNA HMO at the Employee Only coverage level  
Equivalent to the amount paid by the City of CIGNA HMO at the Employee Plus One coverage level  
Equivalent to the amount paid by the City of CIGNA HMO at the Family coverage level

The City reserves the right to make carrier or plan changes if our existing medical coverage requires a change that is outside of the City’s control such as but not limited to: required legislative changes, a cost increase that exceeds the City’s budgeted amount, the elimination of a current plan offering, or the removal of a major medical group from the carrier’s provider network. In the event that this situation arises, the City, at its earliest opportunity, will notify employees of the changes taking place.

## Section 2. Eye Care

The City will provide an eye care plan. The City shall pay 100% of the premium for the employee and dependent coverage.

## Section 3. Life Insurance

On the first day of employment with the City of Poway, an employee, upon proper application and acceptance by the insurance carrier, shall be covered under a group life insurance plan for the amount of one and one-half (1.5) times base annual salary (\$15,000 minimum). The City pays 100% of the premium.

## Section 4. Deferred Compensation – All Groups

In addition to the City's existing 457 deferred compensation plan, the City will provide a 401(a) Deferred Compensation Plan. The City shall contribute to the 401(a) Deferred Compensation Plan on behalf of the employees as follows: \$129.31 per Group 1 employee per full biweekly pay period, \$106.23 per Group 2A employee per full biweekly pay period, \$87.77 per Group 2B employee per full biweekly pay period, and \$73.07 per Group 3 and Group 4 employees per full biweekly pay period. Part-Time employees are eligible for the pro-rated equivalent contribution of \$36.53 per full biweekly pay period. This benefit has the following vesting rights to the contributions made to the plan.

Time Period	Accumulated Value
From date of hire until second anniversary	0% of accumulated value
Second anniversary of employment	20% of accumulated value
Third anniversary of employment	40% of accumulated value
Fourth anniversary of employment	60% of accumulated value
Fifth anniversary of employment	80% of accumulated value
Sixth anniversary of employment	100% of accumulated value

### A. Group 1 – Management

All employees in this group are required to contribute \$200 per biweekly pay period to the 401(a) Deferred Compensation Plan.

Employees may make other contributions to the plan as provided for in the plan and in accordance with applicable federal and state laws.

## **Section 5. Loan Program**

The City will implement the ICMA 457 Loan Program for conventional loans.

## **Section 6. Computer Loan Program (Employee Computer Purchase Policy & Procedures)**

Any regular City employee who has completed their initial probationary period is eligible to apply for a loan under the City's Computer Program. Participants must agree to comply with the requirements and provisions of the Program. Participants will be eligible to make an initial computer purchase or upgrade their existing computer system through this program.

Maximum loan amounts are established based upon the type of computer system being purchased, per the City's policy.

## **Section 7. Short-Term/Long-Term Disability Income Insurance**

This employee benefit provides for the payment of a monthly income benefit payment for those covered employees totally disabled by injury or sickness as determined by the insurer.

### **A. Group 1 – Management**

The benefits provided under these insurance plans will be 66<sup>2/3</sup> percent of the employee's base salary to a maximum of \$10,900 per month. The insurance carrier is responsible for accepting the claim and calculating the exact benefit amount, based on each individual's income status.

The insurance carrier requires a 7-day waiting period for short-term disability income insurance from the first day of the disability to the beginning of the monthly benefit payment period.

Monthly benefits are paid, with certain exceptions, as explained in the Group certificate of insurance, until the recovery from the injury or sickness or until the employee reaches age 65.

The City pays 100% of the premium.

An employee may first use sick leave then other accrued leave to supplement coverage under this benefit up to, but not in excess of, 100% of their regular rate of pay.

### **B. Groups 2-4 – Management/Confidential**

The benefits provided under these insurance plans will be 66<sup>2/3</sup> percent of the employee's base salary to a maximum of \$9,500 per month. The insurance carrier is responsible for accepting the claim and calculating the exact benefit amount, based on each individual's income status.

The insurance carrier requires a 7 day waiting period for short-term disability from the first day of the disability to the beginning of the monthly benefit payment period.

Monthly benefits are paid, with certain exceptions, as explained in the Group certificate of insurance, until the recovery from the injury or sickness or until the employee reaches age 65.

The City pays 100% of the premium.

An employee may first use sick leave then other accrued leave to supplement coverage under this benefit up to, but not in excess of, 100% of their regular rate of pay.

## **Section 8. Workers' Compensation Insurance**

All employees are covered by Workers' Compensation Insurance from the date of employment.

Any employee shall, upon receiving a work-sustained injury, report the incident immediately to their Department Director.

The filing of the accident report as required by the Workers' Compensation Appeals Board shall be the responsibility of the employee's supervisor.

An employee of the City who is or may be entitled to workers' compensation benefits in the form of temporary disability indemnity under Division 4 or Division 4.5 of the Labor Code shall be able to utilize any accrued sick leave or vacation for such absence. The City shall decrease the charge of sick leave or vacation in the amount of temporary disability payment received so that the employee shall not receive payment in excess of full salary or wage.

If the employee does not wish to use accrued sick leave or vacation, the employee shall notify the City within five (5) days after the injury is reported to the City. After the five (5) days, the employees' accrued sick leave or vacation shall be used until the date the employee notifies the City in writing that they no longer wish to use the accrued leaves. When computing sick leave or vacation under this policy, the employee shall be given credit for any holidays that occur during the period of absence hereunder.

The employee is, nevertheless, entitled to medical, surgical, and hospital treatment as provided in the Labor Code. When the employee's accrued sick leave or vacation, or both, are exhausted, the employee will still receive disability indemnity for which they are otherwise entitled.

If an employee is receiving Workers' Compensation benefits and not actively on the payroll, the City shall collect from the employee the employee's costs of insurance for dependent coverage, and the City shall pay the employer's costs of insurance. During such leave, no contributions shall be made to the retirement plan.

## **Section 9. State Disability Insurance**

The City does not participate in the State Disability Insurance program.

## **Section 10. Flexible Spending Benefits Program**

The City will maintain a Flexible Spending Benefits Program in accordance with applicable IRS statutes and the Affordable Health Care for America Act (AHCAA) in order to provide employees, the greatest possible tax benefit.

## Section 11. Part-Time Employee Benefits

Employees covered by this Salary and Benefit Plan document, working less than full time, will be eligible for all benefits as dictated by this Plan document from the date of hire, but will have their benefits prorated to the ratio of the hours they work to 2,080 hours.

## Article 5. Special Pay

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### Section 1. Tuition Reimbursement

- A. The actual cost paid by regular employees for tuition, books and required technical supplies and equipment, to a maximum of \$2,000 per fiscal year per employee, will be reimbursed by the City for professional and technical courses in accredited educational institutions provided that:
1. The employee has received at least a satisfactory rating on their last performance report;
  2. The subject matter of the course relates directly to and contributes toward the performance of the employee's position or toward the preparation for promotion to other positions within the City;
  3. The employee submits a Request for Tuition Reimbursement form to the Department Director and Human Resources within three (3) weeks after the beginning of the course. The form shall be accompanied by a description of the course provided by the education institution (e.g., course catalog description), which describes the course content; and
  4. Before receiving reimbursement, the employee shall furnish proof of payment and evidence that they have completed the course with:
    - a. A grade of "C" or better in undergraduate work or a grade of "B" in graduate work. A grade of "C" or better will be accepted for graduate work from institutions where an average grade of "C" is acceptable for graduation, or
    - b. A "pass" or "credit" for those classes where a pass/fail or credit/no credit grading system is used.
- B. Regular City employees may also request reimbursement for actual cost paid for tuition, books and required technical supplies and equipment, to a maximum of \$2,000 per fiscal year per employee, for courses that result in the issuance of Continuing Education Units (CEUs) or Continuing Education contact hours required for certification renewal, so long as:
1. The employee has received at least a satisfactory rating on their last performance report;
  2. The subject matter of the course relates directly to and contributes toward the performance of the employee's position or toward the preparation for promotion to other positions within the City;
  3. The employee submits the Request for Tuition Reimbursement to the Department Director and Human Resources prior to the course. The employee shall include with the Request a description of the course from the provider offering the course, demonstrating that the

course is acceptable for continuing education contact hours. Failure to obtain preapproval risks that the course is deemed ineligible, and the employee cannot be reimbursed; and

4. Prior to receiving reimbursement, the employee shall furnish proof of payment, evidence that they have completed the course and verification or proof that all eligible CEUs or contact hours were earned and awarded for the course.

## **Section 2. Education Incentive**

### **A. Fire Battalion Chiefs**

1. Associate's degree – Fire Battalion Chiefs who earn an Associate's degree will receive a one-time payment of \$250 at time degree is earned. The City will provide the \$250 one-time payment to current Fire Battalion Chiefs employees who already have achieved a stand-alone Associate's degree.
2. Bachelor's degree – Fire Battalion Chiefs who earn a Bachelor's degree will receive a one-time payment of \$500 at the time the degree is earned. The City will provide the \$500 one-time payment to current Fire Battalion Chiefs who already have achieved a Bachelor's degree. If Associate's degree is achieved first and \$250 is provided at the time the Associate's is earned, an additional \$250 will be provided if the employee goes on to earn a Bachelor's degree.

## **Section 3. Uniforms and Equipment**

The City will provide and maintain all uniforms that are required by the City for management employees in Public Works, Fire Department, and Community Services. Employees of Public Works, Development Services, and Community Services, who are required to wear safety shoes, will be reimbursed a maximum of \$200 per fiscal year.

Uniform allowance as defined by the California Public Employees Retirement System (CalPERS) is a form of "compensation" for "classic members" of CalPERS for CalPERS purposes only.

For Non-Safety employees, the value of uniforms provided by the City in the amount of \$12.50 per pay period will be reported to CalPERS as part of the employee's annual gross income for purposes of computing the employee's and City's CalPERS contribution.

For Fire Battalion Chiefs considered "classic members", the value of uniforms provided by the City in the amount of \$62.47 per pay period will be reported to CalPERS as part of the employee's annual gross income for purposes of computing the employee's and City's CalPERS contribution. For Fire Chief's and Fire Deputy Chief's considered "classic members" the value of uniforms provided by the City in the amount of \$55.09 per pay period will be reported to CalPERS as part of the employee's annual gross income for purposes of computing the employee's and City's CalPERS contribution.

Under the California Public Employees' Pension Reform Act (PEPRA), a uniform allowance or the value of uniforms is not considered pensionable compensation for "new members" of CalPERS.

## Section 4. Acting Pay

### A. Groups 1-4

#### 1. Out-of-Class (OCA) Assignment

An out-of-class assignment is a temporary assignment of a regular employee to an authorized classification at a higher level of pay that requires the employee to perform the full range of duties of the higher classification. Employees who perform the full range of duties of a higher-level position for eighty (80) or more consecutive working hours, in which there is no appointed incumbent or in which the incumbent is on paid or unpaid leave, shall be compensated at the rate of pay for that higher classification or rank that is at least five percent (5%) above the employee's current rate of pay. Payment shall be retroactive to the first day of such services. If at the time the OCA assignment is requested and approved, it is known that the assignment will be longer than 80 consecutive working hours, pay for the OCA assignment shall begin on the first day of the assignment. The full range of duties of the higher-level position shall be specifically assigned in writing via the Out-of-Class Assignment form and signed by the Department Director or their designee.

Once the initial out-of-class terminates, the eighty (80) hour consecutive work hour elimination period will be waived for any additional out-of-class assignments that occur within the calendar year, provided that the employee is working in the same out-of-class classification regardless of work area assignment.

Service in an out-of-class assignment shall not alter an employee's performance evaluation date.

Pursuant to Government Code Government Code Section 20480, employees may not work in an out-of-class assignment or appointment more than 960 hours per fiscal year, if the OCA is temporarily filling a vacancy and there is an active recruitment.

Pay associated with an out-of-class assignment for Classic Member employees is compensation earnable under and reportable to CalPERS, however it is not pensionable compensation for New Members under PEPRA.

#### 2. Partial Responsibility

An employee specifically assigned to perform a portion of the duties of the higher-level position for 80 or more consecutive working hours, shall receive additional compensation of five percent above the employee's current rate of pay. If at the time the OCA assignment is requested and approved, it is known that the assignment will be longer than 80 consecutive working hours, pay for the OCA assignment shall begin on the first day of the assignment. The assignment shall be specifically assigned in writing via the Out-of-Class Assignment form and signed by the Department Director or their designee.

Pursuant to Government Code Government Code Section 20480, employees may not work in a partial out-of-class assignment or appointment more than 960 hours per fiscal year, if the OCA is temporarily filling a vacancy and there is an active recruitment.

Pay associated with a partial out-of-class assignment is not pensionable compensation for Classic Members or New Members under PEPRA.

## B. Consecutive Hours Worked

For purposes of determining the period of eighty (80) consecutive work hours, paid holidays, vacation, and sick leave will apply toward hours worked, whether OCA pay begins immediately or is retroactively applied

## C. Nature of Assignment

At the conclusion of such an assignment, the employee shall be restored to their former classification regardless of the time involved. This provision shall not apply to bona fide education, training and development, job enlargement or enrichment. The employee will be notified in advance as to the nature of this assignment.

# Section 5. Automobile Allowance, Cell Phone Allowance & Travel Expenses

## A. Automobile Allowance – Group 1-2A

An automobile allowance in lieu of mileage shall be allocated in the amount of \$300 and \$160 per month for personnel in Groups 1 and 2A, respectively. The automobile allowance is not applicable to Fire Battalion Chiefs or employees who have been assigned a City vehicle. The City Manager may grant a \$160 per month automobile allowance to employees outside Groups 1 and 2A when, in their best judgment, it serves the City. The City Manager may at their discretion increase the \$160 per month automobile allowance by a maximum of \$100 based upon excessive driving requirements for an individual position.

## B. Cell Phone Allowance – Group 1-2A

A cell phone allowance shall be allocated in the amount of \$50 per month for personnel in Groups 1 and 2A. The cell phone allowance is not applicable to employees who have been assigned a City cell phone. The City Manager may authorize others in the Management/Confidential Group to receive a cell phone allowance based on City business necessity as recommended and requested by the department Director.

## C. Travel Expenses – Groups 1-4

1. Prior approval of the Department Director shall be required prior to reimbursement for travel expenses. City Manager approval is required prior to reimbursement for Department Director travel expenses.
2. Employees using their own vehicle on approved City business travel will be reimbursed at the approved IRS reimbursement rate. Employees receiving an automobile allowance are not eligible to also receive a mileage reimbursement.
3. Employees on approved official business away from the City will be reimbursed for actual and necessary expenses incurred, in accordance with the City's Travel and Meeting Reimbursement policy.

4. In order to be reimbursed, employees must include original receipts for all expenses with the reimbursement claim form.
5. Advances of travel expenses may be allowed at the discretion of the Department Director. Advances of travel expenses requested by the Department Director must be approved by the City Manager.

## **Section 6. Paramedic License Recertification**

### **A. Fire Battalion Chiefs**

Fire Battalion Chiefs will receive an annual paramedic license recertification stipend of \$1,800, effective the beginning of the pay period that includes July 1, 2021. The amount paid each biweekly pay period shall be \$69.23. Pursuant to the California Public Employees' Retirement Law (PERL) in Government code sections 20630, 20636, the California Code of Regulations section 570.5 and the Public Employees' Pension Reform Act of 2013 (PEPRA) in Government Code section 7522.34, the paramedic license recertification pay is considered pensionable compensation.

## **Article 6. Service**

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### **Section 1. Probation**

#### **A. Groups 1-2A**

Management employees in Groups 1 and 2A, designated as at-will employees, do not have a probationary period due to their at-will status.

#### **B. Groups 2B, 3, 4**

All original (new hire) appointments shall be tentative and subject to a probationary period of not less than twelve months actual service. Promotional appointments shall be subject to a probationary period of no less than six months actual service.

### **Section 2. Transfers**

An employee transferring from this group to a recognized employee unit shall maintain all pay and benefits accrued in this group, and upon the effective date of transfer thereafter are governed by the provisions of any policy and/or agreement in effect for such other recognized employee unit.

### **Section 3. Layoff and Reemployment**

#### **A. Groups 1-4**

The City may abolish any position or employment, and the employee may be laid off without taking disciplinary action and without the right of appeal.

Whenever it becomes necessary to reduce the number of employees in any classification, the order of the layoff shall be as follows:

In order of seniority, the employee with the shortest service in total City service in the affected classification shall be laid off first.

1. In the event of two (2) or more employees having identical total City service seniority, the order of the layoff will be determined by length of continuous service in the affected classification.
2. Whenever two (2) or more employees have identical service in the affected classification, the order of the layoff shall be determined by the City Manager on the basis of performance.
3. Employees to be laid off in a particular classification have the right to demote to a lower classification to a position previously held with the City for which the employee meets the minimum qualifications, is capable of performing the essential functions of the position, and has City seniority over other employees in the lower classification. This will also apply to employees to be laid off in a particular classification who have demoted from a higher classification due to non-disciplinary reasons. Such employees shall be placed on the seniority list for the higher classification provided they still meet the minimum qualifications, are capable of performing the essential functions of the position, and have City seniority over other employees in the higher classification.
4. The name of each laid-off employee shall be placed on a reemployment list for a period of 12 months in reverse order of the layoff. Employees who are laid off, who have received two out of three consecutive annual performance evaluations which are rated below standards or needs improvement will be placed at the bottom of the reemployment list in reverse order of the layoff.

## **Section 4. Resignations**

An employee in this group wishing to resign in good standing shall file with their immediate supervisor a written resignation stating the effective date and reasons for resignation at least fourteen (14) calendar days prior to the effective date of resignation.

The City will pay an employee for all hours worked on the next regular payday after resignation, and thereafter will pay all accumulated reimbursable benefits as early as feasible.

## **Section 5. Rehire after Resignation**

An employee who has resigned with a good record will be given preferential consideration for rehire if a position is available and they participate in the recruitment process for the position. The decision to rehire is at the discretion of the City, and the employee will not reestablish rights and/or benefits lost at the time of resignation.

An employee with five (5) continuous years of service, who resigns in good standing and is reemployed within a two (2) year period to the same or equal position previously held, shall be eligible to earn and use vacation, sick leave, and other benefits (with the exception of the PARS retirement benefit), to which they are otherwise entitled as if there had been no break in service. Any accrued and unused (not paid-out) sick leave shall be restored if rehired within 12 months from separation. The PERS formula may change if there is a break in service longer than six months. However, the employee will not maintain their previous anniversary date and is subject to a new probationary period.

## **Section 6. Physical Examinations**

Physical examinations required by the City as a condition of employment or continued employment shall be paid for by the City.

# Article 7. Retirement and Social Security

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## Section 1. CalPERS

The City will provide retirement benefits through the California Public Employees' Retirement System (CalPERS). The City does not participate in the Social Security System, except as required by law.

The use of the terms "classic" member and "new" member shall be as defined in the California Public Employees' Pension Reform Act of 2013 (PEPRA) and those rules and regulations adopted by CalPERS to implement PEPRA.

"Classic" members are those members who entered into membership with a retirement system on or before December 31, 2012, who do not meet the definition of "new" member in Government Code section 7522.04(f).

A "new" member is defined in Government Code section 7522.04(f) as any of the following:

1. An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date; or
2. An individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under subdivision (c) of Govt. Code 7522.02; or
3. An individual who was an active member in a retirement system and who, after a break in service of more than six months, returned to active membership in that system with a new employer.

### A. Miscellaneous Employees

1. Tier 1

For employees hired on or before December 31, 2011, and considered "classic" members as defined above:

Employees covered by this Salary and Benefits Plan document, who are considered "classic" members will contribute the required members share of seven percent (7.0%) of their compensable earnable salary on a pre-tax basis, to the extent permitted by the Internal Revenue Code, towards the "member contribution" portion of their CalPERS retirement account. In addition, employees considered "classic" members will contribute another one percent (1%) pursuant to Government Code 20516 towards the employer's share, on a pre-tax basis to the extent permitted by the Internal Revenue Code. Beginning the first full pay period in July 2024, employees considered "classic" members will contribute an additional one percent (1%) pursuant to Government Code Section 20516 towards the employer's share, on a pre-tax basis to the extent permitted by the Internal Revenue Code. The total employee contribution will be 9%.

The City will provide under its contract with CalPERS the following provisions for each employee in Tier 1:

- a. The retirement benefit formula known as 2% at 55 formula;
- b. The Indexed Level 1959 Survivor Benefits; and
- c. The One Year Final Compensation option.

2. Tier 2

For employees hired after December 31, 2011, and considered “classic” members as defined above:

The City amended its contract with CalPERS to create a second-tier retirement plan effective January 1, 2012. The second tier will apply to those employees hired after December 31, 2011, and considered “classic members.” The second tier provides:

- a. The retirement benefit formula known as 2% at 60 formula;
- b. The Indexed Level 1959 Survivors Benefits; and
- c. Final Compensation 3 Year.

Employees in the second tier covered by this Salary and Benefits Plan document, who are considered “classic” members will contribute seven percent (7.0%) of their compensable earnable salary on a pre-tax basis, to the extent permitted by the Internal Revenue Code, towards the “member contribution” portion of their CalPERS retirement account. In addition, employees in the second tier considered “classic” members will contribute another one percent (1%) pursuant to Government Code Section 20516 towards the employer’s share, on a pre-tax basis, to the extent permitted by the Internal Revenue Code. Beginning the first full pay period in July 2024, employees considered “classic” members will contribute an additional one percent (1%) pursuant to Government Code Section 20516 towards the employer’s share, on a pre-tax basis to the extent permitted by the Internal Revenue Code. The total employee contribution will be 9%.

3. Tier 3

For employees hired on or after January 1, 2013, and considered “new” members as defined above:

City will provide “new” members in Tier 3 (also known as the PEPRA tier) under its contract with CalPERS:

- a. The retirement benefit formula known as 2% at 62 formula;
- b. The Indexed Level 1959 Survivor Benefit
- c. Final Compensation 3 Year; and

Employees considered “new” members shall pay 50% of the “normal cost” (as determined by CalPERS annually) on a pre-tax basis. This amount is subject to change based on an annual actuarial valuation by CalPERS.

## B. Safety Employees:

### 1. Tier 1

For employees hired on or before December 31, 2011, and considered “classic” members as defined above:

Safety employees covered by this Salary and Benefits Plan document, who are considered “classic” members will contribute nine percent (9%) of their compensable earnable salary on a pr-tax basis, to the extent permitted by the Internal Revenue Code, towards the “member contribution” portion of their CalPERS retirement account. In addition, employees considered “classic” members will contribute another one percent (1%) pursuant to Government Code 20516 towards the employer’s share on a pre-tax basis, to the extent permitted by the Internal Revenue Code.

The City currently contracts with the California Public Employees’ Retirement System (CalPERS) to provide the following system features for each employee in this first tier:

- a. The retirement formula known as 3% at 50 formula;
- b. Final Compensation 3 Year;
- c. The Index Level of 1959 Survivors Benefit; and
- d. Pre-Retirement Optional Settlement 2 Death Benefit.

### 2. Tier 2

For employees hired after December 31, 2011, and considered “classic” members as defined above:

The City amended its contract with CalPERS to create a second-tier retirement plan effective January 1, 2012. The second tier will apply to employees hired after December 31, 2011, and considered “classic” members. The second tier shall provide:

- a. The retirement formula known as 3% at 55 formula;
- b. The Index Level 1959 Survivors Benefits;
- c. Final Compensation 3 Year; and
- d. Pre-Retirement Optional Settlement 2 Death Benefit.

Safety employees in the second tier covered by this Salary and Benefits Plan document, who are considered “classic” members, will contribute nine percent (9%) of their compensable earnable salary, on a pre-tax basis, to the extent permitted by the Internal Revenue Code, towards the “member contribution” portion of their CalPERS retirement account. In addition, employees considered “classic” members will contribute another one percent (1%) pursuant to Government Code 20516 toward the employer’s share, on a pre-tax basis, to the extent permitted by the Internal Revenue Code.

### 3. Tier 3

For employees hired on or after January 1, 2013, and considered “new” members as defined above:

Employees in this group considered the third tier (also known as the PEPRA Tier) shall receive:

- a. The retirement formula known as 2.7% at 57 formula; and
- b. Final Compensation 3 Year; and
- c. The Index Level of 1959 Survivors Benefit

Effective with the pay period including July 1, 2013, employees considered “new” members shall pay 50% of the “normal cost” (as determined by CalPERS annually). This amount is subject to change based on an annual actuarial valuation by CalPERS.

## Section 2. PARS

### A. PARS Supplemental Retirement Benefit

Upon retirement from the City concurrent with retirement under CalPERS, the City also provides a supplemental retirement benefit through the Public Agency Retirement System (PARS) to non-safety members of Groups 1-4 hired on or before January 9, 2012. When combined with CalPERS, this is equivalent to the 2.7%-at-55 formula retirement benefit. For employees hired on or after March 28, 2008, this benefit shall only apply to years of service with the City of Poway. For employees hired before March 28, 2008, this benefit applies to Poway and all prior CalPERS or reciprocal service with previous public agencies.

### B. Eligibility for PARS Supplemental Retirement Benefit

The PARS supplemental benefit applies as follows:

1. **Group 1 – Tier VI:**
  - a. was an employee of the City before March 28, 2008; and
  - b. is at least 55 years of age; and
  - c. has completed at least 5 years of continuous service with the City.
2. **Group 1 – Tier VII:**
  - a. was an employee of the City on or after March 28, 2008, but hired on or before January 9, 2012; and
  - b. is at least 55 years of age; and
  - c. has completed at least 5 years of continuous service with the City.
3. **Groups 2-3 – Tier III:**
  - a. was an employee of the City on or after March 28, 2008, but hired on or before January 9, 2012; and
  - b. is at least 55 years of age; and
  - c. has completed at least 10 years of continuous service with the City.

4. Group 2-4 – Tier II:
  - a. was an employee of the City before March 28, 2008; and
  - b. is at least 55 years of age; and
  - c. has completed at least 10 years of continuous service with the City.
  
5. Group 4 – Tier IV:
  - a. was an employee of the City on or after March 28, 2008, but hired on or before January 9, 2012; and
  - b. is at least 55 years of age; and
  - c. has completed at least 20 years of continuous service with the City.

The PARS supplemental benefit is not available to employees hired after January 9, 2012.

## Article 8. Personnel Rules & Administrative Policies

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All other employee rights, privileges, and benefits are included in the Personnel Rules and/or Administrative Policies of the City of Poway.