

# 2009-12 Fringe Benefits Agreement One-Year Contract Extension Contract Amendment Summary



**SEIU** Local 721's Bargaining Policy Committee (BPC) has reached a tentative agreement with the County of Los Angeles to extend the current Fringe Benefits contract for an additional year with key amendments. The agreement includes a 7.2% increase in the County's *Options* contribution for 2012 in addition to the 7.2% increase scheduled for 2011. SEIU 721 members with family coverage would receive an additional \$95.42 per month in 2012, on top of an additional \$89.01 in 2011 (see chart below). The agreement also includes a temporary cap on the County's *Horizons* matching contributions in 2011 and the first half of 2012. The cap would be lifted on July 1, 2012. **The Bargaining Policy Committee, made up of the chairs of all 24 Union bargaining committees, recommends ratification — a YES vote — on this tentative agreement that protects jobs, services, paychecks, retirement and health benefits during this challenging economic period.**

## Contract Amendment Highlights:

- Deferred Compensation Savings
  - The County monthly matching contributions (dollar-for-dollar) shall be capped at \$61 million during the July 1, 2010, through the June 30, 2011, period (current fiscal year) and at \$56 million beginning July 1, 2011, through June 30, 2012 (next fiscal year).
  - The County monthly matching contributions shall be to a maximum of 2% of the participant's compensation, instead of the current 4%, during the July 1, 2011, through June 30, 2012, fiscal year.
- A 7.2% increase in Options Contribution for 2012.
  - The 7.2% increase extends to the health insurance subsidy for temporary workers.
- All other contract provisions remain unchanged, except for any language or date changes necessary to effect the one-year contract extension.

## Contract Amendment Overview

### Article 3 Term

The contract amendment is effective January 1, 2011, and extends the term of the current agreement by one year. The term becomes October 1, 2009, through September 30, 2012.

### Article 7 Injury Leave

The labor-management committee addressing health and medical issues is authorized to continue into the new term by changing its "sunset clause" by one year to September 30, 2012.

### Article 8 Options – Cafeteria Benefit Plan and Health, Dental and Life Insurance

Effective January 1, 2012, the County Options contribution will increase 7.2% in order to offset future premium increases. At the family level of coverage, this represents a \$95.42 monthly increase, which is an increase of \$276 per month during the 3-year term of the agreement.

The contract amendment continues the current monthly premium subsidy of \$6.00 at the employee only level, \$9.00 for Employee plus one dependent, and \$11.00 for Employee plus 2 or more dependents.

#### Options Contribution\*

	Current	2011	2012
Employee only	\$573.56	\$614.86	\$659.13
Employee + 1	\$1,046.49	\$1,121.84	\$1,202.61
Employee + 2	\$1,236.23	\$1,325.24	\$1,420.66

\*The Options monthly contribution is the negotiated dollar amount allocated to each Options participant to purchase the medical, dental and life insurance plans available on the Options flexible benefit program menu. Any amount not spent is received in the employee's paycheck as take-home pay or "cash-back." If the total premium amount is more than the Options contribution, the difference is reflected as a pre-tax paycheck deduction.

The \$228.00 waiver amount remains unchanged during the term of the agreement.

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## Delta Dental Subsidy

The negotiated premium subsidy for the Delta Dental plan is renewed. This means that the Delta Dental plan premium is reduced by \$20.59 at the Employee Only level, \$36.02 at the Employee Plus One Dependent level, and by \$56.58 at the Employee Plus Two or More Dependents level.

## Dependent Care Spending Account (Subsidy for Childcare and Elder care)

The County dollar contribution for Options participants' dependent care spending account is continued in 2012 up to a \$5.0 million annual limit. This benefit provides up to \$375.00 per month for reimbursement of eligible childcare and elder care expenses.

## Health Insurance for Temporary and Recurrent Employees

The County monthly contribution for health insurance for temporary and recurrent workers meeting the 20-hour eligibility threshold is increased 7.2% effective January 1, 2012. This means a \$75.78 monthly increase at the family level and translates to a \$219.20 monthly increase at the family level during the three year term of the agreement.

	Current	2011	2012
Employee only	\$481.56	\$516.23	\$553.40
Employee + 1	\$855.31	\$916.89	\$982.91
Employee + 2	\$981.80	\$1,052.49	\$1,128.27

## Article 12 Sick Leave

Two new sections are added to extend the sick leave buy-back program through 2012. One provision allows an employee to be paid for up to 3 sick days if the employee uses no sick leave from January 1, 2012, through June 30, 2012, while the other provision allows an employee to be paid for up to 3 sick days if the employee uses no sick leave from July 1, 2012, through December 31, 2012.

## Article 18 Deferred Compensation and Thrift Plan

New language is incorporated that reduces the current \$112 million dollar cap on matching County contributions to \$61 million during the period July 1, 2010, through June 30, 2011. There will be a \$56 million cap during the period July 1, 2011, through June 30, 2012. A new provision states that the \$112 million cap will be restored for the fiscal year beginning July 1, 2012.

This article is also amended to reduce to 2% the current 4% of a participant's monthly compensation that the County will match on a dollar-for-dollar basis for the fiscal year beginning July 1, 2011. The new section stipulates that the 4% match will be restored July 1, 2012, and will continue thereafter.

## Article 28 Paid Leave for Temporary Employees

The calendar year dates are corrected to clarify that paid leave may be taken off or paid, at the employee's request, during the calendar year in which it was credited.

All other articles are "no change to current contract" except that the various contract provisions with date references are changed to reflect the extended term of the agreement.

## Combating Contracting-Out and Securing Enhanced Benefits

In securing the one-year extension of the Fringe Benefits Agreement, the Bargaining Policy Committee also won several contract provisions to strengthen rights and job protections for Union members:

- The establishment of a labor-management committee to review the County's contracting-out practices and compliance with its governing statutes. The Union insisted that the committee have participation from CEO senior staff to effect needed reforms.
- A "grandfather clause" to allow incumbents in the social workers bargaining units (legacy SEIU Local 535 units) currently participating in the Choices flexible benefit program, to retain their medical plan.

## Unit Contract Extended One Year

The Bargaining Policy Committee also recommended that the individual unit contracts be extended one year so that the unit contract expiration date would coincide with the September 30, 2012, expiration date of the Fringe Benefit Agreement. Subsequently, each bargaining unit committee met and endorsed the one-year extension of their unit contract. All other terms and conditions of the unit contract remain unchanged except for any language changes needed to reflect the 2009 – 2012 contract term.

## Voting Instructions

Please ensure your vote is counted by following the Voting Instructions printed on the back of your ballot. Your ballot must be received by **5:00 PM on Tuesday, November 30, 2010**. Ballots will be counted immediately following on November 30 at SEIU Local 721, 500 S. Virgil Ave., Los Angeles, CA 90020.