



COMPENSATION PLAN

FOR DESIGNATED MANAGEMENT & CONFIDENTIAL EMPLOYEES

EFFECTIVE JULY 1, 2017 THROUGH AND INCLUSIVE OF JUNE 30, 2020

Table of Contents

1. Applicability	3
2. Public Employee's Retirement System	3
3. Salary Adjustments	4
4. Sick Leave Payoff.....	5
5. Sick Leave Conversion	5
6. Holidays	5
7. Work Week for Full-time Employees.....	6
8. Administrative Leave for Full-time Employees.....	6
9. Part-time Employees.....	7
10. Other Benefits.....	7
11. Vacant Positions Resulting from Leaves of Absence.....	14
12. ADA Coordinator Certification - Incentive Pay	14
13. Certified Access Specialist Program - Incentive Pay	15
14. Probation Department Retiree Medical Trust.....	16
15. Voluntary Demotions.....	17

1. Applicability

This plan covers the salaries and benefits of employees in positions that have been designated as "Management" or as "Confidential" by the County Employees Relations Officer as listed in Attachment 1 to this Exhibit. It does not apply to elected or appointed department heads, nor does it apply to employees in Unit 7 (Law Enforcement Management).

~~Written Policies and Procedures~~

~~Written policies and procedures affecting salaries, benefits and terms and conditions of employment which apply to employee covered by this plan include, but are not limited, the following:~~

- ~~_____ Salary Resolution (Resolution No. 82-170 as amended)~~
- ~~_____ Merit Systems Resolution and Rules (Resolution No. 78-142)~~
- ~~_____ Travel Ordinance~~
- ~~_____ Employer-Employee Relations Policy (Resolution No. 77-147 as amended)~~
- ~~_____ Educational Reimbursement Policy (Resolution No. 76-138 as amended)~~

2. Public Employee's Retirement System

Per IRS Code Section 414 (H) (2), ~~T~~he County shall implement IRS Code Section 414 (H) (2) by having employees pay their own required member contributions to the Public Employee's Retirement System. This shall apply to both miscellaneous and safety categories.

Tier One Retirement Plan: For miscellaneous employees hired by the County prior to June 6, 2012, the retirement formula shall be 2.7% @ 55 and have the final compensation period of the single highest year salary. For safety employees covered by this pay plan and hired prior to January 1, 2013, the retirement formula shall be 3% @ 50 and have a final compensation period of the highest three (3) year average salary.

Tier Two Retirement Plan: for miscellaneous employees first hired by the County on June 6, 2012 through December 31, 2012, the retirement formula shall be 2% @ 55 and have a final compensation period of the highest three (3) year average salary. For safety employees covered by this pay plan, effective January 1, 2013, the retirement formula shall be 2.7% @ 57 and have a final compensation period of the highest three (3) year average salary consistent with PEPR.

Tier Three Retirement Plan: For miscellaneous employees first hired by the County (as defined in PEPR) on or after January 1, 2013, the retirement formula shall be 2% @ 62

and have a final compensation period of the highest three (3) year average salary in compliance with PEPRa.

Retirement Cost Sharing GC 20516: ~~Effective with the first full pay period in April of 2016, at the same time as the three (3) percent salary increase identified in "Salary Adjustments" section of this document goes into effect, a~~All employees in this unit receiving miscellaneous or safety retirement benefits shall share/pay three (3) percent of pensionable income towards the Employer CalPERS retirement rate. ~~The County shall take the appropriate steps to amend its contract with CalPERS so that employee contributions toward the employer retirement rates are credited to the employee's account with CalPERS (in accordance with Section 20516 of the Government Code).~~

3. Salary Adjustments

~~Effective the first full pay period in April of 2016, all employees in this unit shall receive a three (3) percent or six (6) salary ranges increase to base salary.~~

~~Effective the first full pay period in July of 2016, all employees in this unit shall receive a two (2) percent or four (4) salary range increase to base pay.~~

~~Effective the first full pay period in January of 2017, all employees in this unit shall receive a two (2) percent or four (4) salary ranges increase to Base pay.~~

~~One-time non-recurring, non-pensionable lump sum payments to all employees in this unit:~~

~~Effective with the first full pay period in April of 2016, all employees in this unit shall receive a one-time, non-recurring, non-pensionable lump sum payment in the amount of \$1,000.00.~~

~~Effective with the first fully pay period in January of 2017, all employees in this unit shall receive a one-time, non-recurring, non-pensionable lump sum payment of five hundred (\$500.00) dollars.~~

Effective the first full pay following Board approval of the compensation plan, all employees in this unit shall receive a two percent (2%) or four (4) salary ranges increase to base pay.

Effective the first full pay following July 1, 2019, all employees in this unit shall receive a two percent (2%) or four (4) salary ranges increase to base pay.

One-time, non-recurring, non-pensionable lump sum payment equivalent to \$1070.00, minus any applicable deductions to be made as early as practicable following Board approval of the compensation plan.

4. Sick Leave Payoff

Employees newly hired into a management or confidential position after December 31, 1996, shall not be eligible for compensation for unused sick leave upon separation from County service. Employees promoted into a management or confidential position after December 31, 1996, shall be eligible for compensation for unused sick leave upon separation from County service if their original hire date was prior to January 1, 1997.

5. Sick Leave Conversion

Any county employee hired prior to January 2, 1997, may, in the 36 months prior to retirement, elect to have any portion of accumulated sick leave that is subject to compensation upon retirement, compensated by having the cash equivalent deposited into deferred compensation, subject to applicable State and Federal tax laws. The amount of sick leave an employee may elect to convert is based upon their sick leave payoff compensation percentage as of the date they make the deposit(s). Employees must have completed at least 14 years of continuous service to the county to be eligible for sick leave conversion. The employee may elect to do this in one deposit or to have up to three separate deposits in three separate calendar years.

At no time shall an employee reduce their accumulated sick leave to less than three weeks by deposit into deferred compensation.

Any sick leave subject to compensation that remains upon separation shall be paid to the employee by check or by deposit into deferred compensation, at the employee's option.

1-6. Holidays

Employees shall receive a total of two (2) floating holidays each fiscal year. One of the floating holidays must be used during the fiscal year earned and does not carry over into the next fiscal year.

Scheduled holidays will includes:

January 1	New Year's Day
Third Monday in January	Martin Luther King Day
Twelfth day in February	Lincoln's Birthday
Third Monday in February	President's Day
March 31	Cesar Chavez Day
Last Monday in May	Memorial Day
July 4	Independence Day
First Monday in September	Labor Day
November 11	Veteran's Day

Fourth Thursday in November	Thanksgiving Day
Fourth Friday in November	Day after Thanksgiving Day
<u>December 24 (2018 only)</u>	<u>Christmas Eve</u>
December 25	Christmas Day

Any employee who is required by their department head to work on a scheduled holiday shall be paid for the day and receive the appropriate number of holiday units for actual hours worked up to a maximum of one (1) regular work day. The holiday units can be taken at any time with the approval of the department head.

7. Work Week for Full-time Employees

All full-time employees covered by this plan shall work a forty-hour week and shall be compensated accordingly. Such workweek shall be a nominal forty-hour week. Employees are expected to accomplish results in their positions, regardless of the time necessary to accomplish the results. The time cards submitted by such employees shall therefore arbitrarily show forth hours worked per week, regardless of the time actually spent on the job. ~~Vacation, sick leave, and other status shall be accounted for in the same manner as for other employees.~~ Absence of Management and Confidential employees from their workstations during normal working hours is subject to the prior consent of the department head and must be entered into the County's timekeeping system.

8. Administrative Leave for Full-time Employees

Except for during emergencies, as provided in Salary Resolution Section 9A (9), full-time Management and Confidential employees are not eligible for compensating time off for time worked in excess of forty hours per week. Ten (10) days of administrative leave will be available for each designated Management and Confidential employee, effective the first pay period beginning in July through the last pay period beginning in June. Such leave shall not be carried into succeeding fiscal years, and such leave shall be forfeited upon termination of employment. Employees hired into a full-time designated Management or Confidential position shall receive ten (10) days of administrative leave effective upon the date of hire, and may be allowed to use such leave immediately. Employees in positions that are newly designated as Management and Confidential shall receive a pro-rated portion of administrative leave (based upon the number of pay periods remaining in the fiscal year). An employee who is on leave of absence status July 1 of a year shall not receive administrative leave until they return to paid status and then shall receive a pro-rated portion for the remainder of the fiscal year. Administrative leave shall not be a right, but shall be a benefit which may only be utilized at the discretion of the department head.

Under unusual circumstances, if a department head is unable to allow an employee to utilize their administrative leave during the fiscal year because of a natural disaster or some other emergent condition which has significantly increased the employee's workload, the employee may request that the unused administrative leave be carried into the next fiscal year. The employee shall make such request in writing to the department head. If the department head attests that the reasons for the request meet the conditions outlined above and concurs with the request, the request shall be sent to the Personnel-Human Resource Director, or designee for final review on or before June 15. Administrative leave carried over but not used prior to September 30 shall be forfeited.

2.9. Part-time Employees

Employees in designated Management and Confidential positions which are regular part-time (less than forty hours per week) shall be paid on an hourly basis and shall not be eligible for administrative leave, but shall instead be eligible for overtime compensation as described in Section 9 A of the Salary Resolution, except that Subsection 9 A (11) of the Salary Resolution shall not apply to said employees.

3.10. Other Benefits

In addition to benefits which may be provided by other written policies, the following benefits will be made available to employees covered by this plan:

- A. A deferred compensation plan
- B. Life insurance in the amount of \$20,000
- C. State Bar dues shall be paid annually on behalf of Deputy County Counsels, Supervising Child Support Attorney, the Assistant District Attorney, the Assistant Public Defender, and the Assistant County Counsel.
- D. ~~Employees in the class of Correctional Lieutenant and Correctional Captain who are required to wear and maintain a uniform prescribed by the Sheriff shall receive an annual uniform allowance equivalent to employees in the Law Enforcement Management representation unit.~~ Employees in the class of Program Coordinator assigned to the County Animal Shelter who are required to wear and maintain a uniform prescribed by the Sheriff shall receive an annual uniform allowance equivalent to employees in the class of Animal Control Officer. Such uniform allowance shall be paid to such employees who are on active payroll status during the first full pay period in September; payment of such uniform allowance to be made on the last payday in September. Effective

~~beginning the first fully pay period in September 2008, t~~The annual amounts shall be paid pro-rated on a bi-weekly basis.

D.E. Employees in the class of Facility Maintenance Manager shall receive a tool maintenance allowance of \$250.00 per year. Employees who are employed on the first working day in August shall be eligible to receive all or part of this allowance and shall receive the payment on the second pay day in September. Eligible employees who have worked less than the equivalent of five (5) months of full-time service on the first working day in August shall receive one-half of the tool maintenance allowance allowed for hereinabove. The tool maintenance allowance shall be deemed to cover the repair or replacement of all tools provided by employees which may be lost or damaged during the course of their use at the County work site.

E.F. Vacation Conversion

Employees covered by this plan shall have the option to convert up to ~~two~~three (3) weeks (120 hours) of vacation credit to cash or as a contribution to the County's deferred compensation plan. Such conversion shall be administered as follows:

1. Employees may request to convert vacation credit during the month of November, on a form provided by the Auditor-Controller's office.
2. Said conversion shall be paid to employees or contributed to the county's deferred compensation plan on either the first or second payday in December.

~~Employee may convert up to two regular work weeks of vacation credit to cash or as a contribution to the county's deferred compensation plan.~~

~~Employees may only request vacation conversion one time per calendar year.~~

F.G. Educational Reimbursement

In accordance with the county's Educational Reimbursement Policy (Resolution No. 76-138 as amended) the County will provide reimbursement for courses and certification examinations which are directly related to the employee's present position or promotion within the County service. Reimbursement, which will be provided for tuition, fees and material costs directly related to the approved course, shall be limited to ~~two hundred fifteen dollars (\$215.00)~~four hundred dollars (\$400.00) per course ~~or seventy-five (\$75.00) dollar~~two hundred fifteen dollars (\$215.00) per semester or quarter unit, whichever amount is greater, not to exceed ~~six hundred (\$600.00)~~eight hundred dollars (\$800.00) dollars per

individual employee per fiscal year. Said reimbursement shall include fifty percent (50%) reimbursement for the costs of required textbooks and one hundred percent (100%) reimbursement for the costs of certification examinations. Only full-time employees are eligible for educational reimbursement.

H. Catastrophic Leave

1. Definition of Catastrophic Illness or Injury

Catastrophic illness or injury is a severe illness or injury which is expected to incapacitate the employee for an extended period of time and which creates a financial hardship because the employee has exhausted all of his/her accumulated paid leave time. Catastrophic illness or injury is further defined as a debilitating illness or injury of an employee's spouse, domestic partner, son or daughter that results in the employee being required to take time off from work for an extended period to care for the family member, when this creates a financial hardship because the employee has exhausted all of his/her accumulated paid leave time. An employee's job-related illness or injury subject to workers' compensation coverage shall not be eligible for this catastrophic leave provision.

2. Conditions Under Which Paid Leave Time May Be Donated to an Employee

- a. Any employee may donate accumulated vacation, compensatory time or holiday time to an eligible employee. Sick leave cannot be donated.
- b. Donations must be made in increments of ~~one regular~~ workdayfour (4) hours (or more) from the donating employee.
- c. The donation of paid leave time is irreversible. Should the employee receiving the donated hours not use all donated leave for the catastrophic illness/injury, any balance will remain with the employee or will be converted to cash upon the employee's separation from County employment.
- d. Donated paid leave time shall be converted to its cash value and then credited to the recipient in hours at the recipient's base hourly rate as holiday credit.
- e. Employees donating paid leave time shall do so in writing on a form developed by the County.

- f. All donation transactions shall be credited effective the pay period following submittal of the form requesting the paid time donation.

3. Conditions Under Which Paid Leave Credits May Be Used

- a. The employee requesting to use "catastrophic leave" shall submit a written request to their appointing authority for review. The request must include a written statement from a licensed physician verifying the illness or injury. If the appointing authority approves the request, it shall be forwarded to the Auditor-Controller for implementation, along with the form from the employee donating time to the affected employee.
- b. The affected employee must have exhausted any accumulated paid leave time for which they are eligible (sick, vacation, compensatory, holiday) prior to utilizing catastrophic leave.
- c. Any paid leave time accrued by the affected employee while using donated time must be used during the next pay period.
- d. Only employees who accrue vacation are eligible to receive donated paid leave time.
- e. The use of donated paid leave time shall not exceed three months for any one catastrophic illness/injury.
- f. In no event shall a leave for the recipient employee be granted for longer than one year from the time the employee is unable to work in his/her regular job.

G-I. Voluntary Furlough

1. Employees may request a voluntary unpaid furlough using the following guidelines:
2. The leave (furlough) would be granted only after prior approval of the appointing authority.
3. Leave is not to exceed 520 hours per year for a 40 hour per week employee.
4. Leave is not to be used in lieu of medical leave.
5. Credits toward sick leave, vacation, and holiday eligibility could accrue as if the employee were in paid status.

6. Leave time shall count toward time in service for step advancement, completion of probation, and seniority for purposes of layoff.
7. Leave shall be granted without requiring the employee to use other accumulated leave time first.
8. Leave shall be granted only to those employees who are in paid status the entire work day before and the entire work day after the leave day(s).
9. Leave shall not be available to employees on other leave without pay.

J. Fair Labor Standards Act

1. Overtime

Employees in classifications s subject to the provision of the Fair Labor Standards Act shall be eligible for overtime compensation as described in Section 9 A of the Salary Resolution (with Subsection 9 A (11) not being applicable), with overtime of more than five minutes in excess of a regular work day to be counted as time worked.

2. Discipline

The county's disciplinary action policies, as stated in the Merit System Rules, will be applied to conformance with the Fair Labor Standards Act (FLSA). Notwithstanding the general requirements of the Merit System Rules, FLSA exempt employees will only be subject to discipline in conformance with the requirements of the FLSA salary test.

H.K. Differential Pay for Working Out of Class

When assigned by their appointing authority, or his/her designated representative, an employee shall be required to perform the principal duties of a higher classification. Employees so assigned shall be compensated with the salary the employee would receive if the assignment was a promotion to that position; provided, however, that the employee shall only receive such additional compensation when the assignment is for more than ten (10) consecutive work days or longer and that payment of such additional compensation shall be for all time worked in such assignment.

H.L. Longevity Incentive Pay

Employees who have ten (10) years of uninterrupted continuous County service shall be eligible for an increase in compensation of ten (10) salary ranges (approximately 5%).

Longevity calculations shall be counted from the initial date of hire into any regular or grant position as long as there has been no separation from county service. Time spent in layoff status, on medical leave or any unpaid leave greater than 30 calendar days shall not count as time worked for longevity calculations. Should an employee be separated from County employment due to layoff, and then return to regular County employment while in layoff status their calculation for longevity purposes shall be based on their initial date of hire into a regular or grant position prior to the date of layoff. ~~Effective July 8, 2007, e~~Employees who have twenty (20) years of uninterrupted continuous County service shall be eligible for an increase in compensation of an additional ten (10) salary ranges (approximately 5%).

Employees who promote from Unit 6 (HDSO) shall continue to receive the longevity pay they were entitled to in Unit 6 until they become eligible for the above Longevity Incentive Pay, at which time the Unit 6 longevity pay shall be eliminated.

J.M. Hospital Administrator on Duty Assignment Pay

When assigned by the Mental Health Director, an employee with the appropriate qualifications may be required to be on-call as the Hospital Administrator on Duty. When so assigned an employee shall receive a ten (10) salary range increase in compensation for the duration of the assignment.

K.N. Public Health Administrator on Duty Assignment Pay

When assigned by the Health and Human Services Director, an employee in the class of Health Officer, Deputy Health Officer or Health and Human Services – Public Health Branch Director may be required to be on call as the Public Health Administrator on duty. When so assigned the Health Officer or Deputy Health Officer shall receive a five (5%) percent salary increase in compensation for the duration of the assignment. When so assigned the Health and Human Services – Public Health Branch Director shall receive a ten (10) salary range increase in compensation for the duration of the assignment.

O. Probation - On Duty Assignment Pay

When assigned by the Chief Probation Officer, an employee with appropriate qualifications may be required to be on-call to attend to the 24-hour locked juvenile facilities. When so assigned this employee shall receive a ten (10) salary range increase in compensation for the duration of the agreement.

P. On Call Assignment Pay

When assigned by the Health and Human Services Director, an employee with the appropriate qualifications may be required to be on call to respond to facility, emergency and/or crisis intervention situations. When so assigned, an employee shall receive a then (10) salary range increase in compensation for the duration of the assignment.

Q. Wellness Program

The County recognizes the physical and emotional challenges of the job in county government. To assist with the demands of the job, the county strongly encourages each employee participant in fitness and wellness programs. The County recommends the following off-duty activities: walking, jogging, swimming, cardio-strength training, low impact aerobic exercise, martial arts and yoga. The County will reimburse each employee \$1,000.00 per fiscal year for the purchase of personal exercise equipment or for voluntary off-duty participation in a fitness center, exercise program, gym membership, certified personal trainer, or wellness program.

1. This program will be voluntary and the employee will be considered off duty while participating. Any injury arising out of voluntary participation in off-duty recreational, athletic or social activity will not be compensable.
2. New employees will be eligible for a pro-rated amount in their first year of hire with the County:
 - a. Hired in the 1st Quarter of the FY, receive 100% of reimbursement possible
 - b. Hired in the 2nd Quarter of the FY, receive 75% of reimbursement possible
 - c. Hired in the 3rd Quarter of the FY, receive 50% of reimbursement possible
 - d. Hired in the 4th Quarter of the FY, receive 25% of reimbursement possible

3. The process to requesting reimbursement is as follows:
 - a. Employee to submit the Wellness Program Reimbursement Form to Department Head, or designee for pre-approval of purchase
 - b. Department Head, or designee notes approval/denial of reimbursement
 - c. Pre-approved requests and receipts for purchase submitted to the Department Head, or designee for final approval
 - d. Payment will be processed and issued to the employee

11. Vacant Positions Resulting from Leaves of Absence

Employees who have exhausted all protected leave and who are still not able to return to work will continue their leave status for up to one year from the beginning date of the leave. Positions held by individuals who have exhausted protected leave and who are still unable to return to work can be declared vacant by the Director of Human Resources, or designee. Appointing Authorities may seek to fill the vacant position with a permanent employee replacement. An employee on leave whose position has been declared vacant and who has been released to return to work may apply for any open position for which the employee meets the minimum qualifications and there shall be no preferential treatment during the recruitment and selection process.

12. ADA Coordinator Certification - Incentive Pay

The purpose of this language is to provide guidelines for the ADA Coordinator Certification incentive pay; for employees who will be required to use their additional certified ADA Coordinator skills to perform their job; thus, adding value to County related business by providing assistance to clients **on a regular basis** while ensuring that the duties performed are accurate and clear. This language will apply to Eligible Employees Only, as outlined in the criteria below.

- A. Recommendation of a position to obtain ADA Coordinator Certification will be determined by the Department Head and/or their designee, in which the employee is supervised and employed. After assessing the organizational/business needs of the Department in performing its official functions, the Department must determine that there is a need for an ADA Coordinator Certification for the position that is held by the requesting employee; and
- B. Human Resources approval of the department's recommendation of the position as an ADA Coordinator based on this section criterion; and,
- C. Satisfaction of the following criterion by the employee:

1. Demonstrate proficiency. The employee must take, complete and pass the ADA Coordinator Certification program/examination. The employee will have twenty-four (24) months upon start date to pass the program/examination. The employee will receive two (2) attempts in passing the program/examination.
 - a. The Department shall pay 100% of the program training, travel (wages while away from work, mileage, lodging, meals) and testing for the initial certification and any renewal(s) of the certification thereafter.
 - b. Incentive pay will remain in place as long as the employee's position and the County can benefit from such certification.
2. Employee may be employed by any County department.

Eligible employees meeting the eligibility requirements as outlined above will receive a \$200.00 per month (paid out over 26 pay periods) stipend for possessing the ADA Coordinator Certification. The incentive pay will be effective the first pay period following receipt of certification(s) by the Department.

13. Certified Access Specialist Program - Incentive Pay

The purpose of this language is to provide guidelines for the Certified Access Specialist (CASp) incentive pay for employees who will be required to use their CASp certification and skills to perform their job; thereby, adding value to County related business by providing assistance to clients **on a regular basis** while ensuring that the duties performed are accurate and clear. This language will apply to Eligible Employees Only, as outlined in the criteria below.

- A. Recommendation of a position to obtain CASp Certification will be determined by the Department Head and/or their designee, in which the employee is supervised and employed. After assessing the organizational/business needs of the Department in performing its official functions, the Department must determine that there is a need for a CASp Certification for the position that is held by the requesting employee; and
- B. Human Resources approval of the Department's recommendation of the position as a CASp based on this section criterion above; and,
- C. Satisfaction of the following criterion by the employee:
 1. Demonstrate proficiency. The employee must take, complete and pass the CASp program/examination. The employee will have thirty-six (36)

months upon start date to pass the program/examination. The employee will receive four (4) attempts in passing the program/examination.

a. The Department shall pay for 100% of the program training, travel (wages while away from work, mileage, lodging, meals) and testing for the initial certification and any renewal(s) of the certification thereafter.

i. An application fee of \$500.00 must accompany the Candidate Eligibility Application.

ii. CASp exam \$400.00 for open book

iii. CASp exam \$400.00 for closed book

iv. 4-Day Seminar \$899.00

v. Seminars may be held in major metropolitan areas such as Sacramento, Oakland, Los Angeles, San Diego and so forth.

vi. **Note:** the fees and expenses outlined above may be subject to change on an annual basis.

b. Incentive pay will remain in place as long as the employee's position and the County benefit from such certification.

2. Employee must be employed by one of the following departments:

a. County Administrative Office

b. Health and Human Services

c. Planning and Building

d. Public Works

Eligible employees meeting the eligibility requirements as outlined above will receive a \$200.00 per month (paid out over 26 pay periods) stipend for possessing the CASp Certification. The incentive pay will be effective the first pay period following receipt of certification(s) by the department.

14. Probation Department Retiree Medical Trust

The county recognizes the Humboldt County Probation Managers PORAC Association #2324, hereinafter referred to as "Association". The county agrees Association may establish a, or join an existing, Retiree Medical Trust, hereinafter referred to as "Trust". The county will have no responsibility in regard to the administration of the Trust.

County shall, during the life of this Agreement, transfer by way of payroll deduction a monthly pre-tax employee contribution to Trust on behalf of each eligible employee covered by the Agreement hired after July 1, 2004. The employee contributions to Trust shall be in the amount designated by the Association. The current contribution for this Agreement period will be one-hundred dollars (\$100.00) per month on behalf of each

affected employee, i.e., the county will deduct fifty dollars (\$50.00) per 24 bi-weekly pay periods from their respective paychecks. The county will comply with reasonable rules set forth by the Retiree Medical Trust Office in regard to reporting and depositing the required contributions set forth above.

Association agrees to indemnify and hold harmless the county from any liabilities of any nature which may arise as a result of the operation (application) of the Retiree Medical Trust, except for the obligation of the county to make and report the non-elective transfer of employee contributions as described herein.

Association shall also have the option, during the life of the Agreement, to direct employer to transfer to the Retiree Medical Trust, a set percentage of each employee's sick leave (and/or vacation leave) cash out upon retirement. The county shall transfer the same set percentage for each employee, on a pre-tax basis. The monies contributed to the Trust fund shall only be used for retiree health insurance premiums or health service expenses. There shall be no employee election to take such amount in cash.

The purpose of Trust shall be to provide for retiree health expense reimbursement benefits. Trust shall be and remain separate and apart from many county health insurance funding program, unless changed by mutual agreement of the parties to the Agreement. These contributions shall be included as salary for purposes of calculating pension benefits.

15. Voluntary Demotions

The wage of an employee who voluntarily demotes shall be adjusted to the step in the new range that would have been attained if the total service of said employee in county service were combined and full credit given for step increases. The employee's anniversary date will remain unchanged.

16. Appointment at Advanced Salary

Appointment at Advanced Salary. When the maintenance of continuity of skilled or experienced personnel so requires, and that the qualifications, education, previous training and/or experience of a proposed employee justify a beginning salary in excess of such minimum compensation, upon approval of the County Administrative Officer prior to the date of hire or within 30 calendar days of hire, an appointment may be authorized at some higher step than such minimum compensation in the appropriate range. After 30 days following an employee's date of hire, salary advancements requested must be approved by the Board of Supervisors per Section 7 of the Salary Resolution.