

Bay Area Air District
Management and Confidential Employee
Benefits Program

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1. Term of Program

This Management and Confidential Employee Benefits Program is effective as of July 1, 2026, until June 30, 2027, or until such time that a successor program is approved.

2. Participants

Participants in the Management and Confidential Benefits Program include the Air District Executive Officer/APCO, Air District General Counsel, Principal Deputy Executive Officers, Deputy Executive Officers, Assistant Deputy Executive Officers, Directors, Officers, Senior Managers, Manager II's, Manager I's, Senior Assistant Counsels, Staff Attorney/Staff Attorney Trainee, Confidential employees, Limited-Term Contract Employees (LTCE) and all other management employees who are not currently covered by a Memorandum of Understanding (MOU).

The Air District Executive Officer/APCO and General Counsel are appointed directly by the Board of Directors and may have additional benefits available as outlined in their respective contracts as approved by the Board of Directors.

To the extent required by the Meyers Milias Brown Act and governing law, Employees in the classification of Assistant Counsel who are now organized under the Attorney Management Unit (AMU) will receive the same compensation as the participants in the Management and Confidential Benefits Program until ratification and Board approval of an inaugural Memorandum of Understanding for the AMU.

3. Transit Allowance

Executive Officer/APCO, Principal Deputy Executive Officer, Deputy Executive Officer, Assistant Deputy Executive Officer, Director and Officer level employees only, excluding General Counsel, receive a \$500 per month Transit Allowance in lieu of an Air District assigned vehicle and transit/carpool subsidy.

4. Transit/Carpool Subsidy

Employees who do not receive the Transit Allowance are eligible for a transit or carpool subsidy of up to \$340 per month (indexed to the IRS rate). Parking associated with a mass transit agency is an eligible reimbursement. In lieu of other transit subsidy, Air District employees who live more than one mile from their work location and walk or bicycle to work are eligible for up to three dollars (\$3.00) per day (one dollar and fifty cents (\$1.50) per one (1)-way trip). This is an Air District paid program.

5. Hours of Work and Overtime

All employees are expected to report all work time.

Executive and management participants in the Management and Confidential Benefits Program are exempt employees under the Fair Labor Standards Act (FLSA). Executive and Management employees are expected to fulfill the duties of their positions regardless

of the number of hours worked. While a standard workweek is typically forty (40) hours, exempt employees may be required to work beyond these hours based on business needs without eligibility to accrue compensatory time or to be paid overtime compensation.

Confidential employees are considered non-exempt employees for purposes of overtime or compensatory time and shall be paid one and half times (1.5x) their regular rate of pay for any hours worked over forty (40) hours in a workweek.

Non-exempt employees eligible for compensatory time (CTO) who have a balance in excess of 120 hours at the end of the calendar year will have the excess hours paid out to them. Non-exempt employees eligible for compensatory time have the option at the end of the calendar year to either cash out their entire balance or use their balance to contribute to their 457 deferred compensation plan.

6. Retirement

Employees are covered under the provisions of the California Public Employees Retirement System (CalPERS). The retirement formula for employees hired before January 1, 2013, is two percent (2%) at fifty-five (55), single highest year of compensation with an employee contribution of seven percent (7%) of salary. Employees hired on or after January 1, 2013, will be subject to the Public Employees' Pension Reform Act of 2013 (PEPRA). The retirement formula for PEPRA Members is two percent (2%) at sixty-two (62) and the employee contribution is seven point twenty-five percent (7.25%) from July 1, 2026 to June 30, 2027. The employee contribution rate for PEPRA member is based on fifty percent (50%) of the total normal cost as determined by CalPERS.

CalPERS employee payroll contributions are deducted bi-weekly.

7. Health, Dental and Vision Insurance Premiums

1. The Air District will provide a cafeteria plan for Fringe Benefits with a Fringe Benefit Allowance (FBA) for payment of premiums for health, dental, vision (including the vision buy up plan), and additional life insurance coverage.
 - a. For employees hired before July 1, 2017, the FBA will be equal to the appropriate tier provided in Subsection 2 below or \$1,763.70 for confidential employees and \$1813.70 for management employees, whichever amount is greater.
 - b. For employees hired on or after July 1, 2017, the FBA will be equal to the appropriate tier provided in Subsection 2 below.
2. Tiered Benefit Plan - The Air District will offer the following tiered benefit plan for FBA. Determination of tiers A, B, or C is based on enrollment for health care plan only.
 - a. Employee (EE) only – 100% of Kaiser Health Maintenance Organization (HMO) premium for single plus 100% of dental and vision premiums for Employee Only Plan.
 - b. Employee plus One (EE +1) – 95% of Kaiser HMO premium for employee plus one (1) plus 95% of dental and vision premiums for Employee + One (1)

Dependent Plan.

- c. Employee + Family (EE + Family) – 90% of Kaiser HMO premium for employee plus two (2) or more plus 90% of dental and vision premiums for Employee + Two (2) or More Dependents Plan.

- 3. For those employees who do not enroll in a CalPERS health care plan, the allowance will be based on the percentage for the selected dental and vision plan(s) as described above.

8. Health, Dental, Vision Care, And Life Insurance Coverage After Retirement

The Air District shall comply with the provisions of the California Public Employees' Medical and Hospital Care Act. Vision care, dental insurance and life insurance coverage after retirement will be governed by the vision, dental and life insurance plans in effect for employees covered by this agreement, and in compliance with the provisions of the Medicare program.

- 1. Employees Hired before July 1, 2010

Health insurance, dental insurance, vision care and life insurance shall continue for employees hired before July 1, 2010, at the maximum fringe benefit allowance received at the time of retirement. This Section also applies to employees hired before July 1, 2010, who separate from the Air District and are re-hired by the Air District at a later date and subsequently retire from the Air District.

- 2. Employees Hired on and after July 1, 2010

- a. Health insurance, dental insurance, vision care and life insurance shall continue for retired employees at the maximum fringe benefit allowance received upon retirement times a percentage of Air District contribution, and in compliance with the provisions of the Medicare program.

The percentage of Air District contribution payable for postretirement health insurance, dental insurance, vision care and life insurance shall, except as provided in subsection b below, be based on the employee's completed years of credited CalPERS service at retirement as shown in the following table:

| Credited Years of Service | Percentage of Air District Contribution |
|---------------------------|---|
| 10 | 50 |
| 11 | 60 |
| 12 | 70 |
| 13 | 80 |
| 14 | 90 |
| 15 | 100 |

This subsection shall apply only to employees who receive a service or disability retirement and are first employed by the Air District after July 1, 2010.

- b. The credited service of an employee for the purpose of determining the percentage of Air District contributions applicable under subsection I.2.a shall not include purchased Additional Retirement Service Credit (air time).
- c. The credited service of an employee for the purpose of determining the percentage of Air District contributions applicable under subsection I.2.a shall include purchased Military, Peace Corps and AmeriCorps service.
- d. Notwithstanding subsection I.2.a, for employees hired by the Air District on and after July 1, 2010, and who retire due to a disability with less than ten (10) years of credited service, the contribution payable by the Air District shall be fifty percent (50%) of the maximum fringe benefit allowance received at the time of retirement.

3. Increases

Retired annuitants' fringe benefit allowances may be equal to and increased concurrently with increases to represented employees' fringe benefits, as determined by the Air District's Board of Directors.

4. For employees first employed before July 1, 2017, and with no break in service to the date of retirement, except as provided in subsection I.2 above, if they are otherwise eligible for an annuitant fringe benefit (see subsections I.1, I.2 and I.3 above), their retired annuitant fringe benefit allowance shall not be less than \$1763.70 per month for confidential employees and \$1813.70 for management employees or proration as described in I.2 above.
5. The Air District provides Medicare Part B reimbursement for employees that retire after July 1, 2000, up to a maximum total cost of \$10,000 per year for all covered retirees. However, employees that retire after July 1, 2011 shall only be entitled to be reimbursed for the standard Medicare Part B premium. Once the \$10,000 has been distributed by the Air District, an additional \$5,000 per calendar year shall be made available to reimburse the standard Medicare Part B premium for employees that retire after July 1, 2011.

9. **Deferred Compensation**

The Air District provides a 457 deferred compensation plan. Participation is optional. This plan is designed to allow employees to invest a portion of their salary that is tax deferred until such time as the employee withdraws the funds, subject to IRS regulations. The maximum employee contribution is based on IRS regulations and may be subject to change. An additional amount for catch-up for employees who are fifty (50) years old or older is available and is subject to IRS regulations. Employees can make pre-tax and/or Roth after-tax contributions.

Deferred compensation payroll deductions are taken twice per month, for a total of twenty-four (24) deductions per calendar year, regardless of the bi-weekly payroll schedule.

10. Employee Assistance Program

The Air District provides an employee assistance program for the employee and the members of their household. This is an Air District paid program.

11. Life Insurance

Basic Life (Air District paid) - Up to age fifty-five (55), the coverage is equal to five (5) times the employee's annual salary up to a maximum of \$500,000. Coverage decreases with age. From age fifty-five (55) through the age of fifty-nine (59), coverage is equal to four (4) times salary up to a maximum of \$500,000. From age sixty (60) through the age of sixty-four (64), coverage is equal to three (3) times salary up to a maximum of \$500,000. From age sixty-five (65) through sixty-nine (69), coverage is two (2) times salary up to a maximum of \$500,000. From age seventy (70) and over, coverage is one and thirty-five hundredths (1.35) times salary up to a maximum of \$500,000. This is an Air District paid program.

Additional Life - The coverage is equal to two (2) times the employee's annual salary up to a maximum of \$100,000. Employees may use FBA for premium payment.

Dependent Life - The coverage is equal to \$5,000 for each eligible dependent covered. Employees may NOT use FBA for premium payment.

Life insurance payroll deductions are taken twice per month, for a total of twenty-four (24) deductions per calendar year, regardless of the bi-weekly payroll schedule.

12. Long Term Disability (LTD)

The Air District provides LTD coverage which equals sixty-six (66)-two-thirds percent (2/3%) of salary for any on or off the job disability, up to a maximum of \$6,500 per month. This is an Air District paid program.

13. State Disability Insurance (SDI)

The Air District adheres to SDI coverage including sick leave integration for non-industrial illness or injury. Employees contribute one point three percent (1.3%) of salary. The employee contribution is subject to changes by the State of California. Participation is mandatory.

State Disability Insurance payroll deductions are taken biweekly.

14. Tuition Reimbursement and Professional Development Program

The Air District reimburses up to a maximum of \$2,000 per fiscal year for job related educational pursuits and up to a maximum of \$1,500 per fiscal year for skills enhancement pursuits.

The Air District offers student loan repayment assistance in amounts up to \$1,000 per year, per employee. The program is administered on a first-come, first-served basis.

Each of the above programs is limited to \$10,000 in total reimbursement per fiscal year.

15. Money Purchase Pension Plan

Effective July 1, 2026, the Air District contributes \$258.25 per month for each eligible employee. Adjustments in subsequent years to match increase in CPI-W.

16. Flexible Spending Account (Medical and Dependent Care)

The Air District provides a medical and dependent care reimbursement program, also known as a Flexible Spending Account (FSA) program, allows the employee to set aside pre-tax salary dollars to pay for eligible expenses for medical and dependent care. The plan year maximum will be based on IRS regulations. Participation is optional. FSA payroll deductions are taken twice per month, for a total of twenty-four (24) deductions per calendar year, regardless of the bi-weekly payroll schedule.

17. Paid Holidays

Management and Confidential employees receive the following fourteen (14) paid holidays:

| | |
|-------------------------------|---|
| New Year's Day | 1 st (First) day of January |
| Martin Luther King's Birthday | 3 rd (Third) day of January |
| Lincoln's Birthday | 12 th (Twelfth) day of February |
| Washington's Birthday | 3 rd (Third) Monday of February |
| Farmworkers' Day | 31 st (Thirty-first) day of March |
| Memorial Day | Last Monday of May |
| Juneteenth | 19 th (Nineteenth) day of June |
| Independence Day | 4 th (Fourth) of July |
| Labor Day | 1 st (First) Monday of September |
| Indigenous Peoples' Day | 2 nd (Second) Monday of October |
| Veterans Day | 11 th (Eleventh) day of November |
| Thanksgiving Day | 4 th (Fourth) Thursday of November |
| Day After Thanksgiving | 4 th (Fourth) Friday of November |
| Christmas Day | 25 th (Twenty-fifth) of December |

Management employees receive seventy-two (72) hours of floating holiday each year on July 1. Confidential employees receive forty (40) hours of floating holiday. The Air District shall grant each Management employee (including Management employees in LTCE positions) 72 hours of floating holiday and each Confidential employee (including Confidential employees in LTCE positions) 40 hours of floating holiday. Except, any Management or Confidential employee who is hired after July 1st of the current fiscal year shall receive a prorated portion of the total floating holiday hours based upon the remaining months for that fiscal year. For purposes of prorating, any Management or Confidential employee whose hire date is between the 1st and the 15th of the month shall receive his/her prorated portion for that month. For purposes of prorating, any Management or Confidential employee whose hire date is between the 16th and the last day of the month shall not receive any prorated portion for that month. For example, a Management employee with a start date of January 1 would receive 36 hours of floating holiday but a Management employee with a start date of January 16 would receive 30 hours of floating holiday. Part-time Management or part-time Confidential employees shall receive a prorated amount of floating holiday as determined by the percentage of a full schedule.

Management and Confidential employees who were employed on or before July 1st of the fiscal year shall be credited with the total floating holiday hours on July 1st of the current fiscal year. Management and Confidential employees who were employed after July 1st of the current fiscal year shall receive the total prorated portion of floating holiday hours on their date of hire for that fiscal year.

Floating holidays must be used within the fiscal year they are credited. Floating holidays may not be carried forward into the following fiscal year. Unused floating holiday hours are not eligible for cash-out except upon termination for the Air District.

18. Annual Leave

Management and Confidential employees shall earn annual leave at the following accrual rates:

| Years of Service | Accrual Rate per Pay Period |
|-------------------------|------------------------------------|
| Less than 3 years | 3.69 |
| 3 to 5 years | 4.64 |
| 5 to 10 years | 5.52 |
| 10 to 20 years | 6.48 |
| 20 to 25 years | 7.69 |
| More than 25 years | 9.23 |

Annual leave will accrue beginning on an employee's first day of employment but cannot be taken until the successful completion of six (6) months of service.

The maximum allowable accumulation of annual leave is four hundred-sixty (460) hours. Once an employee reaches the annual leave accumulation maximum, leave accruals will cease until the balance is reduced and remains below 460 hours.

Once per calendar year, employees may cash out unused annual leave in excess of 160 hours up to a maximum of 40 hours per calendar year.

19. Management Leave

Management employees receive eighty (80) hours of management leave (in lieu of overtime) at the beginning of each fiscal year. Any unused portion must be cashed out by June 30th of each fiscal year.

An additional forty (40) hours of management leave at the beginning of each fiscal year will be provided to the Executive Officer/APCO, General Counsel, Principal Deputy Executive Officer, Assistant Deputy Officers, and Deputy Executive Officers. Any unused portion must be cashed out by June 30th of each fiscal year.

Unused management leave cannot be carried forward to the following fiscal year.

20. Sick Leave

Management and Confidential employees earn three point sixty-nine (3.69) hours of sick leave per pay period.

21. Workers' Compensation Leave

The Air District provides Worker's Compensation coverage for industrial injury or illness. The Air District provides full salary continuation for the first ninety (90) days from the date of injury or illness for claims accepted by the Workers' Compensation carrier.

22. Other Leave(s)

Management and Confidential employees are entitled to the following leaves: Benevolent Leave Fund, Bereavement Leave and leave for Jury Duty. Additional information regarding these leaves may be found in the Air District's Personnel Policy Manual.