

## SDCRAA HUMAN RESOURCES STANDARDS AND PROCEDURES

Section:	<b>Compensation and Benefits</b>
Standard:	<b>BENEFITS COVERAGES AND ELIGIBILITY</b>
Section #:	C-9
Effective:	June 24, 2008, updated May 3, 2010

See Also:	Categories of Employment; Time-Off Benefits (All); Family and Medical Leave; COBRA
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### **GENERAL STANDARD**

The Authority offers eligible employees a comprehensive benefits program designed to meet an array of employee needs. Offerings include, but are not limited to, health and welfare plans, time off, deferred compensation, and programs complementing retirement planning.

### **SPECIFIC STANDARDS**

Employees are eligible to participate in the Authority’s benefits programs as follows:

Full-time employees (40 hours per week)	<ul style="list-style-type: none"> <li>• All benefit programs</li> <li>• Paid time-off benefits</li> </ul>
Limited Term employees** (40 hours per week)  **effective 4/1/10 and later; individuals hired prior to this date received a different benefits program – see HR for details	<ul style="list-style-type: none"> <li>• Time-off benefits</li> <li>• Health and Welfare benefits</li> <li>• Statutory benefits</li> <li>• Other Benefits</li> <li>• Deferred Compensation 457 plan</li> </ul>
Part-time employees (Average of 1560+ hrs per calendar year)	<ul style="list-style-type: none"> <li>• Paid time-off benefits (pro rata)</li> <li>• Health and Welfare benefits</li> <li>• Statutory benefits</li> <li>• Other Benefits</li> <li>• Voluntary Benefits (Supp Life, Supp AD&amp;D, LTC, 457 Deferred Compensation)</li> </ul>

Part-time employees (less than 30 hours per week)	<ul style="list-style-type: none"> <li>• Paid time-off benefits (pro rata)</li> </ul>
Temporary staff	<ul style="list-style-type: none"> <li>• Not eligible for benefits</li> </ul>

Employees participate in the Authority’s benefits for which they are eligible beginning on:

- Full Time and Limited employees:
  - The first day of employment to receive time-off benefits. (See ***Paid Time Off*** Standard for specific details.)
  - The first day of the month following the date of employment to participate in health and welfare benefits and deferred compensation plans, subject to the terms and conditions of the plans.
- Eligible part-time employees will be provided “core” benefits. These benefits may vary from year to year and are the same as for full-time employees (including costs, credits and waiver of coverage). Eligibility begins on the first day of the calendar quarter upon completing one year of active service, provided the part-time employee has worked at least 1560 hours. Coverage will be canceled for part-time employees who fail to work 1560 hours in any calendar year. Employees will become eligible or reinstated the first of any calendar year that this requirement is met.

Employees may continue to participate in the Authority’s welfare benefits plans while on leaves of absence, subject to:

- The terms and conditions of the plans;
- Any limitations imposed by the Authority’s insurance carriers for such plans;
- The employee making any required contributions toward the cost of the plans or coverage during any period of the employee’s leave.

The Authority offers domestic partners of Authority employees equal access to employee benefits programs, including health and dental plans, the Employee Assistance Program (EAP), Catastrophic Illness/Injury Leave Donation Program, and bereavement leave/family illness benefits.

To obtain these benefits, an employee and his/her domestic partner must meet certain provisions as contained in law and defined in the benefit plan descriptions. The employee may obtain additional information from the Human Resources Benefits Analyst.

The Authority reviews its benefits program annually and modifies the program as necessary.

While the Authority presently provides various benefits plans, it reserves the right to change or even terminate the plans, in whole or in part, at its option in accordance with applicable law.

## ***GUIDELINES***

The Authority's benefits programs, some of which are optional, includes the following:

1. Time-off benefits, including PTO, observed holidays and other time-off benefits
2. Health and Welfare benefits, including:
  - Health Care
  - Dental Care
  - Vision Care
  - Life Insurance
  - Accidental Death and Dismemberment Insurance
  - Short-Term Disability
  - Long-Term Disability
  - Dependent care reimbursement account under IRS Code Section 125
  - Health care reimbursement account under IRS Code Section 125
3. Statutory benefits, including:
  - Social Security or FICA
  - Unemployment insurance

- Workers' compensation
4. Other benefits, including:
- Employee Assistance Program
  - Long Term Care
5. Retirement benefits, including:
- Defined Benefit Plan administered by the San Diego City Employees' Retirement System ("SDCERS")
  - Deferred Compensation plan(s) under IRS Code Section 401 and 457
  - 1<sup>st</sup> Generation Retiree Health & Welfare Program for Service Retirees hired prior to May 1, 2006 (non-represented) or October 1, 2008 (represented)
  - 2<sup>nd</sup> Generation Retiree Health VEBA Account for employees hired after May 1, 2006 (non-represented) or October 1, 2008 (represented)

If employees have questions regarding the Authority's benefit programs or about the coverages offered under each plan, refer them to the Human Resources Department Benefit Analyst for more detailed information regarding eligibility terms and conditions under each of the plans. Managers must not offer opinions, provide recommendations or advice, or interpret benefit provisions or any other terms and conditions of the benefit plans.

## ***PROCEDURES***

New employees receive detailed information on their benefits as a part of the new hire orientation process.

In the fall of each year, the Authority conducts an annual benefits open enrollment period during which employees are permitted to make benefits election decisions for the coming Plan Year.

To obtain domestic partner benefits, an employee is required to submit certain documents:

1. An Affidavit of Domestic Partnership signed and dated by both the employee and their domestic partner.
2. A valid California driver's license or identification card for both the employee and the domestic partner. The addresses on the respective licenses or identification cards must match one another and be the same as the employee's address of record with the Authority. The affidavit and benefit applications cannot be processed until all addresses are consistent with one another.
3. An employee is not required to enroll in a health and /or dental plan in order to file an Affidavit of Domestic Partnership. The Affidavit may be filed at any time. However, if the employee wishes to enroll his/her domestic partner and/or the employee's dependant children in a health or dental plan, s/he may do so only at specified times:
  - Within 30 days of the employee's employment date, or upon returning from a non-pay status in which the employee did not make direct payments, resulting in cancellation of benefits;
  - During an Authority annual Open Enrollment Period; or
  - Within 30 days of an employee and his/her domestic partner meeting the domestic partner definition.
4. If an employee chooses to enroll a domestic partner in a health plan, the employee will be responsible for paying income taxes, in accordance with IRS regulations, for domestic partner coverage on the additional amount of health care subsidy paid by the Authority. Any questions regarding the tax consequences of adding a domestic partner to an employee's benefits should be directed to a tax professional. Note: Tax regulations may change from time to time, so the Human Resources Benefits Specialist should be contacted for information.

If a manager becomes aware of a change in an employee's benefits eligible dependent status, the manager should remind the employee to contact the Human Resources benefits specialist *promptly* to discuss the employee's benefits situation.

Status changes such as marriage, birth or adoption of a child, divorce or legal separation, etc., may affect either the employee's need or eligibility for certain benefits or the benefits of their covered dependents in accordance with COBRA rights or any applicable law.

1. Typically, to be eligible to add or delete eligible dependents or to make other permitted changes to benefits elections, employees must notify the Human Resources benefits specialist within thirty (30) days of the "qualifying event" (e.g., the date of marriage, birth of a child, etc.).
2. There are federally regulated timeliness requirements the Authority must meet in notifying employees' eligible, covered dependents of their rights to COBRA continuation coverage when health care coverage would otherwise be lost as a result the employee's loss of health care benefits or if due to the death, divorce, or legal separation.
3. If an employee and his/her domestic partner no longer meet all of the above requirements, the employee must notify the Authority within thirty (30) days by filing a Statement of Termination of Domestic Partnership with the Human Resources Department's Benefits Specialist.

Failure of the employee to provide proper notification to remove an ineligible domestic partner from an employee's benefits plan may result in the following penalties:

- The employee may be required to repay any subsidy paid by the Authority for the ineligible domestic partner's benefits; and
  - The domestic partner may not be offered an opportunity to continue coverage in the benefits plan at his/her own expense as provided for under COBRA and any applicable state law.
4. An employee may not file another Affidavit of Domestic Partnership for a minimum of six (6) months after filing a Statement of Termination of the previous domestic partnership.

Managers are to refer employees who are taking leaves of absence to the Human Resources Department's Benefits Specialist to discuss benefits continuation during their leave periods.

Managers must direct terminating employees to the Human Resources Department's Benefits Specialist to discuss COBRA health care continuation coverage and any permitted conversion of group plan benefits to individual coverage.

The following serve as additional references for the Authority's benefit plans:

- ***Paid Time Off, Observed Holidays*** and ***Paid Time-Off*** Standards;
- ***Employee Assistance Program*** Standard;

Summary Plan Descriptions are available from a human resources representative describing the Authority's benefit plans for:

- Health care
- Dental care
- Vision care
- Life insurance
- Accidental death and dismemberment insurance
- Short-term and long-term disability
- Dependent care reimbursement account
- Health care reimbursement account
- Deferred compensation