

Exhibit A

**POLICY OF THE
COUNTY OF SAN LUIS OBISPO
FOR CONTINUATION OF COUNTY CONTRIBUTION
TO CAFETERIA PLAN
FOR COUNTY EMPLOYEES ON LEAVE OF ABSENCE**

THIS POLICY of the Board of Supervisors of the County of San Luis Obispo applies to all County employees who are on an approved leave of absence pursuant to County Code Chapter 2.44.

1) For a County employee who is on an approved leave of absence without pay, which leave is subject to the Federal Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA), the County shall, when required to do so by the FMLA and/or CFRA; make, for each of the first twelve (12) weeks of leave, any then-existing County contribution which is used to maintain the employee's County-sponsored health, dental and/or vision benefits under a San Luis Obispo County Cafeteria Plan. In this regard, the County is not required by said FMLA and/or CFRA to make, and therefore the County shall not make, any contribution under any said Cafeteria Plan, for said twelve (12) week period, which contribution is necessary to provide to the employee any benefits other than County-sponsored health, dental and/or vision benefits for which the employee would be otherwise eligible under said Cafeteria Plan. For said twelve (12) week period, in order for a County employee to receive benefits under said Cafeteria Plan in addition to health, dental and/or vision benefits, the employee must use not less than 20 hours per week of accrued paid leave time as provided for under paragraph No. 2) and/or paragraph No. 3) below in this Policy.

2) For a County employee who is on an approved leave of absence and who has available a paid leave balance, for:

Vacation (County Code 2.44.050) and/or
Annual Leave (County Code 2.44.070(i)) and/or
Sick Leave (County Code 2.44.060) and/or
Administrative Leave (County Code 2.44.055) and/or
Compensating Time Off (County Code 2.44.030(g)),

said employee shall be eligible to request to use said paid leave balance, at the rate of not less than 20 hours per week, for the purpose of inducing the County to make any then-existing County contribution which is necessary to maintain the employee's benefits (both including and other than health, dental and/or vision benefits) under a San Luis Obispo County Cafeteria Plan. A County employee desiring to make such a request shall do so by giving written notice to the employee's department head. For each week that the employee uses not less than 20 hours of the employee's available paid leave balance, the County shall make these contributions to a County Cafeteria Plan on behalf of the employee.

3) For a County employee who is on an approved leave of absence due to an injury or illness covered by Workers' Compensation or who is eligible for and receiving State Disability Insurance benefits, if such employee has available a paid leave balance as described under paragraph No. 2) above in this Policy, the employee shall be eligible to use said paid leave balance, for the purpose of inducing the County to make any then-existing County contribution which is necessary to maintain the employee's benefits under a San Luis Obispo County Cafeteria Plan. The hours of said paid leave balance will be individually determined for each employee based on the employee's Workers' Compensation or State Disability Insurance benefit in relation to the employee's rate of pay. Employees who are eligible for and receiving State Disability Insurance benefits, who do not have an available paid leave balance as described in paragraph No. 2 above in this Policy, or who elect not to coordinate said paid leave balance in coordination with the State Disability Insurance benefit, will not receive the County's contribution to the Cafeteria Plan (except for County-sponsored health, dental and/or vision benefits) as provided by FMLA.

Any County employee aggrieved by application of this policy shall utilize the Grievance and Appeals Procedures found in San Luis Obispo County Civil Service Rule 4.05, The Appeals/Grievance Process. The final and binding decision will be made by the Board of Supervisors per Step 5 of the Process.

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County employees are covered by the Federal Family and Medical Leave Act (FMLA) and the State California Family Rights Act (CFRA). These Acts require the County to provide a limited period of unpaid leave in certain defined situations such as serious illness of the employee or an employee's immediate family member. Supervisors should ensure that FMLA and CFRA requirements have been met when dealing with cases of excessive absenteeism. The County has every right to expect consistent attendance from employees. However, the FMLA and CFRA are designed to protect the employment of employees with a serious health condition or who need to care for a new child or a sick parent.

**SAN LUIS OBISPO COUNTY
FAMILY LEAVE POLICY**

San Luis Obispo County currently provides several options for employees to take a leave of absence both with and without pay. Many of these leaves of absence are governed by County Code. The provisions for Family Leave are governed by overlapping State and Federal Laws. (Federal Family and Medical Leave Act - FMLA; State California Family Rights Act - CFRA) All requests for leave of absence of five (5) working days or more must be in writing on the County's "Request for Leave of Absence" form. A Family Leave of absence of less than twenty (20) working days must receive prior approval by the Employee's Department Head. Requests of twenty (20) working days or more require prior approval of the Department Head and the County Administrative Officer. Employees should direct questions regarding Family Leave to the Personnel Department, as this Policy does not include all of the complex laws and regulations governing the many provisions of Family Leave. Employees should remember that a leave without pay does not count as hours worked, and therefore, will affect time-in-service/seniority points, layoff status, and the accrual of Pension Trust service credit.

FAMILY LEAVE

Permanent County employees who have completed twelve months of service are eligible to apply for Family Leave. Employees must have worked a minimum of 1250 hours of service in the 12-month period immediately preceding the leave. Whenever possible, Family Leave should be requested with 30-day advance written notice, and departments may require verification of the employee's stated reasons for requiring leave. Family Leave may be taken for the following reasons:

1. Serious illness of the employee
2. Birth of a child of an employee
3. Adoption of a child by an employee
4. Placement of child with the employee for foster care
5. Serious illness of a child of an employee
6. Leave to care for a parent or spouse who has a serious health condition

The maximum Family Leave provided by law is 12 working weeks in a 12-month period. Family Leave may be taken intermittently or on a reduced leave schedule under certain circumstances. The 12-month period shall be measured forward from the date an employee uses Family Leave. During the 12-week period of Family Leave, whether the employee elects to use paid sick leave, vacation days, compensatory time off or unpaid leave, the Federal Family and Medical Leave Act (FMLA) provides that the County will continue to pay any then-existing County cafeteria plan contribution which goes directly to County-sponsored health plans for insurance coverage premiums. However, Federal Law does not require the County to pay any cafeteria plan contributions which are then available to the County employee as a cash-out. The County shall not make any such cash-out contributions unless the employee elects to code a minimum of 20 hours of accrued paid leave time per week. This provision for 12 weeks of continued insurance coverage for both paid and unpaid leave time is for Family Leave only.

The maximum Family Leave provided by law for birth, adoption or foster placement of a child, where a husband and wife are both employed by the County is limited to an aggregate of 12 working weeks. Additional leave time up to the individual twelve week maximum may be approved based on a serious health condition of one of the employees or of the child, parent or spouse of that employee.

Current County Rules which govern paid leaves will continue to apply in conjunction with Family Leave. For example, a male employee is currently eligible for a maximum of five days of paid sick leave for the birth of a child. That same employee requesting 12 weeks of unpaid Family Leave for the birth of a child would continue to be limited to five paid sick leave days in that 12 weeks. Federal law gives the County the option to designate both paid and unpaid leave time which meets the defined criteria as Family Leave. This will be important in determining the total leave period which is legally available to each employee.

PREGNANCY LEAVE

The Federal Family Leave Act provides for up to 12 weeks of leave to a female employee for the birth of her child. Other State and Federal laws govern the provisions of Pregnancy Leave. A female employee may use Pregnancy Leave in conjunction with Family Leave to a maximum total leave time allowed under Federal and State Law. In all cases, the maximum possible combined statutory leave entitlement for a female employee is four months and 12 working weeks. The County will maintain the health insurance premium contribution only for the first 12 weeks (FMLA) portion of a combined Pregnancy Disability/Family Medical Leave Act leave.

UNPAID LEAVE: MAINTENANCE OF BENEFITS - HEALTH CARE COVERAGE

As stated above, for an employee on unpaid Family Leave, the County will continue to pay to the County's Cafeteria Plan for the County-approved (PERS) health care plan and dental and vision plans, under which the employee has coverage, the same amount that the employee would have been entitled to have paid if the employee had continued at work. The employee will continue to be responsible for any premiums that are currently deducted from pay, over and above the County contribution. The County will continue this payment only for the 12-week period of approved Family Leave. After the 12 weeks of Family Leave, any employee who continues to be on an approved leave of absence will be responsible for coding a minimum of 20 accrued leave hours per week to continue receiving the County contribution towards health, dental and vision premiums. Alternately, the employee may arrange with the Auditor-Controller to pay the entire amount of the premiums required to maintain health, dental and vision care coverage.

If the employee does not have coverage under one of the County approved (PERS) health care plans, then the County has no obligation to pay, and will not pay, any cafeteria plan amounts to the employee in the form of cash-out during the period of unpaid Family Leave. However, the County will continue to pay the premiums for the County-sponsored vision and dental plans during the 12-week Family Leave period. Employees who want to continue receiving a cash-out during Family Leave, or any other approved leave, must code a minimum of 20 hours of accrued leave per week.

There is an opportunity for any employee who is on Family Leave to use the employee's accrued paid leave (Sick Leave and/or Vacation) toward the payment of the employee's additional premium obligation. Moreover, the County permits employees who are on any approved leave of absence, including Family Leave, to use **not less than 20 accrued leave hours per week** in order to continue to qualify to receive the County's contribution which is taken as cash-out.

- * For an employee who is on unpaid Family Leave, the County will, for the 12 weeks of such leave, continue the County's contribution which is paid directly to the County-sponsored health, dental and vision plans.
- * After the 12 weeks of approved Family Leave, an employee who continues to be on an approved leave of absence may elect to use not less than 20 hours per week of the employee's accrued Sick Leave or Vacation in order to have the County continue to make the County's contribution towards maintenance of county-sponsored health, dental and vision plan coverage.
- * Employees who have waived County-sponsored medical coverage or employees who have a cash-out in excess of the insurance contribution must code not less than 20 hours per week of accrued leave during the entire period of Family Leave (or any other approved leave) in order to continue receiving a cash-out.
- * Employees who do not have sufficient leave hours to meet the minimum coding requirement must pay the entire cost of the health, dental and vision care premiums. The employee must arrange for the payment of premiums through the office of the County Auditor-Controller.

LEAVE OF ABSENCE: COORDINATION WITH OTHER INSURANCE

Many County employees currently participate in the State Disability Insurance Program (SDI) and may be eligible to receive SDI benefits while on Family Leave. (e.g. illness of employee or pregnancy). These employees will usually have accrued County-paid time coordinated with SDI benefits. The SDI Program is regulated and administered by the State, and applications for benefits may be obtained at Risk Management or the State Employment Development Department (EDD).

LEAVE OF ABSENCE: PENSION TRUST

County employees are responsible for making their own arrangements with the San Luis Obispo County Pension Trust for the purchase of Pension Trust Service Credit during the time the employee is on any approved leave of absence without pay.

VOLUNTARY TIME OFF PROGRAM

The Voluntary Time Off Program (VTO) is a special Program established by the Board of Supervisors to assist departments in meeting their budget goals. VTO time may not be used in lieu of or in conjunction with Family Leave as described above. VTO time is limited to 120 hours per fiscal year and is taken only with department head approval in order to reduce departmental salary costs.

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