

AMENDED SIDE LETTER TO THE
2006-2009
MEMORANDUM OF UNDERSTANDING

BETWEEN

SEIU, LOCAL 1997

AND

THE COUNTY OF RIVERSIDE

The parties hereto agree to the following side letter to the 2006-2009 Memorandum of Understanding (MOU) between SEIU and the County:

1. **Add** to Article VI – GENERAL PERSONNEL PROVISIONS, the following new section:

Section 7. Post Employment Health Savings Plan Voluntary Employee's Beneficiary Association (VEBA)

A. Effective Date The plan is effective on January 1, 2007 for employee retirement (as defined by the agreement between County of Riverside and CALPERS) that occurs on or after December 7, 2006.

B. Eligibility Employees are plan participants if they have five or more years of County of Riverside service, and who at the time of retirement (as defined by the agreement between County of Riverside and CALPERS) are employed in a collective bargaining unit whose agreement provides for participation in the plan.

C. Plan Benefits Participants will have a mandatory contribution made to the VEBA for qualifying leave balances as soon as administratively possible upon retirement. Qualifying leave balances include vacation, extra vacation, annual leave, and sick leave accruals, subject to the following:

Sick Leave:

(i). For participants retiring with at least five (5) but less than 15 years of service, unused accumulated sick leave shall be paid into the VEBA at the rate of fifty percent (50%) of the participant's current salary value. Under no circumstance shall payment for sick leave exceed the lesser of 50% of the participant's unused accumulated sick leave or 960 hours of full pay.

(ii). For participants retiring with 15 or more years of service, unused accumulated sick leave shall be paid into the VEBA at the rate of the current salary value. Under no circumstance shall payment for sick leave exceed 960 hours of full pay.

Vacation and Other Qualifying Leave:

Unused accumulated vacation and other qualifying leave shall be paid, at the rate of the participant's current salary value into the VEBA.

2. **Amend** Article VII, Section 1 (E) as follows:

E. Payout for Sick Leave.

(1) Payout upon death. Upon death of an employee or officer, and subject to the provisions of any applicable agreement between the employing agency and the Public Employee's Retirement System, unused accumulated sick leave shall be paid for at the rate of fifty percent (50%) of the current salary value thereof for each such person who has had five full years of service in a payroll status provided, however, that the total payment shall not exceed a sum equal to 960 hours of full pay. Payment resulting from death shall be made to the persons entitled to otherwise, in accordance with the Probate Code.

(2) Pre-Retirement Cash Out of Accumulated Sick Leave. In contemplation of service retirement or disability retirement of an employee or officer the following pre-retirement cash out option is available:

(a) Effective Date. The pre-retirement cash out option is effective for employee retirement (as defined by the agreement between County of Riverside and CALPERS) that occurs on or after December 7, 2006.

(b) Eligibility. Employees are eligible for the pre-retirement cash out option if they have five or more years of County of Riverside service, and who at the time of their election are employed in a County bargaining unit whose agreement provides for the pre-retirement cash out option.

(c) Election. Qualifying employees have a **one-time election** to cash out a portion of their accrued sick leave balances, up to the limits explained below. Such an election must be made no later than six (6) months prior to retirement (as defined by the agreement between County of Riverside and CALPERS). Notwithstanding the above, such an election may be made within six (6) months prior to retirement if the retirement occurs prior to April 30, 2007.

(d) Sick Leave Cash Out. Sick Leave balances may only be cashed out in the event of the participant's planned retirement **and** if the participant executes a valid election as described at (c) above.

(i) For employees retiring with at least five (5) but less than 15 years of service, at the employee's election, unused accumulated sick leave shall be paid at the rate of fifty percent (50%) of the employee's current salary value. The total payment shall not exceed a sum equal to 960 hours of full pay.

(ii) For employees retiring with 15 or more years of service, at the employee's election, unused accumulated sick leave shall be paid at the rate of one hundred percent (100%) of the employee's current salary value. The total payment shall not exceed a sum equal to 960 hours of full pay.

(e) Refund Requirement. Employees who elect a pre-retirement cash-out of accumulated sick leave under this option, but who do not subsequently retire (as defined by the agreement between County of Riverside and CALPERS) shall repay to the County of Riverside any amount of cashed-out sick-leave. If such payment is not made in a lump sum within two weeks of when the repayment becomes due then it is agreed that the remaining amount due shall be made by way of payroll deduction. Such employees are permitted to again make a valid cash-out election no later than 6 months prior to retirement.

(3) Forfeiture. Unused accumulated sick leave balances are forfeited in the event a participant terminates employment for any reason other than retirement.

(4) Reduction. The value of the participant's unused sick leave will be reduced by the balance of any amount owed by the participant to the County of Riverside.

3. **Delete** from Article VII, Section 1 the following:

F. Post Employment Plan: Effective pay period beginning July 8, 2004 (pay date August 4, 2004), for each regular employee covered under this Memorandum of Understanding who is separating from County employment, the County shall provide a Post-Employment Plan wherein the payable value of qualifying final accrued leave balances will be deposited, up to the legal limit in a Special Pay Account and/or a VEBA (Voluntary Employee Beneficiary Association). Qualifying leave balances include annual leave, vacation, extra vacation, holiday balance, and the payable amount of sick leave. Compensation time for overtime is not a qualifying leave balance for the purposes of the Post Employment Plan. Special Pay Accounts are tax-deferred investment funds. The employee may also elect to place some or all of the funds into a VEBA account which may be used for future health care costs, in lieu of the Special Pay Account. A participant fee is charged for VEBA accounts. Qualifying leave balances of a separating employee who does not make an election will default to a Special Pay Account.

4. **Amend** Article VIII, Section 1, as follows:

B. Any person whose employment is terminated (**not including retirement**) shall be entitled to pay for all earned vacation as determined under the provisions of this Memorandum. For the purpose of this paragraph, vacation shall be deemed earned to the date of termination. While such terminal vacation pay shall be chargeable to the salary appropriation of the department, the position shall be deemed vacant and may be filled provided funds are available therefore. If sufficient funds are available, terminal vacation pay may be paid in full in advance at the time of termination; otherwise, all or part thereof may be paid at the same time as if it were regular compensation and the employee had not been terminated.

5. **Add** to Article VIII – Vacation, the following new section:

Section 2. Pre-Retirement Cash Out of Accumulated Vacation Leave. In contemplation of service retirement or disability retirement of an employee or officer the following pre-retirement cash out option is available:

A. Effective Date. The pre-retirement cash out option is effective for employee retirement (as defined by the agreement between County of Riverside and CALPERS) that occurs on or after December 7, 2006.

B. Eligibility. Employees are eligible for the pre-retirement cash out option if they have five or more years of County of Riverside service, and who at the time of their election are employed in a County bargaining unit whose agreement provides for the pre-retirement cash out option.

C. Election. Qualifying employees have a **one-time election** to cash out a portion of their accrued vacation leave, extra vacation, and/or annual leave balances, up to the limits explained below. Such an election must be made no later than six (6) months prior to retirement (as defined by the agreement between County of Riverside and CALPERS). Notwithstanding the above, such an election may be made within six (6) months prior to retirement if the retirement occurs prior to April 30, 2007.

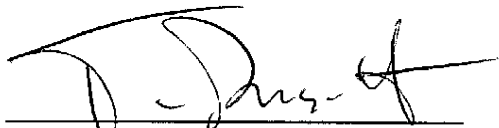
D. Vacation Cash-Out. At the employee's election, unused accumulated vacation leave shall be paid at the rate of the employee's current salary value to a maximum of 480 hours of full pay. In addition, the employee may elect to receive up to the full value of any accrued extra vacation or annual leave, which shall be paid at the rate of the employee's current salary value.

E. Reduction. The value of the participant's unused vacation leave will be reduced by the balance of any amount owed by the participant to the County of Riverside.

Notwithstanding the above, the increased payout of accrued sick leave for employees who retire with fifteen or more years of service is effective September 12, 2006.

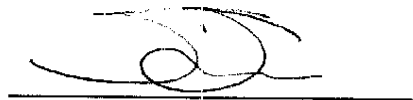
Signed this 11th day of January 2007, at Riverside, California.

For Riverside County



TOM PRESCOTT
HR Division Manager

For SEIU, Local 1997



LINDA LOVE
Staff Representative