

CHAPTER THREE: PERSONNEL POLICIES

SUBCHAPTER 3.05: BENEFITS

3.05.010 Eligibility

(a) *Employees and Dependents.* Eligibility of employees and dependents is prescribed by the governing contract between the Town of Colma and the insurance provider and the provisions of this Subchapter.

(b) *Employees Not Eligible.*

- (1) Temporary and casual employees are not eligible for the benefits described in this Subchapter except where required by federal and state law, by a contract with the employee, or as expressly provided in this Subchapter.
- (2) An eligible employee who works less than their normally scheduled hours or who is on an unpaid leave of absence will be responsible for paying a pro-rata share of the Town's contribution toward his or her benefits, except where required by federal and state law, by a contract with the employee, or as expressly provided in this Subchapter.
- (3) Individual insurance providers may exclude otherwise eligible employees from eligibility.

(c) *Retired Employees.*

- (1) A retired employee is entitled to paid medical and hospital benefits as set forth herein only if he or she qualifies as an Annuitant.
- (2) The term "Annuitant" means a person of retirement age, who has had at least five years of service credit, who has retired with an effective date that is within 120 days of separating from Town service, and who is receiving a retirement allowance under a contract between the Town and CalPERS, or a surviving family member, as defined by CalPERS, who is receiving the retirement allowance in place of the deceased member.

(d) *Represented Employees.* Unless stated otherwise herein, the Town shall pay medical and hospital, and dental benefits for a member, or an Annuitant who was a member, of the Colma Peace Officers Association or the Colma Police Communications/Records Association as provided in the Memoranda of Understanding between the Town and the applicable employee organization and for which the retired employee is eligible and enrolls.

(e) *Council Members.* Council Members are eligible for all benefits provided to non-safety employees except as prohibited or limited by law on the same terms as are applicable to non-safety employees as set forth in this Subchapter 3.05.

(f) *Retired Council Members*

- (1) A retired Council Member is entitled to paid medical and hospital benefits only if they qualify as an Annuitant and only on the same terms as are set forth in Section 3.05.030.
- (2) A retired Council Member who was first elected to office before January 1, 1995 may be entitled to dental benefits. Each case must be examined to determine if all statutory requirements have been met.

(g) *Registered Domestic Partner.* A Registered Domestic Partner is entitled to all benefits that are granted to a spouse, e.g., medical, dental and disability insurance, pension, and death benefits for surviving spouses.

[Reference: GOV'T CODE §§ 22754, 22760, 22775, 53201]

[History: Res 2010-13, 4/14/10; Res 2017-10, 2/8/17]

3.05.020 Regulations

The City Manager may establish reasonable rules and procedures for implementing this Subchapter, including cutoff dates by which an employee shall make an election for participating in any benefit plan.

3.05.030 Medical and Hospital Insurance

(a) Medical and hospital care benefits are provided to eligible employees under the provisions of the California Public Employees Medical and Hospital Care Act (PEMHCA). The following persons are eligible to participate in the Town's medical and hospital insurance for themselves and all eligible dependents in accordance with the terms of the medical and hospital insurance policy or policies provided under PEMHCA and pursuant to the terms set forth in this Subchapter 3.05: regular employees, probationary employees, Council Members, and Annuitants (as defined in 3.05.010(c)(2)).

(b) Medical and Hospital Insurance Benefits:

(1) PEMHCA Minimum Contribution

The Town contracts with PERS pursuant to the Public Employees Medical and Hospital Care Act (PEMHCA) for the purpose of providing eligible employees, dependents and Annuitants with access to medical insurance. The Town shall revise its current PEMHCA contract with CalPERS through the adoption of a new PEMHCA resolution to provide that the Town shall pay to PERS, on behalf of each eligible employee and Annuitant, a monthly employer contribution equal to the minimum contribution required under Section 22892(b)(2) of PEMHCA (PEMHCA Minimum). This amount is established by CalPERS and may change annually. Annuitants will receive the PEMHCA Minimum regardless of hire date.

Supplemental benefits will be provided to eligible employees and Annuitants in accordance with the terms set forth in paragraphs (2), (3) and (4) below.

(2) Supplemental Benefit for Eligible Employees

The Town offers an Internal Revenue Code Section 125 Plan (Plan) which contains premium conversion, health care reimbursement and dependent care reimbursement as available benefits. The availability of the Plan is contingent on compliance with state and federal rules and regulations. In addition to the PEMHCA Minimum which will be paid by the Town directly to CalPERS, eligible employees will receive a contribution under the Plan equal to the full cost of the PERS health plan selected, for which they and their dependents are eligible and enrolled, minus the PEMHCA Minimum. This contribution is to be used to pay for premiums for Health Insurance Coverage through the Plan.

(3) Supplemental Benefit for Annuitants Originally Hired Before January 1, 2017

In addition to the PEMHCA Minimum, each Annuitant hired by the Town on or before December 31, 2016 is eligible for an Employer contribution, as set forth below, to be used for reimbursement of additional medical costs under a Retiree Health Reimbursement Arrangement (HRA) established by the Employer. Receipt of Reimbursements may be made through a third-party administrator and subject to administrative requirements.

(i) Annuitants Who Were Originally Hired Prior to July 1, 2012 (Tier A)

Annuitants hired by the Town prior to July 1, 2012 will receive a monthly HRA contribution equal to the monthly cost of the PERS health plan selected, for which they and their dependents are eligible and enrolled, minus the PEMHCA Minimum.

(ii) Annuitants Who Were Originally Hired on or after July 1, 2012 but on or before December 31, 2016 (Tier B)

Annuitants hired by the Town on or after July 1, 2012, but on or before December 31, 2016, who have five years of service with the Town and at least ten years of total PERS service credit, will receive an HRA contribution equal to the "applicable percentage" of the cost of the PERS health plan in which he or she and his or her dependents are eligible and enrolled.

The "applicable percentage" shall be determined on the basis of the Annuitant's years of service (with a minimum of five years of service with the Town) pursuant to the following vesting schedule:

CREDITED YEARS OF SERVICE		APPLICABLE PERCENTAGE
10		50%
11		55%
12		60%
13		65%
14		70%
15		75%

16		80%
17		85%
18		90%
19		95%
20 or More		100%

Notwithstanding the preceding service requirement, the contribution payable by the Town shall be equal to 100 percent of the cost of the PERS health plan in which they and their dependents are eligible and enrolled, on behalf of any Annuitant who retired for disability.

(iii) Retiree Health Benefit Preserved in Event of Reinstatement and Subsequent Retirement

In accordance with AB 410 (2013), as codified in Government Code Section 22838, an Annuitant eligible for retiree health benefits pursuant to Section (b)(3)(i) or (ii) who reinstates from retirement may, upon their subsequent retirement, elect to enroll in a health benefit plan approved or maintained by CalPERS as an Annuitant of the Town and receive the applicable benefit under Section (b)(3)(i) or (ii), if all of the following apply:

- (A) The subsequent retirement occurs on or after January 1, 2014;
- (B) The Annuitant is eligible for retiree health coverage through the Town prior to reinstatement from retirement;
- (C) The subsequent retirement occurs within 120 days of separation; and
- (D) The retiree health contribution available from the Town is higher than the retiree health contribution from the employer through which the subsequent retirement occurs.

To the extent that the Town's conversion to the PEMHCA Minimum causes the requirement at (D) above to fail and, as a result, the Annuitant enrolls in a PERS health benefit plan through the subsequent employer, the Town shall cause the difference between the total benefit described in Section (d)(3)(i) or (ii), as applicable, and the retiree health benefit to which he or she is entitled under the subsequent employer, to be paid to the Annuitant in the form of a reimbursement under the HRA of substantiated expenses for a PERS health insurance plan in which they are enrolled.

(4) Supplemental Benefit for Annuitants Hired on or After January 1, 2017

(i) Mandatory Participation - Members Hired on or after January 1, 2017

Eligible employees hired on or after January 1, 2017 receive a monthly Employer contribution to an individual account under the Retirement

Health Savings Plan (RHSP). The Town shall contribute to the Member's individual RHSP account an amount equivalent to two- and one-half percent (2.5%) of the Member's monthly base salary as shown in the Town's adopted salary schedule. The base salary for the initial month of service and final month of service shall be prorated based on actual base salary paid in those months.

The member shall contribute to the Members' individual RHSP account an amount equivalent to one- and one-half percent (1.5%) of the Members' monthly base salary as shown in the Town's adopted salary schedule. The base salary for the initial month of service and final month of service shall be prorated based on actual base salary paid in those months.

The Town's RHSP is administered by a third-party administrator selected by the Town. The design of the RHSP is intended to be a tax advantaged savings plan to be used exclusively for qualifying medical expenses during retirement.

(ii) Optional Participation - Members Hired Prior to January 1, 2017

Eligible employees hired prior to January 1, 2017 may exercise a one-time irrevocable election and waiver as defined in the RHSP Plan Document. Any Member who elects to receive the RHSP benefit shall receive the same benefit as described in Section (b)(4)(i) above and will no longer receive the benefits in Section (b)(3) above.

(c) An eligible person who has applied for Annuitant status shall continue to be eligible to receive paid medical and hospital insurance for 120 days after separation from employment from the Town provided that such person is diligently pursuing his or her retirement application.

(d) An eligible employee who provides the Town with proof of other group medical and hospital insurance may receive \$250 per month in lieu of medical and hospital insurance.

(e) A Council Member shall be required to enroll in a medical and hospital insurance plan provided under PEMHCA. However, this requirement shall not apply to a Council Member who the Town determines is covered through other group medical and hospital insurance. In such instance, the Town shall contribute \$250 per month toward a deferred compensation plan for the benefit of the Council Member as determined solely within the discretion of the Town.

[Reference: GOV'T CODE §§ 22750-22755, 22800-22826]

[History: Adopted by Res 2008-03, 2/13/08; Amended by Res 2014-04, 2/13/14; Res 2016-01, 1/13/16; Res 2017-10, 2/8/17; Res 2020-01, 1/8/20; Res 2021-44, 12/8/21; Res 2025-05, 2/12/25]

3.05.040 Dental Insurance

(a) The following persons are eligible to participate in the Town's dental insurance plan for themselves and all eligible dependents in accordance with the terms of the dental insurance

policy or policies provided by the Town: regular employees, probationary employees, Council Members and Annuitants except as set forth in (b) below.

(b) Notwithstanding the above, see section 3.05.010(d) for represented employees and (f)(2) for retired Council Members. In addition, a retired employee who was first hired prior to May 1, 2010, is entitled to the same Town-paid dental benefits as are provided to current miscellaneous employees, provided that they qualify as an Annuitant. A retired employee hired on or after May 1, 2010 is not entitled to Town-paid dental benefits.

(c) The Town shall contribute, for each eligible person, the amount necessary to pay the cost of their enrollment, including the enrollment of eligible dependents in the member's plan. An eligible person who has applied for Annuitant status shall continue to be eligible to receive paid dental insurance for 120 days after separation from employment from the Town provided that such person is diligently pursuing their retirement application.

3.05.050 Vision Plan

(a) The following persons are eligible to participate in the Town's vision plan for themselves and all eligible dependents in accordance with the terms of the plan provided by the Town: regular employees, probationary employees and Council Members.

(b) The Town shall contribute, for each eligible person the amount necessary to pay the cost of their enrollment, including the enrollment of eligible dependents in the member's plan.

3.05.060 COBRA

Under the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), the Town offers terminated employees and qualified dependents the option to continue group health plan coverage on a self-pay basis at group rates that would otherwise have been lost due to circumstances such as divorce or termination of employment.

[Reference: Public Law 99-272]

3.05.070 Life Insurance

(a) The following persons are eligible to participate in the Town's life insurance plan in accordance with the terms of the plan provided by the Town: regular employees, probationary employees and Council Members.

(b) The Town shall contribute, for each eligible person, the amount necessary to provide a \$50,000 life insurance policy. Benefits are reduced for covered participants at the age of 72.

3.05.080 Employee Assistance Program

(a) The Employee Assistance Program is a confidential way of obtaining professional help to reduce the impact of life and job problems for employees and their eligible dependents. The following persons are eligible to participate in the Town's Employee Assistance Program for themselves and all eligible dependents in accordance with the terms of the plan provided by the Town: regular employees, probationary employees and Council Members.

(b) The Town shall contribute, for each eligible person the amount necessary to pay the cost of their enrollment, including the enrollment of eligible dependents in the member's plan.

3.05.090 Long Term Care Program

(a) The Town participates in a Long Term Care Program sponsored by CalPERS. Any person eligible under the CalPERS plan may participate in the program.

(b) Contributions to this program are financed solely by eligible participants through payroll deductions.

3.05.100 Health Club

(a) All regular employees, probationary employees and Council Members who attend a health club at least four times a month are eligible to receive an annual reimbursement to offset the cost of an individual health club membership.

(b) Health club membership includes traditional gym membership, studio membership, and online fitness subscriptions

(c) The amount of the annual reimbursement is the employee's monthly dues up to a maximum of \$47 or the amount specified in a represented employee's Memorandum of Understanding.

(d) Reimbursement of health club dues is subject to federal and state income and payroll taxes. Participants are responsible for paying all applicable taxes.

3.05.110 Credit Union

(a) All employees, elected officials and their dependents are eligible to participate in the San Mateo County Employees Credit Union.

(b) All contributions are financed 100% by the employee.

3.05.120 Deferred Compensation

(a) The Town provides an option to any regular employee and Council Member to invest a portion of their present earnings in a deferred compensation plan on a pre-tax basis.

(b) Except as provided in the next paragraph, contributions to the program are financed solely by the participant, either through direct deposit or payroll deduction.

(c) For any regular, unrepresented employee and Council Member who participates in the Town of Colma's deferred compensation plan, the Town shall pay a sum equal to the amount withheld from salary by the participant and contributed to that participant's deferred compensation plan in an amount not to exceed one hundred dollars (\$100.00) per month. If the additional sum conferred by this benefit causes the participant's contribution to exceed the maximum amount allowed under federal law as deferred compensation, then such sum shall be reported as taxable income of the participant.

[Reference: *See*, Cal.Atty.Gen.Op. 2005-910]

3.05.130 Retirement Plan

(a) Retirement benefits are provided to eligible employees under the California Public Employees Retirement Law.

- (1) A local safety member of CalPERS is provided retirement benefits under the modified 3% @ 50 plan, 3% @ 55 plan, or 2.7% @ 57 plan, depending on eligibility; or
- (2) A local miscellaneous member of CalPERS is provided retirement benefits under the modified 2.5% @ 55 plan, 2% @ 60 plan, or 2% @ 62 plan, depending on eligibility.

(b) The Town shall contribute, for each eligible employee, the amount of the employer's contribution required by CalPERS. Each eligible employee shall contribute, by payroll deduction, the amount of the employee contribution required by CalPERS.

- (1) Employer and member contributions to the plan are mandatory.
- (2) Member contributions are paid pre-tax as prescribed by Internal Revenue Code section 414(h)(2).

(c) CalPERS administers the retirement plan and governs the distribution of funds upon member separation or retirement, as prescribed by law.

[Ref: Internal Revenue Code § 414(h)(2)]

[History: Adopted by Res 2008-03, 2/13/08; Amended by Res 2011-08, 4/13/2011;
Amended by Res 2014-04, 2/13/14]

3.05.135 Disability Retirement

(a) The City Council finds that the Town of Colma (hereinafter referred to as Town) is a contracting agency of CalPERS; the Public Employees' Retirement Law requires that a contracting agency determine whether an employee of such agency in employment in which he/she is classified as a local safety member is disabled for purposes of the Public Employees' Retirement Law and whether such disability is "industrial" within the meaning of such Law; and the City Council has determined that it may designate authority under Section 21173 of the Government Code to make such determinations to the incumbent of the office of City Manager.

(b) The City Council delegates to the incumbent of the office of City Manager authority to make determinations under Section 21152(c), Government Code, on behalf of the Town, of disability of all local safety member employees and whether such disability is industrial and to certify such determinations and all other necessary information to CalPERS.

[Reference: Gov't Code §§ 21151, 21152(c), 21154, 21157, 21173]

[History: Adopted by Res. 98-77, December 9, 1998; Added to Administrative Code by Res 2011-08, 4/13/2011; Amended by Res 2014-04, 2/13/14]

3.05.140 Social Security

- (a) All employees and elected officials are included as participants in the Social Security system (FICA) and Medicare.
- (b) Financing of the program is accomplished through contributions paid by each employee or elected official and the Town according to federal guidelines.

[History: Adopted by Res 2008-03, 2/13/08; Amended by Res 2011-08, 4/13/2011; Amended by Res 2014-04, 2/13/14]

3.05.150 State Unemployment Insurance Benefits

- (a) All employees are eligible for unemployment insurance benefits, if they meet the statutory requirements for such benefits.
- (b) Elected officials are not eligible for unemployment insurance benefits under the Town's program.
- (c) The program is financed completely by the Town.

3.05.160 State Disability Insurance (SDI)

- (a) All employees are eligible for SDI, if they meet statutory requirements for benefits.
- (b) Elected officials are not eligible for SDI under the Town's program.
- (c) The program is financed completely by employees at a rate determined by the State and collected through payroll deductions.
- (d) Any benefits received under this insurance must be coordinated with any sick leave payments and workers' compensation benefits.

3.05.170 Workers' Compensation

- (a) All employees and elected officials are covered by the Town's workers' compensation insurance, a program of industrial insurance to protect workers, their families and dependents from loss due to an industrial accident or illness. Any person who performs voluntary service without pay for the Town of Colma shall be deemed to be an employee of the Town for workers' compensation purposes only, provided that the volunteer services are authorized by the City Manager.
- (b) Financing for this program is paid by the Town.
- (c) Any employee involved in an industrial injury or an occupational illness, as defined by the State Workers' Compensation Law, must follow procedures set up by the law to receive benefits.

(d) Any benefits received under this insurance must be coordinated with any sick leave payments and disability insurance benefits.

[Reference: LABOR CODE § 3363.5]

3.05.180 Reimbursement for Education Expenses

(a) All regular and probationary promoted employees are eligible to participate in the Town's Education Reimbursement Program.

(b) The Town will reimburse eligible employees the cost of their job-related education expenses incurred in a calendar year to a maximum of \$1,000, if all of the following conditions are met:

- (1) Courses must be offered by accredited colleges, universities or vocational training institutes and must be approved in advance by the City Manager;
- (2) Certification of satisfactory completion or a grade of C (2.0 grade point) or better is required to receive reimbursement; and
- (3) Reimbursement shall be allowed for tuition, registration fees, required text books, laboratory fees and other material costs submitted within 90 days of completion.