

**Tentative Agreement
Between the County of Orange (“County”)
And
The Orange County Employees Association (“OCEA”)**

November 29, 2022

The County and OCEA tentatively agree to the following terms for all OCEA-represented bargaining units (i.e., CL, CS, GE, HP, SM and SO). Unless otherwise specified, all provisions are effective June 16, 2023.

1. On July 13, 2021, the Board of Supervisors approved the following retiree medical plan options for County employees upon retirement (previously implemented):

- a. Temporarily opt-out of County retiree health plans and place their Retiree Medical Grant on hold;
- b. Elect to obtain COBRA coverage or other health coverage;
- c. Allow a retiree the option to opt back into County retiree health plans during County open enrollment or qualified life event.

2. Freeze Retiree Medical Grant and Transition to a Health Reimbursement Arrangement (HRA)

a. Freeze Retiree Medical Grant

At the date of the transition, employees shall select one of the following two options:

- i. Continue participation in the frozen Retiree Medical Grant, or
- ii. Opt-out of the Retiree Medical Grant and receive a cash value for the Retiree Medical Grant contributed to their HRA.

At date of transition the Retiree Medical Grant shall be frozen. Employees who continue participation in the Grant shall not accrue additional service hours towards eligibility for the Retiree Medical Grant. All employees with one or more years of qualified service, as of the effective date, shall be eligible for the frozen Retiree Medical Grant. The annual Cost of Living Adjustments (COLA) and age adjustment (+/- 7.5%) will be eliminated. The 50% grant reduction at age 65 for retirees eligible for Medicare will remain.

At date of transition, employees who choose to opt out of the Retiree Medical Grant shall receive a cash value for their grant of \$855.00 for

each full year of qualified service contributed to the employee's HRA. The opt-out value will not be limited to a 25-year cap.

b. Transition to Health Reimbursement Arrangement (HRA)

For employees represented by OCEA, restructure the Retiree Medical Grant Plan and modify the County's existing HRA defined contribution plan to replace the Retiree Medical Grant Plan for new employees and to supplement the current employees' frozen Retiree Medical Grant or Retiree Medical Grant cash out to the HRA. The HRA is a retiree health benefit that provides tax-free reimbursement for any qualified medical expense.

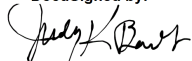
For each employee enrolled in the County sponsored HRA, the County will contribute \$60.00 per pay period, increased 2.5% annually each first full pay period in July, beginning July 2024.

3. Modify Vacation and Annual Leave Provisions

- a. Employees with 80 or more hours of Annual Leave shall be allowed an additional 20 hours of vacation cash-out upon request (to a total of 100 hours) if they will reach their vacation cap during the fiscal year. This will be applicable to OCEA represented classifications currently subject to the cap of 80 hours of cash-out should they reach their vacation cap.
- b. Employees with 80 or more hours of Annual Leave may elect to use a maximum of 60 vacation hours during the fiscal year for approved time off in lieu of annual leave.
- c. Employees with 80 or more hours of Annual Leave shall be allowed to cash out up to 120 hours of vacation leave upon request. This will be applicable to OCEA represented classifications currently subject to the cap of 120 hours cash-out should they reach their vacation cap.

OCEA:

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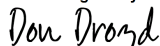
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Judy Bowling
OCEA President

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Charles Barfield
General Manager

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Don Drozd
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Tia Grasso
Associate General Counsel


County:

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Colette Farnes
Chief Human Resources Officer

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Jamie Newton, Director of Employee and
Labor Relations