

# 2023 EMPLOYEE BENEFITS SUMMARY



All benefit rates are effective January 1, 2023 unless otherwise noted.  
 If the information in this benefits summary document conflicts with existing MOU's or employment contracts, the MOU's or employment contracts supersede this document.

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## DEFINED BENEFIT RETIREMENT PLAN (CALPERS)

**Group Plan:** California Public Employees Retirement System (CalPERS) | (888) 225-7377 | [www.calpers.ca.gov](http://www.calpers.ca.gov)  
**Employer Plan Code:** 0452

The City offers a three-tiered defined benefit retirement plan, referred to as the 2%@55, 2%@60 or 2%@62 plan managed by the California Public Employees' Retirement System (CalPERS). The CalPERS defined benefit plan provides a guaranteed annual pension based on a formula that considers retirement age, years of service, and salary. The annual benefit is distributed to retirees in monthly payments. The payment amount is adjusted annually for inflation, subject to a 2% cost of living cap.

2% at 55 EXAMPLE:

Employee Classification	Benefit Formula	Normal Retirement Age
Miscellaneous	2% benefit credit x years of service x highest salary	55

## **2% AT AGE 55 PLAN (CLASSIC, TIER I)**

Employees hired prior to May 12, 2012 are responsible for contributing 7% of their salary on a pre-tax basis. The City contributes the employer portion, which is 11.61% of salary in 2022-23.

Members must be at least age 50 with a minimum of five years of service credit to retire under this plan. The 2%@55 formula provides members 2% of pay at age 55 for each year of service credit. *This contract includes Government Code Section 20042 – the final compensation is the average full-time monthly pay rate for the highest 12 consecutive months.*

For members who retire early under this plan, the percentage of pay is reduced to 1.426% at age 50 which gradually increases for each attained age to the maximum of 2.418% at age 63+.

## **2% AT AGE 60 PLAN (CLASSIC, TIER II)**

Employees hired on or after May 12, 2012 with prior CalPERS (or reciprocal agency) service *and* no greater than 6-months break in CalPERS service. Employee is responsible for contributing 7% of salary on a pre-tax basis. The City contributes the employer portion, which is 9.3% of salary in 2022-23.

Members must be at least age 50 with a minimum of five years of service credit to retire under this plan. The 2%@60 formula provides members 2% of pay at age 60 for each year of service credit. *This contract includes Government Code Section 20037 – the final compensation is the highest average annual compensation earnable by a member during any consecutive 36 months of employment preceding the effective date of their retirement.*

For members who retire early under the 2% at age 60 plan, the percentage of pay is reduced to 1.092% at age 50 which gradually increases each year to the maximum of 2.418% at age 63+.

## **2% AT AGE 62 PLAN (PEPRA)**

Employees hired on or after January 1, 2013 with no prior CalPERS service or a break in CalPERS service of greater than 6 months fall under the Public Employees' Pension Reform Act of 2013 (PEPRA). Employee is required by law to pay at least 50% of the Normal Cost. For 2022-23, the PEPRA employee contribution rate is 7.25% of salary on a pre-tax basis; the City contributes the employer portion, which is 7.76% of salary.

Members must be at least age 52 with a minimum of five years of service credit to retire under this plan. The 2%@62 formula provides members 2% of pay at age 62 for each year of service credit. *This contract includes Government Code Section 20037 – the final compensation is the highest average annual compensation earnable by a member during any consecutive 36 months of employment preceding the effective date of their retirement.*

For members who retire early under the 2% at age 62 plan, the percentage of pay is reduced to 1.000% at age 52 which gradually increases each year to the maximum of 2.50% at age 67+.

## **ADDITIONAL INFORMATION**

Government Code Sections 20840, 20841, and 20842 authorize the CalPERS' Board to create risk pools for public agencies and mandate participation for all plans with less than 100 active members. The City of Saratoga is part of a mandated risk pool based on its service retirement formula. An excerpt from CalPERS states, "Risk pooling consists of pooling assets and liabilities across employers to produce large sharing pools that will dramatically reduce or eliminate large fluctuations in the employer's contribution rate caused by unexpected demographic events."

Three sources fund a defined retirement plan like CalPERS:

1. Employee contributions (the percentage of contribution is fixed by statute and is 7% based on the City's 2%@55, 2%@60, or 50% of the normal cost of the 2% at 62 plan);
2. The second source of funding is earnings from the investment of "System" assets in stocks, bonds, real estate, and other investment vehicles. The amount contributed from this source fluctuates from year to year;

3. The balance of the funding is provided by employer contributions. Employer contributions decline when investment returns rise and increase when investment returns decline.

**Note:** All contracting agencies with CalPERS for health benefits are required to pay a minimum health premium contribution for participating active members and retirees per California Government Code 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA). **In 2023, the minimum health premium contribution rate is \$151.00 per month. Retirees pay the balance of health care premiums if they elect to continue medical after retirement from Saratoga.**

## SOCIAL SECURITY AND MEDICARE

The City does **not** participate in Social Security for CalPERS employees. The City and employees each pay 1.45% to Medicare. For employees who worked in other jobs long enough to qualify for a social security retirement or disability benefits, the Social Security Windfall Elimination Provision applies which is a modified formula used to calculate the benefit amount, resulting in a lower Social Security benefit than an employee would otherwise receive. In addition, the Social Security Government Pension Offset may apply and reduce benefits to a spouse or widow. Visit <http://www.ssa.gov> or call **1-800-772-1213** for more detailed information.

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## HEALTH INSURANCE

The City contracts with CalPERS for Health Insurance coverage. Health plans offered, covered benefits, monthly rates, and co-payments are determined by the CalPERS Board, which reviews health plan contracts annually.

**Maximum monthly City paid contributions for all regular, benefitted employees in 2023 are:**

- Employee only: \$917
- Employee + one: \$1,835
- Employee + two or more dependents (family): \$2,386

Plans selected over City paid contribution amount will be paid by employee via payroll deduction, pre-tax. Contributions are pro-rated for regular, part-time positions based on FTE (Full Time Equivalent).

### HEALTH PLAN CARRIER & COVERAGE INFORMATION: [WWW.CALPERS.CA.GOV](http://WWW.CALPERS.CA.GOV) \*\*

#### **Anthem Blue Cross HMO Select or HMO Traditional**

Group Number: 4503  
(800) 839-4524 [www.anthem.com/ca/calpers/calpershmo](http://www.anthem.com/ca/calpers/calpershmo)

#### **Health Net SmartCare**

Group Number: NB030A  
(888) 926-4921 [www.healthnet.com/calpers](http://www.healthnet.com/calpers)

#### **Kaiser Permanente HMO**

Group Number: 104  
(800) 464-4000 [www.kp.org/calpers](http://www.kp.org/calpers)

#### **Blue Shield Access HMO**

Group Number: 102  
(855) 334-5847 [www.blueshieldca.com/calpers](http://www.blueshieldca.com/calpers)

#### **PERS Platinum PPO and PERS Gold PPO**

Group Number: 106/126  
(877) 737-7776 [www.anthem.com/ca/calpers](http://www.anthem.com/ca/calpers)

*\*\* Some plans may not be available in select Bay Area counties or zip codes. Additional plans may be available for employees residing outside of Santa Clara County. Use the [CalPERS zip code search tool](#) to review plans.*

**To view the Summary of Benefits and Coverage (SBC) or the glossary of common health insurance terms, visit [www.calpers.ca.gov](http://www.calpers.ca.gov) under the Plans and Rates section (subsection Health Plans), or visit the health plan websites above.**

## HEALTH IN-LIEU PAYMENT

Employees who are covered by a spouse or family member and wish to decline health benefits through the City, will receive a monthly "in-lieu" payment of \$400. Contributions are pro-rated for regular, part-time positions based on FTE.

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## DENTAL INSURANCE

**Group Plan:** Ameritas Dental Plan of California | (800) 364-5162 | [www.ameritasgroup.com](http://www.ameritasgroup.com)

**Group Number:** 010-32272-1

### Coverage:

The Dental Program includes Type I preventive care coverage at 100%, Type II coverage at 80%, and Type III coverage at 50%. Ameritas will provide payment for a maximum annual benefit of \$1,750 per participant and a maximum lifetime orthodontia benefit at 50% with a maximum lifetime payout for orthodontia of \$1,500 per participant. A newborn child can be added at any time from birth up to the child's second birthday without any late entrant penalties or provisions being applied. Employees who participate with dentists out-of-network will pay more out-of-pocket for dental services.

### 2022 Rates:

The City pays 100% of the monthly premium for regular, full-time employees. Contributions are pro-rated for regular, part-time positions based on FTE.

- Employee only: \$ 91.88
- Employee + one: \$ 175.60
- Employee + two or more dependents (Family): \$ 273.56

## DENTAL IN-LIEU PAYMENT

Employees who are covered by another family member and wish to decline dental benefits through the City, will receive a monthly “in-lieu” payment of \$25.00. Contributions are pro-rated for regular, part-time positions based on FTE.

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## SHORT-TERM DISABILITY INSURANCE (SELF-FUNDED CITY PLAN)

For an employee on a Short-Term Disability (STD) leave, the City will pay 75% of an employee’s salary based on the employee’s full-time equivalent position (e.g. 1.0, 0.75, 0.60 FTE), including 75% prorated holiday pay, and will maintain the City's contribution for existing insurance benefits coverage, subject to family and medical leave law employee eligibility requirements, for up to six months from the date of the employee’s qualifying injury or illness, unless provided otherwise by an applicable MOU. Employees on STD leave who have exhausted their family and medical leave law eligibility are 100% responsible for the continuation costs of insurance benefits coverage through COBRA.

STD payments will commence only after twelve continuous working days based on the employee’s assigned work schedule (including off-Fridays of an authorized 9/80 work schedule, holidays and furlough days), during which the employee is totally disabled, or only after all of the employee’s accrued paid time off is exhausted, whichever is later. STD payments are reported to CalPERS as salary earned.

An employee on STD leave is entitled to accrue Paid Time-Off (PTO) within the six (6) month period after the date of injury or illness while on paid status as a result of using accrued PTO. The accrual of PTO shall be prorated based on the number of hours of PTO that is being utilized by the employee.

Upon exhaustion of all accrued PTO, an employee on STD leave shall no longer accrue PTO. In other words, while an employee is receiving the STD payment of 75% of his/her full salary, the employee will not accrue PTO.

In the event the employee remains on STD leave for six (6) months, the City provides a Long-Term Disability (LTD) plan benefit through a third-party administrator as described below.

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## LONG TERM DISABILITY INSURANCE

**Group Plan:** Unum Provident | 866-679-3054 | www.unum.com

**Policy Number:** 502493

**Coverage:**

- **Option A:** This option provides 66-2/3 % of monthly base salary up to a salary maximum of \$2,000 per month.
- **Option B:** This option is paid for by the employee and provides 66-2/3 % of monthly base salary up to a salary maximum of \$8,200 per month.

The City pays 100% of monthly premium on behalf of the employee for Option A only.

Base rate is 45¢ per \$100 of covered payroll.

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## LIFE INSURANCE AND AD&D

**Group Plan:** Principal Financial Group | (800) 245-1522 | www.principal.com

**Plan Number:** N5964-1

**Coverage:**

- Regular Employees: \$50,000
- Mid-Management: \$100,000
- Director, Assistant City Manager, and City Manager: \$150,000

The City pays 100% of monthly premium on behalf of the employee.

Life rate is 25.7¢ per \$1000; AD&D rate is 2.5¢ per \$1000.

- Regular Employees: \$14.10
- Mid-Management: \$28.20
- Director, Assistant City Manager, and City Manager: \$42.30

Employees may purchase additional Voluntary Term Life Insurance (fully paid by employee). Availability and cost are subject to the group carrier requirements.

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## 9-80 SCHEDULE

The City operates on a 9/80 work schedule where a full-time work week constitutes forty (40) hours within seven consecutive 24-hour workdays, also defined as one hundred sixty-eight (168) hours. **Employees on a 9/80 schedule are scheduled to work eight (8) nine-hour days, one (1) eight-hour day, and have one (1) day off every two-weeks.** An employee's second workweek begins in the middle of the employee's fifth 9-hour workday (Monday) following the off-Friday. Alternative work schedules may be established based on Department needs as determined by the City Manager, Assistant City Manager, and/or Directors.

**Schedule Example:**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Off	9	9	9	9	Off	Off
Off	4 (end)	9	9	9	8	Off
	5 (start)					

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## PAID TIME OFF (PTO) ACCRUAL SCHEDULE FOR FULL-TIME EMPLOYEES

Years of Service	Days Accrued	Hours Accrued	Hard Cap
Years 0 thru 5	22	176	600
After 5 years	27	216	600
After 10 years	32	256	600

### CASHOUT 2019-20 THROUGH 2022-23:

*Cash out paid at termination with the following exceptions:*

**UNION & SEA:** Provided the employee has used the required minimum of 80 accrued hours of PTO in the prior fiscal year, the employee is then eligible to cash out up to a maximum of 200 accrued hours of PTO per fiscal year on approximately September 1 and/or March 1. An employee must maintain a minimum balance of 200 hours of accrued PTO after the cash out.

**UNREPRESENTED & CITY MANAGER:** Provided the employee has used the required minimum of 80 accrued hours of PTO and/or Administrative Leave in the prior fiscal year, the employee is then eligible to cash out up to a maximum of 200 accrued hours of PTO per fiscal year on approximately September 1 and/or March 1. An employee must maintain a minimum balance of 200 hours of accrued PTO after the cash out.

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## ADMINISTRATIVE LEAVE

Administrative Leave (AL) hours are given to regular, full- and part-time, exempt (salaried) employees of the City on July 1 of each fiscal year. These hours do not carry over and must be exhausted prior to using accrued Paid Time off (PTO) hours. AL hours are pro-rated for part-time employees, based on FTE.

**SEA:** 20 hours (Except Senior Planner: 40 hours)

**UNREPRESENTED:** The number of AL hours granted to an exempt position are twenty (20), forty (40), or sixty-five (65) as determined by the City Manager based on the level of responsibility, duties, and expectations of each position.

**CITY MANAGER:** 65 hours

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## HOLIDAYS OBSERVED

The City observes the following paid holidays:

- New Year's Day: January 1
- Martin Luther King Day: 3<sup>rd</sup> Monday in January
- President's Day: 3<sup>rd</sup> Monday in February
- Memorial Day: Last Monday in May
- Independence Day: July 4
- Labor Day: 1<sup>st</sup> Monday in September
- Indigenous People's Day (Columbus Day): 2<sup>nd</sup> Monday in October
- Veteran's Day: November 11
- Thanksgiving Day: 4<sup>th</sup> Thursday in November
- Day after Thanksgiving: Friday after Thanksgiving
- Christmas Eve: December 24
- Christmas Day: December 25
- New Year's Eve: December 31

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## YEAR-END FURLOUGH

The City operations will be closed from December 22, 2023 through January 2, 2024. Employees shall utilize their available leave balances (paid time off and/or compensatory time off), if applicable.

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## OTHER BENEFITS FOR “UNION” AND SARATOGA EMPLOYEE ASSOCIATION (SEA)

### UNIFORM ALLOWANCE

**Park and Street Maintenance Employees (UNION):** Incumbents shall receive an annual allowance of \$500.00 (five-hundred dollars) per fiscal year for the purchase of pants and/or shorts and safety boots, and for uniform cleaning. Three shirts per employee per year are purchased directly by the City.

**Facilities Maintenance Employees, Code Compliance Officer, and Building Inspectors (SEA):** Each regular full-time employee in the mentioned positions shall receive an allowance of \$200 (two hundred dollars) per fiscal year for the purchase of safety boots, protective clothing, and laundering of uniform shirts. Three shirts per employee per year are purchased directly by the City.

The uniform allowance shall be paid on the second pay date in July. The allowance shall be reported to CalPERS as salary earned for “Classic” Employees only. This is not a requirement for Employees hired under PEPRA.

### PAY PRACTICES

#### • Standby Pay

Non-exempt employees may be assigned to Standby Duty. Employees are compensated \$50.00 for each weeknight, defined as from the end of the employees scheduled workday shift to the beginning of the next workday shift, and \$100.00 for each weekend day, defined as the end of the employees scheduled workday on Thursday of an off-Friday week or Friday of an on-Friday week to the beginning of the next workday.

#### • Callout Pay

**SEA:** Non-exempt employees who are called out to perform work of an emergency nature after the employee’s regularly scheduled workday are compensated for a minimum of three (3) hours for each occurrence at one and one-half times (1.5x) the employee's regular hourly rate of pay.

**UNION:** Non-exempt employees who are called out to perform work of an emergency nature after the employee’s regularly scheduled workday are compensated at their regular rate of pay for a minimum three (3) hours for each occurrence at one and one-half times (1.5x) the employee’s regular hourly rate of pay, or two times (2.0x) the employee’s regular hourly rate of pay if the call-out is on a designated City holiday.

#### • Differential for Split Shift

**SEA** members in the Facilities Maintenance Classification shall receive an additional \$25 for each day when required to work a split shift. A split shift means a work schedule that is interrupted by non-paid and non-working periods of more than one hour scheduled by the City other than rest or meal periods. For example, if the City scheduled a Facilities Maintenance employee to work from 8-11 a.m. and again the same day from 2-7 p.m., the break of more than one-hour midday is a split shift.

#### • Overtime for Non-Exempt (hourly) Employees

**UNION:** Overtime compensation is paid for hours **worked** in excess of 40 in one workweek or hours worked in excess of the standard work hours in one day.

**SEA:** Follows U.S. Department of labor Wage and Hour Division overtime requirements of the Fair Labor Standards Act (FLSA) that states the overtime compensation is paid for hours **worked** in excess of 40 in one workweek.

### 457 DEFERRED COMPENSATION PLAN PAY

Effective July 1, 2019 for the employment agreement period July 1, 2019-June 30, 2023: For Union and SEA members, the City will contribute \$50.00 per month to the employee's 457 Plan, which does not require the employee match that amount. In addition, the City will contribute up to \$100.00 per month to the employee's 457 Plan, matching the employee's contribution of up to \$100.00.

*See Voluntary Benefit Options for plan provider information.*



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## OTHER BENEFITS FOR UNREPRESENTED EMPLOYEES (NON-DIRECTOR)

### 457 DEFERRED COMPENSATION PLAN PAY

Effective July 1, 2019 for the employment agreement period July 1, 2019-June 30, 2023: For unrepresented employees that are not at-will, the City will contribute \$50.00 per month to the employee's 457 Plan, which does not require the employee match that amount. In addition, the City will contribute up to \$100.00 per month to the employee's 457 Plan, matching the employee's contribution of up to \$100.00.

*See Voluntary Benefit Options for plan provider information.*

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## OTHER BENEFITS FOR CITY MANAGER, ASSISTANT CITY MANAGER, AND DIRECTORS

### AUTO ALLOWANCE

- Assistant City Manager and Directors: \$275/month
- City Manager (Contract): \$375/month

### 457 DEFERRED COMPENSATION PLAN PAY

- Assistant City Manager and Directors: The City will match at-will employee contributions to a deferred compensation account up to a maximum of \$250.00 per month.
- City Manager: The City will contribute monthly to a deferred compensation account 4% (four percent) of the employee's monthly salary.

*See Voluntary Benefit Options for plan provider information.*

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## TUITION REIMBURSEMENT

### Coursework for Degree or Certification

Regular employees of the City who have been employed continually for at least one year prior to commencement of an approved or required course are eligible for the City's tuition reimbursement program. Reimbursement will be afforded for tuition, fees and books, up to a maximum of \$2,500 per employee per fiscal year for job related coursework in fulfilling a degree or certificate.

### Coursework for Professional Development

If the course(s) is/are not specifically related to the employee's current position and does not fulfill the requirements for a degree or certificate but does provide for professional development related to the worker's position of employment or a higher position in the City, reimbursement will be afforded for tuition, fees and books, up to a maximum five hundred \$500 dollars per employee per fiscal year.

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## EMPLOYEE ASSISTANCE PROGRAM (EAP)

**Provider:** Unum Health Advocate | (800) 854-1466 | [www.unum.com/lifebalance](http://www.unum.com/lifebalance)

The Employee Assistance Program (EAP) is available to all employees and eligible members of their household. The EAP is designed to provide confidential counseling services to support well-being and help promote balance between work and home life. Employees and their eligible dependents are entitled to three in-person visits per year at no cost to the employee, with community referrals provided for ongoing support. The EAP website has unlimited tools and resources available.



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## VOLUNTARY BENEFIT OPTIONS

### VISION PLAN

**Group Plan:** Ameritas Vision through VSP | (800) 659-2223 or (800) 877-7195 | [www.ameritasgroup.com](http://www.ameritasgroup.com)

**Policy Number:** 010-32272-2

**To search for participating optometrists:** [www.vsp.com](http://www.vsp.com)

Annual eye exam and various eyeglass lenses covered at 100%, frames and contact lenses up to \$120.

#### 2022 Monthly Rates (paid 100% by employee):

- Employee only: \$ 10.88
- Employee + Spouse: \$ 21.76
- Employee + 2 or more Dependents: \$ 30.56

### 457 DEFERRED COMPENSATION SUPPLEMENTAL RETIREMENT SAVINGS PLAN

Plan Providers	Policy Number	Phone	Web
MissionSquare Retirement	302243	(800) 669-7400	<a href="http://www.missionsq.org">www.missionsq.org</a>
CalPERS Voya	452-607	(800) 260-0659	<a href="http://www.calpers.voya.com">www.calpers.voya.com</a>

Per IRS Regulations, each employee may elect to become a participant of the plan(s) and defer payment of compensation. For calendar year 2023, the standard (total) amount that may be deferred is \$22,500. If age 50 or older the employee may defer an additional \$7,500 per year, for a total of \$30,000 in 2023. Pre-tax and Roth plans are available from both plan providers.

See “Other Benefits” above for current City contributions by classification or bargaining unit.

### SECTION 125 FLEXIBLE SPENDING PLAN (FSA)

**Plan Provider:** Workterra (Employee Benefits Specialists) | 888.327.2770 | [customerservice@workterra.com](mailto:customerservice@workterra.com)  
[www.workterra.com/member-center.html](http://www.workterra.com/member-center.html)

Benefit is employee funded *excluding* the mandatory administrative charge the City is required to pay to participate in this plan. The plan applies to employees and their eligible dependents. Employees may elect to divert part of their paycheck, on a pre-tax basis, in a reserve account for out-of-pocket expenses incurred during the plan year. *Employee participation is optional and renewable each plan year.*

In 2023, the federally mandated maximum contribution is \$3,050 for eligible health care expenses. Employees may carry over up-to \$610 of any remaining unused funds to the next Plan Year in the Health Care Spending Account. The carryover amount may be used to pay or reimburse eligible medical expenses incurred during the entire Plan Year to which it is carried over.

The City’s eligibility to participate in the Dependent Care (DCA) option will be determined in January 2023.

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## COMPARABLE CITIES USED FOR CONDUCTING SALARY SURVEYS

Los Altos  
Cupertino

Menlo Park  
Los Gatos

Campbell  
Morgan Hill

San Carlos