



County of San Diego

SUSAN BRAZEAU
DIRECTOR

DEPARTMENT OF HUMAN RESOURCES
LABOR RELATIONS
1600 PACIFIC HIGHWAY, ROOM 452, SAN DIEGO, CA 92101-2463
(619) 531-5180 / FAX (619) 685-2313

**LETTER OF UNDERSTANDING
BETWEEN THE
COUNTY OF SAN DIEGO
AND THE
THE ASSOCIATION OF SAN DIEGO COUNTY EMPLOYEES
(CM AND CR UNITS)**

HEALTHCARE REIMBURSEMENT ACCOUNT (HRA)

- I. This attests to and records the agreement of the parties to amend the Memorandum of Agreement (MOA) regarding Employee Benefits.
- II. The intent of this amendment is to establish a Healthcare Reimbursement Account to mirror the current Flexible Spending Account.

ARTICLE 9. EMPLOYEE BENEFITS

Section 2. Insurance

A. Flexible Benefits Plan

1. **Plan Design.** The flexible benefits plan is a cafeteria-style benefits program wherein the County makes a contribution towards the Flexible Benefits Plan for each eligible employee to be allocated during the employee's active employment. The County contribution is distributed by the employee among the menu of benefit options listed below, the specific details and administration of which are set forth in the plan brochures:
 - a. **"Core" Benefits:**
 - Health Insurance
 - County basic life and AD&D Insurance
 - b. **Optional Benefits:**
 - Dental insurance
 - Vision insurance
 - Supplemental life insurance

- Supplemental accidental death and dismemberment insurance (AD&D)
- Flexible Spending Accounts for pre-tax reimbursement of qualified medical and/or dependent day care expenses. Account credits must be used during the plan year in which they are earned for expenses incurred during the same plan year.
- Healthcare Reimbursement accounts for pre-tax reimbursement of qualified medical expenses.
- The plan may be modified upon written notice by the County

This plan includes for eligible employees pre-tax contributions for all monies paid toward health, dental, vision and/or voluntary AD & D plans.


2. Coverage.

c. Proof of Coverage: Employees who submit satisfactory "Proof of Health Insurance Coverage" may elect not to be covered by the County's health insurance plans. This election may only be made during the County's open enrollment period or during the year as the result of a qualifying "change in status" as defined by Section 125 of the Internal Revenue Code. For employees waiving primary participation in a County-sponsored health plan, the County's contribution will be deposited into the employee's Flexible Spending Account and/or their Healthcare Reimbursement Accounts for pre-tax reimbursement of qualified medical expenses not to exceed \$4,999.99 per calendar year. Account credits must be used during the plan year in which they are earned for expenses incurred during the same plan year.


III. This amendment is contingent upon adoption of an amendment to the County Compensation Ordinance by the County Board of Supervisors.

FOR THE COUNTY OF SAN DIEGO

**FOR THE ASSOCIATION OF SAN
DIEGO COUNTY EMPLOYEES (CM AND
CR UNITS)**



 BRAD RANKIN
 Deputy Director, Human Resources



 KAY RYAN
 Executive Director

Date: 9-9-14

Date: 9-10-14



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DEPARTMENT OF HUMAN RESOURCES
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1600 PACIFIC HIGHWAY, ROOM 452, SAN DIEGO, CA 92101-2463
(619) 531-5160 / FAX (619) 685-2313

September 9, 2014

Ms. Kay Ryan
The Association of San Diego County Employees
PO Box 82045
San Diego, CA 92138

Dear Ms. Ryan,

HEALTHCARE REIMBURSEMENT ACCOUNT (HRA)

As discussed at the Health Plan Task Force meeting on August 25, 2014, due to changes in IRS Regulations, the County is offering a Healthcare Reimbursement Account (HRA) in addition to the existing Flexible Spending Account (FSA) for employees in bargaining units represented by the Association of San Diego County Employees. The terms and conditions of the HRA will mirror the current FSA program. If you would like to participate in the program, please sign the attached LOU and return it by **September 22, 2014** to the County of San Diego Human Resources Labor Relations Division.

If you have questions, please call the Labor Relations office at (619) 531- 5160.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Rankin".

Brad Rankin
Deputy Director, Human Resources

BR:nh

Attachment: LOU