The Modified Benefit Option (MBO) - Attorney Unit

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The **Modified Benefit Option (MBO)** is an alternative benefit package available to selected job classifications throughout the County that provides a higher wage in lieu of some County-paid benefits.

- Attorney Unit classifications have been added to the MBO program.
What do you get if you select the MBO?

- **INCREASE IN PAY** - An additional $2.00 per hour (Attorney I, II, III) or $3.50 (Attorney IV) wage differential which is included in:
  - Retirement Benefit Amount
  - County contribution to the Retirement Medical Trust (RMT)
  - Sick leave cash-outs pursuant to RMT article
  - Leave cash-outs
What do you get if you select the MBO?

**CHOICE OF HEALTH PLANS** - Employees can choose either:
- One of the traditional health plans (e.g., Kaiser or Blue Shield HMO), OR
- The lower-premium, higher deductible, Blue Shield PPO Bronze Plan (Bronze Plan), eligible only to employees who elect the MBO

- If the employees elects to enroll in FLEXIBLE SPENDING ACCOUNT (FSA) and Bronze Plan they can receive a COUNTY MATCH* - up to $650 per year contribution to the FSA

*FSA match is in lieu of the County 457 (b) contribution
What do you get if you select the MBO?

- **PAID TIME OFF (PTO)** - Employees get flexible PTO instead of use-specific leave banks (e.g., vacation leave)

- **13 PAID HOLIDAYS** – Employees get 13 paid holidays (104 hours) each year.

- Not eligible for Perfect Attendance Leave (PAL)
What do you get if you select the MBO?

- **MEDICAL PREMIUM SUBSIDY (MPS)** - Employees who select the MBO and are enrolled in a County medical plan will continue to receive MPS to help pay medical premiums; however, the MBO MPS will be slightly less compared to the traditional MPS amounts.
  - Employee Only $138.38
  - Employee +1 $287.13
  - Employee +2 $398.61

- **NO COUNTY MATCH TO 457 (b) PLAN** – Employees who select the MBO and enroll in the BlueShield Bronze PPO and receive FSA match will no longer be eligible for the County match to the 457 (b) Plan.
What do you get if you select the MBO?

- ALL OTHER BENEFITS REMAIN THE SAME – Employees who select the MBO remain eligible for all other County benefits including:
  - Dental Premium Subsidy (same amount)
  - Opt-out/Waive pay (same amount)
  - Vision insurance (100% County paid for Employee Only Coverage)
  - Life Insurance – 50K (100% County paid)
  - Short-term Disability
  - Medical Emergency Leave
Potential Benefits of the MBO

INCREASE IN PAY (WAGE DIFFERENTIAL) –

- Increase in pay:
  - $2.00 per hour (Attorney I, II and III) or $3.50 per hour for (Attorney IV)
  - $160 or $280 per pay period (based on 80 hrs. per pay period)
  - $4,160 or $7,280 per year (based on 2,080 hrs. per year)

- The additional pay is included in:
  - Retirement Benefit Amount
  - County contribution to the RMT
  - Sick leave cash-outs pursuant to the RMT article
  - Leave cash-outs
INCREASE IN PAY AFTER RETIREMENT -
Examples of potential increase in pension for a Tier 1 (hired before 1/1/2013) Child Support Attorney IV* when MBO is elected:

- **Retire at 55**
  - Rate 60.0%
  - **Annual** Pension Increase = $4,368
  - **Monthly** Pension Increase = $364

- **Retire at 59**
  - Rate 74.19%
  - **Annual** Pension Increase = $5,401
  - **Monthly** Pension Increase = $450

- **Retire at 62**
  - Rate 90.39%
  - **Annual** Pension Increase = $6,580
  - **Monthly** Pension Increase = $548

*Assumes a Tier1 CS Atty IV with 30 years of service at top step upon retirement.

Highest Annual Salaries: Traditional = $155,168 and MBO = $162,448 based on 7/21/2018 rates.
Potential Benefits of the MBO

CHOICE OF HEALTH BENEFITS –

Choose from traditional benefit options (Kaiser or Blue Shield HMO) or select the Blue Shield PPO Bronze Plan, eligible only to MBO participants. Below is a summary of the premium and employees’ out-of-pocket costs for the Blue Shield HMO Plan and the Bronze Plan if you select the MBO:

<table>
<thead>
<tr>
<th>IF EMPLOYEE ELECTS:</th>
<th>BI-WEEKLY PREMIUM FOR PLAN YEAR 18/19</th>
<th>EACH BI-WEEKLY PAY PERIOD, YOU PAY:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Blue Shield HMO Plan</td>
<td>Blue Shield PPO Bronze Plan</td>
</tr>
<tr>
<td>Employee only</td>
<td>$253.63</td>
<td>$147.51</td>
</tr>
<tr>
<td>Employee + 1</td>
<td>$505.27</td>
<td>$293.01</td>
</tr>
<tr>
<td>Employee + 2 or more</td>
<td>$714.13</td>
<td>$413.77</td>
</tr>
</tbody>
</table>
Opt-Out/Waive example: Child Support Attorney IV who opts out or waives medical plan **may increase pay by approximately $7,280 per year.**

<table>
<thead>
<tr>
<th>Annual — includes salary and premium increases effective July 2018</th>
<th>Traditional Benefits Option (TBO)</th>
<th>Modified Benefits Option (MBO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Salary at Step 3 — <em>eff 7/21/18</em></td>
<td>$112,819</td>
<td>$120,099</td>
</tr>
<tr>
<td>B) Opt-Out/Waive Pay</td>
<td>$1,040</td>
<td>$1,040</td>
</tr>
<tr>
<td>C) Approximate Pay</td>
<td>$113,859</td>
<td>$121,139</td>
</tr>
<tr>
<td><strong>Potential Annual Increase</strong></td>
<td></td>
<td>$7,280</td>
</tr>
</tbody>
</table>
**Potential Benefits of the MBO**

*Employee Only* example: Child Support Attorney IV enrolled in Employee-Only Blue Shield plan *may increase pay by approximately $5,810 to $8,807 per year.*

<table>
<thead>
<tr>
<th>Annual — includes salary, MPS and premium increases effective Jul 2018</th>
<th>TBO w/Traditional HMO Plan</th>
<th>MBO w/Traditional HMO Plan</th>
<th>MBO w/Bronze PPO Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Salary at Step 3 — Eff 7/21/18</td>
<td>$112,819</td>
<td>$120,099</td>
<td>$120,099</td>
</tr>
<tr>
<td>Medical Premium (2018/19)</td>
<td>$6,594</td>
<td>$6,594</td>
<td>$3,835</td>
</tr>
<tr>
<td>Medical Premium Subsidy (MPS) Provided by County</td>
<td>-$5,067</td>
<td>-$3,597</td>
<td>-$3,597</td>
</tr>
<tr>
<td>B) Employee’s Share of Premium</td>
<td>$1,527</td>
<td>$2,997</td>
<td>$238</td>
</tr>
<tr>
<td>C) Approximate Pay After Employee’s Share of Premium</td>
<td>$111,292</td>
<td>$117,102</td>
<td>$119,861</td>
</tr>
<tr>
<td><strong>Potential Annual Increase</strong></td>
<td><strong>$5,810</strong></td>
<td><strong>$8,569</strong></td>
<td></td>
</tr>
</tbody>
</table>
**Potential Benefits of the MBO**

**Employee + 1** example: Child Support Attorney IV enrolled in Employee +1 Blue Shield plan **may increase pay by approximately $5,641 to $11,160 per year.**

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<thead>
<tr>
<th>Annual – includes salary, MPS and premium increases effective Jul 2018</th>
<th>TBO w/Traditional HMO Plan</th>
<th>MBO w/Traditional HMO Plan</th>
<th>MBO w/Bronze PPO Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Salary at Step 3 – Eff 7/21/18</td>
<td>$112,819</td>
<td>$120,099</td>
<td>$120,099</td>
</tr>
<tr>
<td>Medical Premium (2018/19)</td>
<td>$13,137</td>
<td>$13,137</td>
<td>$7,618</td>
</tr>
<tr>
<td>Medical Premium Subsidy (MPS) Provided by County</td>
<td>-$9,104</td>
<td>-$7,465</td>
<td>-$7,465</td>
</tr>
<tr>
<td>B) Employee's Share of Premium</td>
<td>$4,033</td>
<td>$5,672</td>
<td>$153</td>
</tr>
<tr>
<td>C) Approximate Pay After Employee's Share of Premium</td>
<td>$108,786</td>
<td>$114,427</td>
<td>$119,946</td>
</tr>
<tr>
<td><strong>Potential Annual Increase</strong></td>
<td><strong>$5,641</strong></td>
<td><strong>$11,160</strong></td>
<td></td>
</tr>
</tbody>
</table>
Potential Benefits of the MBO

**Employee + 2** example: Child Support Attorney IV enrolled in Employee +2 Blue Shield plan may increase pay by approximately $5,005 to $12,814 per year.

<table>
<thead>
<tr>
<th>Annual – includes salary, MPS and premium increases effective Jul 2018</th>
<th>TBO w/Traditional HMO Plan</th>
<th>MBO w/Traditional HMO Plan</th>
<th>MBO w/Bronze PPO Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Salary at Step 3 – Eff 7/21/18</td>
<td>$112,819</td>
<td>$120,099</td>
<td>$120,099</td>
</tr>
<tr>
<td>Medical Premium (2018/19)</td>
<td>$18,567</td>
<td>$18,567</td>
<td>$10,758</td>
</tr>
<tr>
<td>Medical Premium Subsidy (MPS) Provided by County</td>
<td>-$12,638</td>
<td>-$10,363</td>
<td>-$10,363</td>
</tr>
<tr>
<td>B) Employee’s Share of Premium</td>
<td>$5,929</td>
<td>$8,204</td>
<td>$395</td>
</tr>
<tr>
<td>C) Approximate Pay After Employee’s Share of Premium</td>
<td>$106,890</td>
<td>$111,895</td>
<td>$119,704</td>
</tr>
<tr>
<td><strong>Potential Annual Increase</strong></td>
<td><strong>$5,005</strong></td>
<td><strong>$12,814</strong></td>
<td></td>
</tr>
</tbody>
</table>
FSA COUNTY MATCH -

Employees have the option to enroll in FSA and select the Blue Shield PPO Bronze Plan. If they do these 2 things they will receive a County Match of up to **$650 per year** to help pay medical plan deductibles, co-insurance payments, and other eligible medical expenses, with election of the Bronze Plan**

*Employee must enroll in and contribute to the FSA, and the County will match employee’s contribution dollar for dollar up to $25 per pay period ($650/year). Employer contributions will be applied quarterly.

**The Blue Shield PPO Bronze Plan is a high deductible plan with higher out-of-pocket costs when compared to the County’s traditional HMO plans. This plan is only available with the MBO.
PAID TIME OFF (PTO) in lieu of separate specific-use leave banks. PTO allows employees:

✓ Greater flexibility in use

✓ To maintain and utilize existing leave balances, if applicable (i.e., sick and vacation)

✓ To accrue PTO hours beyond the max allowed unused vacation balance

✓ Greater cash-out value

*Note there is No PAL due to no sick leave
## Potential Benefits of the MBO

### ✓ Paid Time Off (PTO)

Comparison of Leave Banks and PTO Annual Accruals*:

<table>
<thead>
<tr>
<th>Approximate Years of County Service</th>
<th>TBO - Leaves</th>
<th>MBO - PTO</th>
<th>Max Allowed Unused PTO</th>
<th>Max Allowed Combined Vacation and PTO Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4 years</td>
<td>Sick - 88 hrs Vacation - 80 hrs Holiday - 112 hrs Total - 280 hrs</td>
<td>112 hrs Holiday - 104 hrs Total - 216 hrs</td>
<td>169 hrs</td>
<td>201 hrs</td>
</tr>
<tr>
<td>4-9 years</td>
<td>Sick - 88 hrs Vacation - 120 hrs Holiday - 112 hrs Total - 320 hrs</td>
<td>152 hrs Holiday - 104 hrs Total - 256 hrs</td>
<td>229 hrs</td>
<td>272 hrs</td>
</tr>
<tr>
<td>9+ years</td>
<td>Sick - 88 hrs Vacation - 160 hrs Holiday - 112 hrs Total - 360 hrs</td>
<td>192 hrs Holiday - 104 hrs Total - 296 hrs</td>
<td>289 hrs</td>
<td>343 hrs</td>
</tr>
</tbody>
</table>

*Employees who work less than 80 hrs per pay period will accumulate PTO on a pro-rata basis. MBO-PTO per pay period accruals: 0-4 yrs. 4.31 hrs.; 4-9 yrs. 5.85 hrs.; Over 9 yrs. 7.39 hrs.
Paid Time Off (PTO) (cont.)

Greater flexibility in use – An employee who elects MBO will have PTO hours to use as needed.

Example: An employee with 1 year of service who elects MBO will have 112 PTO hours to use for vacation or for other personal reasons. Whereas, a similar employee in the TBO would be limited to 80 hours of vacation/personal time.
Potential Benefits of the MBO

✓ Paid Time Off (PTO) (cont.)
  ✓ Employees can maintain and use existing leave balances

Example: An employee who is ill and has a significant amount of sick leave hours and wants to preserve PTO hours for their cash-out value or to use for vacation/personal time can use existing unused sick time instead of PTO.
Potential Benefits of the MBO

✔ Paid Time Off (PTO) (continued)

✔ Greater cash-out value –

- 100% of PTO hours can be cashed-out upon separation
- No minimum years-of-service requirement to cash-out PTO

**Example:** Employees can cash-out 100% of PTO regardless of years of service, unlike sick leave which requires employees to have 10 years of service and only converts up to 60% of its value to the Retirement Medical Trust.
Potential benefits to employees who elect the MBO include:

- Higher pay which increases pension and lifetime earnings
- PTO with greater flexibility in use, greater cash-out value upon separation, accrual of PTO beyond max allowed vacation time, and carry-over and utilization of existing unused leave balances
- Option of electing the Bronze Plan, with lower premiums (high deductible) and a FSA County match
Employees who may benefit from MBO:

- Want to increase take-home pay
- Opt-out/waive medical coverage
- Do not exhaust their leave banks and want the flexibility provided by PTO
- Are near retirement and want to maximize their pension and lifetime earnings
If you have questions about the MBO, contact:

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