

EXHIBIT "A"



Voluntary Time-Off Program

1. Overview of Purpose and Scope of this Program.

- 1.1. The purpose of this Voluntary Time-Off Program (which may be referred to herein as "Program") is to establish a temporary and voluntary program for full-time City employees to take leave without pay. The Program is designed to generate salary savings within the City's budget in response to the City's Local Emergency and forecasted fiscal losses which, if not addressed, may require further reductions in staff and curtailment of needed public services. Use of this Program is strictly for the purposes to achieve salary savings. If the action does not save the City money, then the request for VTO shall be denied.
- 1.2. The City will designate a specific period of time when employees may volunteer to participate in the program to generate salary savings. This program excludes employees who are subject to mandatory staffing or 24/7 operations requirements.
- 1.3. The provisions included in this Program shall supplement established Memoranda of Understanding between the City of Napa and City Bargaining Groups. However, the City Manager's decision to approve or deny a request to participate in this program is final and as such, shall not be appealable.
- 1.4. This Program shall repeal and replace previous Voluntary Time-Off Programs.

2. Program Description.

- 2.1. "Voluntary Time Off" ("VTO") refers to a work schedule which is modified to less than eighty (80) hours per pay period, resulting in unpaid leave with the right to return to the same position. Employees agree to have a salary reduction for a specified period of time, through unpaid time off, equal to the number of hours approved in the individual employee's VTO agreement with the City.
- 2.2. "VTO" is granted only with the approval of the Department Director, based upon the needs of the department, and the approval of the City Manager according to the following provisions:

- 2.2.1.** Once the employee receives approval, this Program will be in affect the pay period following approval through the identified end date. After which, if an employee requests an extension of VTO, it will be in the sole discretion of the Department Director and the City Manager to approve or deny the request in accordance with the requirements of this Program. At the end of the approved term for VTO, the employee must revert back to their original schedule.
- 2.2.2.** VTO used by an employee under this Program will not constitute a break in City service for purposes of seniority, step or lifetime retiree medical reimbursement. However, based upon hours worked per year, there may be an impact to CalPERS service credit.
- 2.2.3.** VTO used by an employee under this Program shall apply toward time in City service for step advancement and determination of length of service, unless the employee is not available for more than six months for evaluation of performance. Earnings for the year in which VTO is taken will be adjusted accordingly; such an adjustment may affect "highest year" earnings for CalPERS retirement calculation.
- 2.2.4.** An employee will not be permitted to use accrued paid time during such VTO arrangement which would result in paid leave for the agreed upon time off, and VTO cannot be taken on a holiday. Accepted applicants will not be eligible to receive California State Unemployment Insurance Benefits.
- 2.2.5.** No employee shall work any additional hours, beyond those regularly scheduled, during the week they take VTO without prior written authorization of the department director. Further, employees shall not be eligible for Over-Time or Comp-time while on VTO. In the event, that an employee must work overtime, they will revert back to the original work schedule in accordance with the applicable Memorandum of Understanding.
- 2.2.6.** Should this Program fail to accomplish the stated goals of generating salary savings, or if it is found necessary for any other reason/s, the City reserves the right to discontinue this program at any time.

3. Eligibility.

- 3.1.** Employees may request any variation of unpaid time on a regularly scheduled basis, examples of VTO include:
 - a)** One day off per week
 - b)** One day off every other week
 - c)** A half-day off every week or every other week
 - d)** Part-time: 20 hours per week
 - e)** Unpaid time off in weekly or monthly increments

- 3.2.** This program is prospective only. This Program shall not be available to employees on other leaves without pay, nor be used to extend a medical leave of absence or administrative leave. It shall also not be used in combination with paid leave connected with other leave without pay, not related to VTO.
- 3.3.** The work schedule for an employee taking VTO under this Program must be approved by the Department Director and the City Manager in a manner that does not adversely impact the operations of the department or other employees in the work unit.

4. Benefits.

- 4.1.** Employees working a reduced schedule during a pay period will receive the same level of health benefits (medical, dental, deferred compensation) accrued benefits (vacation, sick leave, holidays) during the approved VTO period. Participation in this Program will not affect vacation buy back or leave cash outs upon retirement.
- 4.2.** Employees opting for a leave of absence (no paid hours during a pay period): (a) will receive the same level of health benefits (medical and dental) during the approved VTO period; and (b) accrued benefits (vacation, sick leave, holidays) as well as long-term disability, life insurance and optional benefits will be placed on hold during the leave period; and (c) CalPERS contributions will also be placed on hold during the leave period.
- 4.3.** Other variable components, such as CalPERS retirement contribution and other benefits calculated from an employee's salary will therefore be reduced by the decrease in work hours since these benefits are based on salary, as impact on retirement and other benefits will be determined by the application of actual work hours and rates of pay required under each of those programs. Long-term disability is based upon annual salary as of July 1, 2020.
- 4.4.** Premium pay, based on a percentage of salary (such as bilingual pay, etc.), will be based on hours worked in the pay-period in which the VTO is taken.
- 4.5.** The employee is responsible for consulting their own financial planner, tax advisor and/or attorney as to potential tax consequences of choices of time off methods.
- 4.6.** CalPERS Service Credit:
 - a)** For CalPERS purposes, service credit is earned for each year or partial year worked for a CalPERS-covered employer. It

accumulates on a fiscal year basis (July 1 through June 30) and is one of the factors used to calculate pension benefits upon retirement. CalPERS retirement benefits are based on:

- Age at retirement;
- Single highest or 3-year average, depending on your tier; and
- Years of service credit.

b) To earn a full year of service credit during a fiscal year, you must work at least:

- 1,720 hours (nonexempt employees)
- 215 days (exempt employees)
- 10 months (based on working full time)

c) Employee retirement accruals under CalPERS will remain in effect during the VTO according to the terms and conditions described in the CalPERS contract as well as applicable laws. Employees are encouraged to review their CalPERS Annual Member Statement for details or contact CalPERS directly for more information regarding any potential impact related to their participation in the City's VTO program.



Request for Voluntary Time-Off

Step 1: Review and complete the check-box acknowledgements and fill-in boxes below. Provide this form to your Department Director to complete Step 2. I wish to participate in the Voluntary Time-Off Program. I understand that participation will be conditional upon approval of the Department Director, based upon the needs of the department, and the approval of the City Manager.

- ☐ I acknowledge that I am voluntarily completing this application for Voluntary Time-Off from the City of my own free will.
- ☐ I am advised to consult with a financial planner, tax advisor and/or attorney.
- ☐ I have reviewed and understand the provisions of this program, and wish to submit my application for consideration.

Employee Name	
Job Title	
Department	
Division	
Date	

I request the following time-off:

- ☐ One day off per week: 32 hours per week (64 hours per pay period)
- ☐ One day off every other week: (72 hours per pay period)
- ☐ Part-time: 20 hours per week
- ☐ Unpaid time off in weekly or monthly increments

Please describe the work schedule you are requesting to be approved:

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Requested Begin Date: _____

Requested End Date: _____

I would like to participate in the Voluntary Time Off (VTO) Program. I understand that my participation in this program will require my supervisor and department director approval, and that my absence cannot result in an increase in overtime. I further understand that my work hours and benefits during the period of the reduction will be determined by the City's VTO Program and that schedule reductions may result in reduced CalPERS contributions and retirement service credit. While the City promotes and encourages employee participation in this Program, it is understood that an employee's participation is completely voluntary.

Employee Signature: _____ Date: _____

Step 2: For completion and approval by Department Directors for City Manager approval.

Describe how the department will operate without the identified position and functions for the limited duration.

Describe any functions/tasks for employees to receive training for development from the temporarily vacated position.

The Voluntary Time-Off Request is:

☐ Approved ☐ Denied

Department Director Signature: _____ Date: _____

Step 3: City Manager Approval

The Voluntary Time-Off Request is:

☐ Approved ☐ Denied

City Manager Signature: _____ Date: _____