

**FIRST AMENDMENT TO  
MEMORANDUM OF UNDERSTANDING FOR THE  
PROVISION OF SERVICES BETWEEN THE COUNTY AND COURT**

THIS FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("Amendment") is made and entered into by and between the County of Orange ("County") and the Superior Court of California, County of Orange ("Court") as of October 11, 2016.

WHEREAS, County and Court entered into that certain Memorandum of Understanding (MOU) dated, December 8, 2015 (the "MOU"), by which the County and Court agreed to provide certain services between the entities; and

WHEREAS, the COUNTY and the COURT desire to amend the MOU to modify the Employee Transfer Program to remove the transfer of accrued leave balances between the two entities provided herein in the amended Attachment D - Human Resources.

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. Attachment D, of the MOU entitled "Human Resources," is hereby amended and replaced with Amended Attachment D - Human Resources, which is attached and incorporated by this reference into this Amendment.
2. Except as modified in this document and in prior amendments, all other terms and conditions of the MOU shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to MOU as of the date first written above.

Superior Court of California, County of  
Orange

County of Orange

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**Alan Carlson**  
Chief Executive Officer

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**Frank Kim**  
Chief Executive Officer

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Date

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Date

## COUNTY TO COURT SERVICES

### Human Resources

#### **I. SCOPE OF SERVICES**

Services provided to the Court are included in three categories, as follows:

##### **1. Employee Benefits Programs**

To the extent permitted by law and consistent with the Trial Court Funding Act and the Trial Court Employment Protection and Governance Act and other pertinent statutes, the Court may, at its request, participate in existing County administered benefit programs. Court agrees to accept the plans as offered by the County and offering of services is dependent upon the Court's participation in County's payroll.

##### **2. Administration of Employee Benefits Programs**

The County will pay for the supplemental judicial benefits for all judges sworn in prior to December 10, 2013. On December 10, 2013, termination of supplemental judicial benefits was approved under the following criteria: (a) when each existing judge leaves office; (b) for all vacant positions; and (c) for all judges sworn in after December 10, 2013, as specified in Government Code section 68220(b). Supplemental judicial benefits include, but are not limited to, PERS Health & Dental Plan Premium Reimbursement, Health Reimbursement Plan, and the Optional Benefit Plan. The County paid supplemental judicial benefits will terminate when an existing judge leaves office.

The County will administer the programs listed below with all costs for administration reimbursed by the Court.

- A. The Court pays for the County offered health and benefit plans for new and current employees including the following programs: COBRA, family leave benefits, leave of absence/accounts receivable, premium only plan, retiree medical program, unemployment insurance and appropriate open enrollment activities.
- B. The Court will agree to implement any County policy changes that are required to comply with the federal Patient Protection and Affordable Care Act and/or avoid any associated penalties, including but not limited to hiring and work schedule changes. County will notify the Court of any such policy changes prior to policy implementation and/or when such changes are agenda for consideration by the Board of Supervisors.
- C. Defined Benefit Plan (1992 Plan) – Applies to extra help and part-time employees working less than 20 hours per week. This plan closed to new participants as of March 2002 and no compensation earned after November 2008 is included in determining a participant's career earnings.
- D. Dependent Care Reimbursement Account – Contributions are made by the employee; however, the County administers the program.
- E. Employee Assistance Program – County administers this program and pays for it on a flat fee per month on behalf of all County and Court employees.

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- F. The Court pays for the County offered Management and Attorney benefit programs including: dental plan, optional benefit plan, salary continuance/short-term disability (STD) and long-term disability (LTD), life and accidental death and dismemberment insurance (AD&D) (County and Voluntary\*), and voluntary annual physical. The Court pays for the County-offered Judges' Life and AD&D insurance (County and Voluntary\*) benefits.
- G. Defined Contribution (457, 401(a), 3121, and 1.62 457 & 401(a) employer match plans) - For the purposes of ensuring the continued participation of Court employees in the County's Defined Contribution Plan and the County's Extra Help Employee Deferred Compensation Plan ("the Plans") and continued compliance with applicable requirements of federal law with respect to such Court employee participation in the Plan, the Court, by and through its approval and execution of this MOU, hereby adopts the plan with respect to its Court employees. The Court acknowledges that the County is the Plan Administrator for the Plan and retains all rights as the Plan Administrator to make all decisions with respect to the Plan, including, but not limited to, amendments, modifications, administration, interpretation or termination of the Plan. Although the employee makes the contributions, there is a level of administration that takes place by the County and its vendors.
- H. Health Care Reimbursement Plan (HCRA) – Court employees may participate in the County-administered HCRA beginning January 1, 2015. Costs will be paid or reimbursed to the County by the Court and/or Court employees.
- I. The County of Orange Replacement Benefits Plan – Court retirees who are impacted by the limits in section 415(b) of the Internal Revenue Code shall be permitted to participate in the County of Orange Replacement Benefits Plan. The County shall not have any financial obligation or responsibility with regard to the Court's participation in the Plan. The Court shall pay for the cost of its participation in the County's 415 Replacement Benefits Plan.
- J. The Court participates in the County's Retiree Medical Plan and Retiree Medical Trust per the terms and conditions as described in the executed Participation Agreement. If the County has completed its actuarial valuation of Other Postemployment Benefits (OPEB) under GASB Statement No. 45, the County will provide the Court with specific data no later than 30 days from the time of request. This timeframe will allow the Court to complete its actuarial valuation of Other Postemployment Benefits (OPEB) under GASB Statement No. 45.
- K. County Retirement Plans retirement benefit formulas as adopted by the Board of Supervisors or formula(s) that are mandated by State.
- L. Employee Transfer Agreement - Provided that the Court remains on County payroll systems, the Court and the County agree to continue to allow employee transfers between the Court and the County through the term of this MOU, according to the following terms:

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\* Managers, attorneys and judges have the option of purchasing voluntary and additional life and AD&D coverage; Court pays for their basic life and AD&D coverage.

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- Employees who accept a transfer from the County to the Court or from the Court to the County will not retain any rights to return to their former position or employer. Upon acceptance of transfer, employees will be placed on new employee probation under the terms of any applicable MOU or other policies applicable for the receiving agency/employer.
- Employees accepted for transfer will retain their continuous service hours, fringe benefits such as retiree medical and health insurance enrollment shall not be effected by transfer.
- Modifications to the above may be negotiated between the employee, the exclusively recognized employee organization, and the County or the Court. None of the parties is, however, obligated to negotiate such modifications based on the request of the other party.

**3. Human Resource Services**

The Human Resource Services Department (HRS) may provide human resource services upon request of the Court. These services may include, but are not limited to, classification and compensation, Equal Employment Opportunity access, employee and labor relations, learning and organizational development, leave and return to work, recruitment and transaction and records processing. The services will be coordinated through the Shared Services unit of HRS. Should the Court request human resource services, the Court will reimburse the full cost of services including salaries, labor burden, services & supplies, and overhead based on direct labor hours used by the Court. HRS will track the direct labor hour usage using the County's job code system. The Court will reimburse HRS using job billing and the journal voucher process.

- Commuter Assistance Program – County administers the Commuter Assistance Program (Rideshare). The Court agrees to pay a charge equal to its proportional share of participating employees of the total contract costs. This share is currently estimated to be 10% of the total Rideshare contract cost.

The services to the Court will continue to automatically renew on its anniversary date until the parties agree to any modification or changes to this MOU or until termination as provided herein in Section VIII.

**II. COST OF SERVICES**

The Court will be billed the administration fee at the same rate as other governmental agencies or special districts. The rate in calendar year 2015 is 4.4% of applicable employee group insurance costs and is subject to change in calendar year 2016. In addition, the Court is responsible for paying the costs outlined above and any collection charges resulting from payment of overdue invoices. All increases must be pre-approved by the Court. The Court is responsible for paying any penalties associated with the Affordable Care Act – Employer Shared Responsibility related to Court employees.

Written notice of annual cost shall be given to Court on or before March 15 for the following fiscal year.

**III. PAYMENT PROCESS**

Reimbursement to the County for administration of these programs is handled through the biweekly payroll process, and via the invoice process, as needed. For example, missed deductions during the biweekly process for an employee on a leave of absence would be reimbursed to the County via the invoice process.

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**IV. NOTICE OF TERMINATION**

The parties agree to provide one another with a minimum notice of 180 days should either party determine that it will no longer participate in the County's payroll system and/or benefits programs. A minimum of six (6) months' notice would be required to provide a smooth transition of the benefits from the County to new Court benefits administrator.