

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

EXECUTIVE COMMITTEE MEETING AGENDA

TIME: **9:00 a.m.**

DATE: **Wednesday, November 14, 2012**

LOCATION: **CONFERENCE ROOM A
County of Riverside Administrative Center
4080 Lemon Street, Third Floor, Riverside**

☞ COMMITTEE MEMBERS ☞

Greg Pettis, City of Cathedral City
Karen Spiegel, City of Corona
Terry Henderson, City of La Quinta
Darcy Kuenzi, City of Menifee
Rick Gibbs, City of Murrieta
Ron Roberts, City of Temecula
Bob Buster, County of Riverside, District I
John J. Tavaglione, County of Riverside, District II
Jeff Stone, County of Riverside, District III
John J. Benoit, County of Riverside, District IV
Marion Ashley, County of Riverside, District V

☞ AREAS OF RESPONSIBILITY ☞

Reviews and makes final decisions on personnel issues
and office operational matters.

Comments are welcomed by the Committee. If you wish to provide comments to the Committee, please complete and submit a Speaker Card to the Clerk of the Board.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

EXECUTIVE COMMITTEE

9:00 A.M.

WEDNESDAY, NOVEMBER 14, 2012

County of Riverside Administrative Center

Conference Room A

4080 Lemon Street, Third Floor, Riverside

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, www.rctc.org.

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if you need special assistance to participate in an Executive Committee meeting, please contact the Clerk of the Board at (951) 787-7141. Notification of at least 48 hours prior to meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.

- 1. CALL TO ORDER**
- 2. PUBLIC COMMENTS**
- 3. APPROVAL OF MINUTES –OCTOBER 10, 2012**
- 4. ADDITIONS/REVISIONS** - *The Committee may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Committee subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Committee. If there are less than 2/3 of the Committee members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.*
- 5. RECORDS RETENTION SCHEDULE**

Overview

This item is for the Committee to adopt the revised Records Retention Schedule for the Commission.

6. FLEXIBLE BENEFITS PLAN AMENDMENT

Overview

This item is for the Committee to:

- 1) Approve the revision to the Commission's Flexible Benefits Plan (Plan);
- 2) Approve the revision to the Plan's "Frequently Asked Questions" for distribution to employees; and
- 3) Adopt Resolution No. 12-029, *"Resolution of the Riverside County Transportation Commission Amending the Flexible Benefits Plan"*.

7. ADMINISTRATIVE CODE AMENDMENT – COMMITTEE REMOVAL PROCESS

Overview

This item is for the Committee to adopt Ordinance No. 12-001, *"An Ordinance of the Riverside County Transportation Commission Amending the Commission's Administrative Code"*, to include the addition of language regarding the removal of Commissioners from committees.

8. ADJOURNMENT

AGENDA ITEM 3

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

EXECUTIVE COMMITTEE OCTOBER 10, 2012

Minutes

1. CALL TO ORDER

The meeting of the Executive Committee was called to order by Second Vice Chair Marion Ashley at 8:35 a.m. in Conference Room A at the County of Riverside Administrative Center, 4080 Lemon Street, Third Floor, Riverside, California, 92501.

Commissioners Present

Marion Ashley
Bob Buster
Rick Gibbs
Terry Henderson
Darcy Kuenzi
Greg Pettis
Ron Roberts
Karen Spiegel
Jeff Stone

Commissioners Absent

John J. Benoit
John Tavaglione

2. PUBLIC COMMENTS

There were no requests to speak from the public.

3. APPROVAL OF MINUTES

M/S/C (Kuenzi/Henderson) to approve the minutes of April 11, 2012 as submitted.

Abstain: Stone

4. ADDITIONS/REVISIONS

There were no additions or revisions to the agenda.

5. CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2012

Anne Mayer, Executive Director, discussed the impacts affecting current and new employees in response to the new California Public Employees' Pension Reform Act of 2013. She then presented staff's recommendation to implement the law related to the employer paid member contribution (EPMC).

At this time, Vice Chair Karen Spiegel assumed the Chair.

Commissioner Jeff Stone suggested a more immediate implementation for employees to pay the EPMC.

Anne Mayer explained the importance of first conducting a compensation and organization study and the adverse effects that could occur with a more immediate implementation.

Commissioners Terry Henderson, Marion Ashley, Bob Buster, Darcy Kuenzi, Rick Gibbs, and Ron Roberts discussed their support for the staff proposal.

Anne Mayer then discussed the retirement formula options for placement of future employees who are already in the CalPERS system.

The committee unanimously concurred to place future employees who are already in the CalPERS system into the current retirement formula.

M/S/C (Ashley/Stone) to:

- 1) Approve placement of future employees who are already in the CalPERS system into the current retirement formula in response to the new California Public Employees' Pension Reform Act of 2013;**
- 2) Reinstitute the biennial compensation review system; and**
- 3) Approve a budget adjustment for \$120,000 for a compensation and organization study.**

6. DISCUSSION OF ADMINISTRATIVE CODE RELATED TO APPOINTMENTS AND REAPPOINTMENTS

Commission Gibbs discussed his concerns regarding the process or policy to remove a Commissioner from a committee. He suggested the Administrative Code be amended to authorize the Chair to remove a Commissioner from a committee due to absence or any other infraction, and require a majority vote of the Commission for any other reason.

At the request of Steve DeBaun, legal counsel, Commissioner Gibbs clarified this process would only apply outside of the annual appointment process.

Commissioner Henderson expressed concern regarding taking a removal to the Board.

Commissioner Ashley suggested recommendations for removal be heard by the Executive Committee.

The committee concurred with Commissioner Ashley's suggestion.

The committee then discussed the merits of including absences as grounds for removal. Based on Steve DeBaun's suggestion, the committee determined to include absences as an element that will be considered as part of a removal.


At Steve DeBaun's request, the committee clarified this policy applies to the Budget and Implementation Committee, the Western Riverside County Programs and Projects Committee, as well as the representative appointments to external agencies.

M/S/C (Henderson/Stone) to direct staff to revise the Administrative Code per the Executive Committee's direction and return with a revised Administrative Code at the next meeting for Executive Committee action.

7. ADJOURNMENT

There being no other items to be considered, the Executive Committee meeting adjourned at 9:30 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Jennifer Harmon". The signature is written in a cursive style with a large, looped initial "J".

Jennifer Harmon
Clerk of the Board

AGENDA ITEM 5

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	November 14, 2012
TO:	Executive Committee
FROM:	Jennifer Harmon, Clerk of the Board
THROUGH:	John Standiford, Deputy Executive Director
SUBJECT:	Records Retention Schedule

STAFF RECOMMENDATION:

This item is for the Committee to adopt the revised Records Retention Schedule for the Commission.

BACKGROUND INFORMATION:

In an effort to improve the efficiency and effectiveness of the Commission, there has been an ongoing effort to modernize and improve a number of Commission processes and policies. During the past few years, the Commission approved new policies and guidelines for a number of activities including right of way, procurement, committee composition, and in capital project delivery. The overall professionalism and expertise in every department has seen remarkable improvements.

One area that has yet to be improved – until now – is in terms of record retention. The last time the Commission formally adopted a records retention schedule was in 1995. The schedule adopted at that time was similar to what was used by the county of Riverside and lacked specifics.

Since 1995, a number of changes in state and federal law, along with court decisions have added multiple layers of complexity to the records responsibilities of all public agencies. Even a small agency such as the Commission, which has a limited purview of overseeing only a single issue such as transportation can be faced with the challenges of responding to public information requests and legal claims that require prompt access to records that can involve personnel matters, construction claims, accounting documents, and a myriad of actions involving the Commission.

The best way of responding to this ongoing responsibility is to establish a foundation with the adoption of a comprehensive records retention policy that should be reviewed and updated on a regular basis. During the last two years, the Clerk of the Board, records staff from Bechtel and legal counsel have worked

cooperatively to develop a matrix that details the length to time that individual documents should be retained. The matrix cites appropriate state or federal legal law that governs each specific document type. In establishing this schedule, the goal of staff is to ensure public transparency with the retention of important records while balancing the need to accomplish that goal in a cost effective and legally sound manner.

The adoption of this schedule by the Executive Committee can be considered an important first step in ensuring that the Commission places a high priority on this responsibility. The schedule will return to the Committee on a regular basis whenever changes in state or federal law requires an update.

Attachment: Revised Retention Schedule

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Accidents/Damage to Commission Property	Risk management administration	GC 34090 CCP 337.15	10 years
Accounting Records – General Ledger	General Ledger	GC 340903	Until audited + 4 years
Accounting Records – Permanent Books of Accounts	Records showing items of gross income, receipts and disbursement (including inventories, per IRS regulations)	26 CFR 1.6001-1(c) & (e)	Permanent
Accounts Payable	Journals, statements, asset inventories, account postings with supporting documents, vouchers; investments, invoices and back-up documents, purchase orders, , petty cash, postage, PERS reports, check requests, etc.	CCP 337 26 CFR 31.6001-1(e)(2); SOS Local Government Records Management Guidelines	Until audited + 4 years
Accounts Payable	Expense reimbursements to employees and officers; travel expense reimbursements or travel compensation	GC 60201(d)(12)	7 years after date of payment

Legal Authority Abbreviations

CCP	Code of Civil Procedure (California)	GC	Government Code (California)	LC	Labor Code (California)
CCR	California Code of Regulations	H&S	Health & Safety Code	PC	Penal Code (California)
CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)
EC	Elections Code (California)	IRS	Internal Revenue Service	SOS	Secretary of State (California)
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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Accounts Receivable	Receipts for deposited checks, coins, currency; checks received, reports, investments, receipt books, cash receipts, cash register tapes, payments for fees, permits, etc.	CCP 337 26 CFR 31.6001-1(e)(2); SOS Local Government Records Management Guidelines	Until audited + 4 years
Affidavits of Publication / Posting	Legal notices for public hearings, publication of ordinances, etc.	GC 34090	2 years
Agendas/Minutes, Commission and Executive Committee	Complete agenda package including minutes and staff reports for Commission and Executive Committee.	GC 34090; SOS Local Government Records Management Guidelines	Permanent (2 years)
Agendas/Minutes, All other Committees of the Commission	Complete agenda package including minutes and staff reports for all other committees of the Commission.	GC 34090; SOS Local Government Records Management Guidelines	7 years (2 years)
Agreements / Contracts	Original contracts and agreements and back-up materials, including leases, license agreements, service/maintenance contracts, etc.	CCP 337 CCP 337.2 CCP 343	4 years after termination/ completion

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Agreements / Contracts	Original contracts/agreements regarding the development of real property, design, specifications, surveying, planning, supervision, testing, or observation of construction or improvement to real property; may include records of retention releases, retention withheld, change orders, etc.	CCP 337.15	10 years after termination/completion
Appraisals	For real property owned by Commission – Not a public record until real estate transaction is complete	GC 34090 GC 6254(h)	2 years
Articles of Incorporation		GC 34090 GC 60201	Permanent
Audit Reports	Financial services; internal and/or external reports	GC 34090 SOS Local Government Records Management Guidelines	Permanent (Current + 4 years)
Audit Hearing or Review	Documentation created and or received in connection with an audit hearing or review	GC 34090	2 years
Backflow Test Reports/ Meter Operations	Reports of testing and maintenance	17 CCR § 7605	3 years
Bank Account Reconciliations	Bank statements, receipts, certificates of deposit, etc.	26 CFR 31.6001-1(e)(2) SOS Local Government Records Management Guidelines	Until audited + 5 years (4 years)

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Bids, Successful	Capital – Includes plan and specifications; notices/affidavits.	GC 34090 CCP 337, 337.1	Permanent
Bids, Successful	Non-capital – Includes plan and specifications; notices/affidavits.	GC 34090 CCP 337, 337.1	4 years
Bids, Unsuccessful	Unsuccessful bid packages only	GC 34090 GC 60201	2 years
Bonds	Authorization; public hearing records; prospectus; proposals; certificates; notices; transcripts; registers; statements; paid or cancelled bonds; warrant certificates; interest coupons; final bond documentation; monthly statement of transactions; supporting documents	CCP 337.5	Upon cancellation, redemption, or maturity + 10 years
Bonds, Employee (Fidelity Bonds)	Form of insurance that covers employer for losses resulting from fraudulent acts of specified employees	GC 34090	Current + 2 years
Bonds, Unsold/Unused	Unsold/unused bonds	GC 34090 GC 43900 et seq.	2 years (specific requirements for disposal of unused bonds)
Bonds, Surety	Documentation created and/or received in connection with the performance of work/services for the Commission	CCP 337	4 years
Brochures/ Publications	Retain selected documents only for historic value	GC 34090	2 years

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Budget, Annual	Annual operating budget approved by legislative body	GC 34090 SOS Local Government Records Management Guidelines	Permanent
Cal-OSHA	Personnel logs, Supplementary Record, Annual Summary (Federal & State-Cal OSHA)	LC 6410; 8 CCR 14307	5 years
California State Tax Records	Forms filed annually; quarterly and year-end reports	R&TC 19530 R&TC 19704	6 years
Capital Improvements	Planning, design, construction, modification of local government-owned facilities, structures, and systems	GC34090 H&S19850 SOS Local Government Records Management Guidelines	Permanent
Checks – Commission-issued	Checks paid – expense reimbursement to employees; payments to independent contractors; vendors; other payments; etc. Includes check copies; canceled or voided checks; electronic versions of checks	GC 60201(d)(12) CCP 337 26 CFR 31.6001-1(e)(2) SOS Local Government Records Management Guidelines	Until audited + 7 years
Citizen Feedback	General correspondence	GC 34090	2 years
Claims Filed Against the Commission	Paid/Denied	GC 60201(d)(4); GC 34090	Until settled + 2 years

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Complaints - Miscellaneous	Miscellaneous complaints, not related to specific lawsuits involving the Commission and not otherwise specifically covered by the retention schedule.	GC 34090	2 years
Comprehensive Annual Financial Reports (CAFR)	Finance	GC 34090; CCP 337	Until audited + 4 years
Conflict of Interest Code	Conflict of Interest Code – required under Political Reform Act; must be reviewed by July 1st of every even-numbered year and amended if necessary	GC 87300 et seq.	Permanent
Correspondence	General correspondence, including letters and e-mail; Various files, not otherwise specifically covered by the retention schedule.	GC 34090	2 years
Credit Cards, Commission-owned	Credit card bills or statements, and other records related to use of Commission-owned credit cards	GC 60201(d)(12)	7 years after date of payment
Deeds, Real Property (Grant Deeds)	File with recorded documents; originals may not be destroyed.	GC 34090 GC 60201(d)	Permanent
Deferred Compensation Reports	Finance, pension/retirement funds	29 CFR 516.5 29 CFR 1627.3	Termination + 4 years (3 years)

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
DMV Driver's Records Reports (DMV Pull-Notice System)	Motor vehicle pulls – Personnel record-- Not a public record.	GC 34090 GC 6254(c) GC 12946 VC 1808.1(c) SOS Local Government Records Management Guidelines;	Separation + 7 years (until superseded)
Easements, Real Property	File with recorded documents; originals may not be destroyed.	GC 34090	Permanent
EEOC Records (Equal Employment Opportunity Commission)	Records, reports showing compliance with federal equal employment requirements (EEO-4 Reports, etc.)	29 CFR 1602.30	3 years
Employee Benefits	Benefit plans (including "cafeteria" and other plans); health insurance programs; records regarding COBRA – extension of benefits for separated employees, insurance policies (health, vision, dental, deferred compensation, etc.)	29 USC 1027 28 CCR 1300.85.1 11 CCR 560 29 CFR 1627.3(b)(2)	Life of plan/policy + 6 years
Employee Files	Personnel files --Not a public record.	GC 12946 GC 6254(c)	Separation + 2 years
Employee Information, General	Name, address, date of birth, occupation	GC 12946 29 CFR 1627.3 LC 1174	Separation + 3 years
Employee Information, Payment	Rate of pay and weekly compensation earned	GC 60201	Separation + 7 years

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Employee Information and Non-Hired Applicant Identification Records	Personnel--Data regarding race, sex, national origin of non-hired applicants & employees [Employee data must be kept separate from their personnel files]	2 CCR 7287.0(b), (c)(2), (c)(3)	Current + 3 years (Current + 2 years)
Employee, Non-safety	Non-safety employee records may include: Release Authorizations; Certifications; Reassignments; outside employment; commendations, disciplinary actions; terminations; Oaths of Office; evaluations-pre-employee medicals; fingerprints; identification cards (ID's)	29 CFR 1627.3 GC 12946	Separation + 3 years
Employee Programs	Includes EAP and Recognition	GC 34090 GC 12946	Until terminated or superseded + 2 years
Employee, Recruitment	Alternate lists/logs, ethnicity disclosures, examination materials, examination answer sheets, job bulletins	GC 12946 GC 34090 29 CFR 1602.31 29 CFR 1627.3	Current + 3 years (Current + 2 years)
Employee, Reports	Employee statistics, benefit activity, liability loss	GC 34090	Current + 2 years
Employee Rights - General		GC 12946 29 CFR 1602.14	Length of employment + 2 years

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Employment Applications - Not Hired	Applications submitted for existing or anticipated job openings, including any records pertaining to failure or refusal to hire applicant	GC 34090 GC 12946 29 CFR 1627.3(b)(1)(i)	3 years (2 years)
Employment Eligibility Verification (I-9 Forms)	Federal Immigration and Nationality Act; Immigration Reform/Control Act 1986	8 USC 1324a (b)(3) Pub. Law 99-603	Separation + 3 years (3 years after date of hire, or 1 year after date of termination, whichever is later)
Employment, Personnel Training	Paperwork documenting internal and external training, and volunteer program training	GC 34090 GC 12946	Length of employment + 7 years (Length of employment + 2 years)
Employment, Surveys and Studies	Includes classification, wage rates	GC 12946 GC 34090 29 CFR 516.6	Current + 2 years
Employment, Vehicle Mileage Reimbursement Rates	Annual mileage reimbursement rates	GC 34090	Until superseded
Environmental Quality Asbestos	Documents, abatement projects, public buildings	GC 34090	Permanent

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Environmental Quality California Environmental Quality Act (CEQA)	Exemptions, Environmental Impact Report, Mitigation monitoring, negative declaration, notices of completion and determination, comments, statements of overriding considerations	GC 34090 CEQA Guidelines	Permanent
ERISA Records (Employee Retirement Income Security Act)	Employee Retirement Income Security Act of 1974 - plan reports, certified information filed; records of benefits due	29 USC 1027 29 USC 1059	6 years
Ethics Training Records (AB 1234; effective 1/1/06)	Records required to be kept under Gov. Code section 53235.2 (effective 1/1/06). Records must show dates that local officials satisfied the training requirements and the entity that provided the training	GC 53235.2	5 years after receipt of training
Family and Medical Leave Act (Federal)	Records of leave taken, Commission policies relating to leave, notices, communications relating to taking leave	29 CFR 825.500 GC 12946	Separation + 30 years (Current + 3 years (Federal) or 2 years (State))
Federal Tax Records	May include Forms 1096, 1099, W-4 and W-2	26 CFR 31.6001.1-4 26 CFR 31.6001-1(e)(2) 29 CFR 516.5-516.6	Until audited + 4 years
Fixed Assets, Inventory	Reflects purchase date, cost, account number	GC 34090	Until audited + 2 years

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Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Fixed Assets, Surplus Property	Auction; disposal – Listing of property; sealed bid sales of equipment	GC 34090 CCP 337	Until audited + 4 years
Fixed Assets, Vehicle Ownership and Title	Title transfers when vehicle is sold.	VC 9900 et. seq.	Until sold
Forms	Administrative - blank		Until superseded
Fund Transfers	Internal; bank transfers & wires	GC 34090	Until audited + 2 years
Grants, Federal and State	Grant documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub-recipient docket, environmental review, inventory, consolidated plan, etc.	GC 34090 24 CFR 570.502 24 CFR 85.42	Until completed + 4 years
Improvements (lighting, underground utility) – supporting documents	Supporting documents – bonds, taxes, construction	GC 34090 SOS Local Government Records Management Guidelines	Permanent
Insurance	Personnel related, MOU, agreements liability, performance bonds, employee bonds, property, certificates filed separately from contracts, includes insurance filed by licensees. May include liability, property, deferred, use of facilities	GC 34090	Current + 2 years

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RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Insurance, Risk Management Reports	Federal OSHA Forms; Loss Analysis Report; Safety Reports; Actuarial Studies	29 CFR 1904.44 GC 34090	5 years (Federal) 2 years (State)
Investment Reports, Transactions	Summary of transactions, inventory and earnings report	GC 34090 CCP 337 SOS Local Government Records Management Guidelines	Permanent
Invoices	Copies sent for fees owed, billing, related documents	GC 34090	Until audited + 2 years
Job Descriptions	Descriptions of duties, qualifications, responsibilities for each position/classification/job title	29 CFR 1627.3	While current + 3 years
Lease Agreement	Property or equipment	CCP 337 CCP 337.2 CCP 343	Until terminated + 4 years
Legal Notices/Affidavits of Publication	Notices of public hearings, proof of publication of notices	GC 34090	2 years
Legal Opinions	Confidential – not for public disclosure (attorney-client privilege)	GC 34090	Until superseded + 2 years
Litigation	Case files	GC 34090	Until settled or adjudicated + 2 years
Maintenance Manuals	Equipment service/ maintenance	GC 34090	Current + 2 years
Maintenance Plans	Capital Assets – Rail Stations	GC 34090	Until superseded + 3 years
Maintenance/Repair Records	Equipment	GC 34090	3 years (2 years)

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RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Newsletter	Historic reference	GC 34090	Permanent (2 years)
Notices, public meetings	Special Meetings	GC 34090	2 years
OSHA	OSHA Log 200, Supplementary Record, Annual Summary (Federal & State-Cal-OSHA); OSHA 300 Log, privacy case list, annual summary, OSHA 301 incident report forms	LC 6410; 8 CCR 14307 29 CFR 1904.2 - 1904.6, 1904.33	5 years
OSHA (Accident/Illness Reports)	Personnel - Employee Exposure Records & Employee Medical Records regarding exposure to toxic substances Not a public record	LC 6410; 8 CCR 14307; 8 CCR. 3204; GC 6254(c)	Duration of employment plus 30 years
Payroll, Federal/State Reports	Annual W-2's, W-4's, Form 1099s, etc.; quarterly and year-end reports	GC 60201	Separation + 3 years (7 years)
Payroll Deduction/ Authorizations	Finance	29 CFR 516.6(c) GC 60201	Separation + 7 years
Payroll records	Records that specify compensation paid to employees, officers	GC 60201(d)(12)	7 years after date of payment
Payroll records, employee information	Records showing employee information/data – names, addresses, etc.	29 CFR 516.5 LC 1174(d)	3 years from date of last entry
Payroll records, terminated employees	Finance files	29 CFR 516.5 GC 60201	7 years from date of last entry

Legal Authority Abbreviations

CCP	Code of Civil Procedure (California)	GC	Government Code (California)	LC	Labor Code (California)
CCR	California Code of Regulations	H&S	Health & Safety Code	PC	Penal Code (California)
CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)
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				USC	United States Code

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Payroll, registers	Payroll registers, payroll reports, registers that show labor costs by employee and program	29 CFR 516.5(a) LC 1174(d) GC 60201 SOS Local Government Records Management Guidelines	Permanent (7 years from date of last payment)
Payroll, time sheets	Employee time sheets	29 CFR 516.6 LC 1174 SOS Local Government Records Management Guidelines	Until audited + 6 years
Payroll, Wage Rates/ Job Classifications	Employee records	GC 60201	Separation + 7 years
PERS - Employee Benefits	Retirement Plan – annual reports required to be filed under ERISA, PERS Employee Benefit Plan – original document, or copies	29 USC 1027 29 CFR 1627.3(b)(2) GC 34090	Current + 4 years (Current + 2 years)
Personnel Policies -- Rules and Regulations	Including employee handbooks, employee manuals, and other policies/procedures	29 CFR 516.6 29 CFR 1627.3(a)	Current + 3 years
Personnel Records	Other records (not payroll) containing name, address, date of birth, occupation, etc., including records relating to promotion, demotion, transfer, lay-off, termination	29 CFR 1627.3	Separation + 3 years
Petitions	Submitted to legislative bodies	GC 34090	Current + 2 years

Legal Authority Abbreviations

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Policies, Administrative	All policies and procedures, directives rendered by the Commission not assigned a resolution number	GC 34090	Current + 2 years
Policies, Commission Board	Original policies adopted by the Commission Board	GC 34090	Current + 2 years
Political Support/ Opposition, Requests and Responses	Related to legislation	GC 34090	2 years
Press Releases	Related to Commission actions/activities.	GC 34090	2 years
Procedure Manuals	Administrative	GC 34090	Current + 2 years
Property, Abandonment	Buildings, condemnation, demolition	GC 34090	Permanent
Property Acquisition/ Disposition	Commission owned. Supporting documents regarding sale, purchase, exchange, lease or rental of property by Commission	CCP 337.15	10 years
Public Records Request	Requests from the public to inspect or copy public documents	GC 34090	2 years
Purchasing, RFQ's, RFP's	Requests for Qualifications; Requests for Proposals regarding goods and services	GC 34090	Current + 2 years
Purchasing, Requisitions, Purchase Orders	Original Documents	GC 34090 CCP 337	Until audited + 4 years
Recordings – audio (for preparation of meeting minutes)	Audio recordings of Board meetings – solely for preparation of Board meeting minutes	GC 34090 64 Ops.Atty.Gen 317 The Brown Act	Until no longer required for preparation of minutes and after minutes are approved or 30 days, which is longer

Legal Authority Abbreviations

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Recordings - routine video monitoring, telephone, and radio communications	Routine daily recording of telephone communications & radio communications; recordings of routine video monitoring, monitoring systems, or building security systems	GC 34090 GC 34090.6	Videos - 1 year; Phone & Radio communications - 100 days (destruction must be approved by legislative body and with written consent of agency attorney). If recordings relate to a claim or pending litigation, must be preserved until the matter is resolved
Recordings, video recordings – meetings of legislative bodies	Recordings of public meetings made by or at the direction of the Commission (e.g., Board meetings)	GC 54953.5	30 days
Recordings, video – other events	Other than video recordings of public meetings; Considered duplicate records if another record of the same event is kept (i.e., written minutes)	GC 34090 GC 34090.7	90 days after event is recorded
Records Management Disposition/Destruction Certification	Documentation of final disposition/destruction of records	GC 34090	Permanent
Records Retention Schedules	Schedule for records retention	GC 34090	Until superseded + 2 years
Recruitments and Selection	Records relating to hiring, promotion, selection for training	29 CFR 1627.3	3 years

Legal Authority Abbreviations

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Resolutions	Vital records – may be imaged immediately	GC 60201 GC 34090	Permanent
Returned Checks	Adjustments-NSF, etc. (not Commission checks)	GC 34090 SOS Local Government Records Management Guidelines	Until audited + 5 years (Until audited + 4 years)
Salary/Compensation Studies, Surveys	Studies or surveys of other agencies regarding wages, salaries and other compensation or benefits	GC 34090	Current + 2 years
State Controller	Annual reports.	GC 34090	Permanent (2 years)
State Tax Records	Filed annually; quarterly	Refer to Federal Tax Records	Until audited + 4 years (5 years after file date)
Statements of Economic Interest (SEI) - Form 700 (copies) (elected officials)	Copies of original statements of elected officials forwarded to Fair Political Practices Commission.	GC 81009(f), (g)	4 years
Statements of Economic Interest Statements (SEI) - Form 700 (originals) - non-elected	Originals of statements of designated employees	GC 81009(e), (g)	7 years
Stop Payments	Finance - bank statements	GC 34090	Until audited + 2 years (2 years)
Taxes, Special	Special tax levied by a local agency on a per parcel basis	CCP 338	Until audited + 3 years

Legal Authority Abbreviations

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RIVERSIDE COUNTY TRANSPORTATION COMMISSION
RECORDS RETENTION SCHEDULE

Type of Record	Description or Example of Record	Legal Authority	Retention Period (Minimum Legal if Different)
Unemployment Insurance Records	Records related to unemployment insurance	IRC 3301-3311	4 years
Vouchers - Payments	Account postings with supporting documents	GC 34090 CCP 337	Until audited + 4 years
Wage Garnishment	Wage or salary garnishment	CCP 337	Active until garnishment is satisfied; then retain until audited + 4 years
Warrant Register/Check Register	Record of checks issued; approved by legislative body (copy is normally retained as part of agenda packet information)	GC 34090	Until audited + 2 years
Workers Compensation Files	Work-injury claims (including denied claims); claim files, reports, etc.	8 CCR 10102 8 CCR 15400.2	Until settled + 5 years

Legal Authority Abbreviations

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AGENDA ITEM 6

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	November 14, 2012
TO:	Executive Committee
FROM:	Michele Cisneros, Accounting and Human Resources Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Flexible Benefits Plan Amendment

STAFF RECOMMENDATION:

This item is for the Committee to:

- 1) Approve the revision to the Commission's Flexible Benefits Plan (Plan);
- 2) Approve the revision to the Plan's "Frequently Asked Questions" for distribution to employees; and
- 3) Adopt Resolution No. 12-029, *"Resolution of the Riverside County Transportation Commission Amending the Flexible Benefits Plan"*.

BACKGROUND INFORMATION:

At its September 11, 2002 meeting, the Executive Committee approved the establishment of a Section 125 Premium Conversion Plan or Flexible Benefits Plan to provide eligible Commission employees with a means of purchasing certain health benefits in a tax-effective manner. The Plan would also qualify as a cafeteria plan under Section 125 of the Internal Revenue Code (IRC) whereby benefits that the employee elects to receive under the Plan are eligible for exclusion from the employee's income for federal tax income purposes. As a result of this Plan, employees were allowed to make premium payments for health coverage with pre-tax deductions.

On June 14, 2006 a restatement of the Plan was required in order to be in compliance with the Internal Revenue Service (IRS), Employee Retirement Income Security Act of 1974, and Health Insurance Portability and Accountability Act of 1996. On September 10, 2008, the Plan was amended to include new regulations imposed by the IRS related to health coverage for non-dependent individuals, participant elections, substantiation of expenses, and period of coverage.

Staff requested that legal counsel review the current Plan and determine what revisions were necessary to bring the Plan in compliance with recent changes in the federal health care laws applicable to health plans. Legal counsel identified the following necessary changes and recommended amendments to the Plan:

- The definition of dependent has been updated to require health care coverage for children up to age 27 years for purposes of complying with the new health care law. The definition of “student” has been stricken since it is no longer applicable.
- The Consolidated Omnibus Budget Reconciliation Act (COBRA) provisions have been revised to correspond with the changes made in the definition of dependant health coverage.
- Effective January 1, 2011, the cost of over-the-counter medicines can no longer be reimbursed through the Medical Savings Account unless the drug is prescribed by a doctor. The definition of Eligible Medical Care Expense and the claim procedures reflect this change.
- The Plan has been amended to permit an employee to change his or her election if he or she becomes entitled to a state health care premium subsidy.

There is no cost to the Commission for implementing these changes to the Plan.

Attachments:

- 1) Resolution No. 12-029
- 2) Flexible Benefits Plan Amendment No. 2
- 3) Flexible Benefits Plan “Frequently Asked Questions”

RESOLUTION NO. 12-029

**RESOLUTION OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
APPROVING AMENDMENT TO RIVERSIDE COUNTY TRANSPORTATION
COMMISSION FLEXIBLE BENEFITS PLAN**

WHEREAS, the Riverside County Transportation Commission (the "Commission") currently retains the authority to add, delete or otherwise modify the Commission's policies and procedures; and

WHEREAS, the Commission has granted the Executive Committee the authority to add, delete, or otherwise modify the Commission's policies and procedures; and

WHEREAS, the Commission previously established the Riverside County Transportation Commission Flexible Benefits Plan on September 11, 2002, and as amended on September 10, 2008, ("Flexible Benefits Plan") to allow participating employees the opportunity to contribute salary reduction amounts on a pretax basis for the purchase of benefits made available under the Flexible Benefits Plan; and

WHEREAS, the Commission has been advised by its legal counsel that it is necessary to amend the Flexible Benefits Plan to comply with certain changes in federal law affecting "cafeteria-benefit plans" under Section 125 of the Internal Revenue Code; and

WHEREAS, the proposed form of amendment to the Flexible Benefits Plan, which said amendment incorporates the necessary statutory changes, has been submitted to the Executive Committee for consideration and action

NOW, THEREFORE, the Riverside County Transportation Commission does hereby resolve as follows:

Section 1. The Riverside County Transportation Commission hereby approves and adopts Amendment No. 2 to the Flexible Benefits Plan, as heretofore discussed, to be effective November 14, 2012.

Section 2. The Riverside County Transportation Commission hereby authorizes Commission's Chair to execute said amendment on behalf of the Commission.

APPROVED AND ADOPTED this 14th day of November, 2012.

John J. Benoit, Chair
Riverside County Transportation Commission

ATTEST:

Jennifer Harmon
Clerk of the Board

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

FLEXIBLE BENEFITS PLAN

AMENDMENT NO. 2

RECITALS

A. The RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("Employer") adopted the RIVERSIDE COUNTY TRANSPORTATION COMMISSION FLEXIBLE BENEFITS PLAN (the "Plan") originally effective as of September 11, 2002, as amended on September 1, 2008.

B. The Employer desires to amend the Plan to comply with certain provisions of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

C. The provisions contained in this Amendment shall supersede the provisions contained in the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

D. Section 13.2 of the Plan provides that the Employer reserves the right to amend the Plan at any time.

AMENDMENT

NOW, THEREFORE, the Employer hereby amends the RIVERSIDE COUNTY TRANSPORTATION COMMISSION FLEXIBLE BENEFITS PLAN as follows:

1. The definition of "Dependent" at Section 3.5 is hereby amended and restated in its entirety as follows:

3.6 Dependent. "Dependent" includes the Spouse or dependent of a Participant who is eligible to receive benefits under a Component Plan and who is specifically defined as a legal dependent under Section 152 of the Code. Dependent shall also mean, as to health benefits offered under the Plan, a dependent eligible under Code Section 152, determined without regard to Code Section 152(b)(1), (b)(2) or (d)(1)(B) and any child (as defined in Code Section 152(f)(1)) of the Participant who as of the end of the taxable year has not attained age 27 years.

Notwithstanding the preceding, if a Component Plan permits a Participant to cover an individual other than the Participant's Spouse or Dependent (including a Participant's registered domestic partner as recognized by the State of California), the term Dependent as used throughout the Plan document shall also include such individual provided the benefit is treated as a taxable benefit in accordance with Section 6.7.

2. The definition of “Eligible Medical Care Expense” at Section 3.8 is hereby updated and revised to add the following sentence:

Expenses incurred on or after January 1, 2011 for over-the-counter drugs purchased without a “prescription” for its use shall not be eligible for reimbursement. Amounts paid for any medicine or drug shall be considered an Eligible Medical Care Expense only if (1) the medicine or drug requires a prescription, (2) the medicine or drug is available without a prescription and the individual obtains a prescription, or (3) it is insulin. For this purpose, a “prescription” means a written or electronic order for a medicine or drug or other biological that meets the legal requirements of a prescription in the state in which the medical expense is incurred and that is issued by an individual who is legally authorized to issue a prescription in that state.

3. The definition of “Student” at Section 3.27 is hereby repealed in its entirety.

4. The following is added as a new paragraph (d) under Section 5.10:

(d) State Premium Subsidy. Notwithstanding the thirty (30) day election period prescribed by subparagraphs (a) and (b) above, if an Employee or his or her Dependent becomes eligible to receive a state premium subsidy for a group health plan sponsored by the Employer, such Employee shall have the opportunity to enroll himself or herself or his or her affected Dependent for coverage in the Employer’s health plan, provided the Employee elects enrollment within sixty (60) days of the date of the notice of qualification from Medicaid or the Children’s Health Insurance Program (CHIP).

5. Paragraph (d) of Section 5.12 is hereby amended as follows:

(d) a dependent satisfies or ceases to satisfy the eligibility requirements for coverage due to attainment of age, dependent status, or any similar circumstances as provided under the Component Plan under which the Employee receives coverage.

6. The following is added as a new paragraph (e) under Section 8.6:

(5) a copy of the prescription or other documentation that a prescription has been issued (e.g., pharmacy receipt reflecting an Rx number) if the expense is for amounts paid for an over-the-counter medicine or drug.

7. The following is added as a new Section 8.9 under Article VIII:

8.9 Qualified Reservist Distribution. A Participant who is a member of a reserve component (as defined in 37 U.S.C. § 101) and is ordered or called to active duty for a period of 180 days or more or for an indefinite period, shall be permitted to elect to receive a distribution of all or a portion of the balance remaining in his or her medical spending account subject to the following:

a. Amount Available for Distribution. For purposes of determining the amount available for distribution, the “balance” of a Participant’s medical spending account shall be the total amount contributed for the Plan Year as of the date of the distribution request minus any prior distributions or reimbursements or pending claims for reimbursement received as of the date of the distribution request.

b. Timing of Request. A request for distribution must be made during the claims period indicated in Section 8.7, including the Grace Period, applicable for the Plan Year in which the employee is called to active duty.

c. Additional Claims. Prior to or concurrent with the request for distribution, a Participant shall submit a claim for reimbursement (in the manner provided under Section 8.6) for all Eligible Medical Expenses incurred on or before the date of the distribution request. If the balance of a Participant’s medical spending account (as determined pursuant to subparagraph a. above) is reduced to zero immediately following the distribution, the Participant shall be prohibited from submitting any claims for reimbursement for the remainder of the Plan Year with respect to expenses incurred after the date of distribution.

d. Taxation of Distribution. The amount distributed to a Participant under this Section 8.9 shall be reported as taxable compensation, subject to any applicable wage withholdings, for the tax year in which the distribution is paid.

8. The definition of “Full-time Student” at Section 9.2(c) is hereby repealed in its entirety.

9. Paragraph (5) of Section 12.2(f) is hereby revised as follows:

(5) a dependent of the Covered Employee ceases to be eligible for dependent coverage under the terms of the Plan; and

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Employer has caused this amendment to be executed on _____, 2012.

RIVERSIDE COUNTY TRANSPORTATION
COMMISSION

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM AND CONTENT:

BEST BEST & KRIEGER LLP

By: _____
Attorneys for Employer

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
FLEXIBLE BENEFITS PLAN**

FREQUENTLY ASKED QUESTIONS

INTRODUCTION

As of September 11, 2002, RIVERSIDE COUNTY TRANSPORTATION COMMISSION (“**RCTC**”) has established the Riverside County Transportation Commission Flexible Benefits Plan (“**Plan**”) which allows its employees to elect to purchase certain qualified benefits based on their individual needs with pre-tax dollars. The benefits described in this booklet constitute the benefits available under the Plan and are referred to collectively in this booklet as the “Benefits.”

Plan Modification/Termination

The Plan is based on RCTC’s understanding of the current provisions of the Internal Revenue Code. RCTC intends to provide benefits under the Plan indefinitely. However, RCTC may change or terminate the benefits provided or the contributions you must pay for such benefits. RCTC has the right to make these changes or to terminate benefits at any time. If this occurs it will not affect any benefit to which you were entitled prior to the date of the amendment or termination.

Plan Administration

RCTC’s Accounting Department will manage the Plan and will have full discretion to determine eligibility, interpret the Plan and determine whether a claim should be paid or denied in accordance with the provisions of the Plan and with governmental regulations.

BENEFITS & COVERAGE

The Plan is made possible by Section 125 of the Internal Revenue Code. Section 125 enables Employees to set aside money on a pre-tax basis to cover:

Premiums for group health insurance
Allowable Medical Expenses
Dependent Care Expenses

Contributions for any group health insurance coverage offered under the Plan are deducted from your paycheck on a pre-tax basis.

In addition, you may also elect to participate in the Medical Spending Account and/or the Dependent Care Spending Account (collectively, the “**Flexible Benefit Accounts**”), whereby RCTC takes an annual amount, determined by you, from your gross pay. The annual amount that may be deducted from your gross pay for either of the Flexible Benefit Accounts is subject to threshold limitations which are discussed later in this booklet. This money is held in a spending

account for reimbursement of your eligible medical and/or dependent care expenses. After you incur eligible medical or dependent care expenses, simply submit a claim, with the required substantiating information as further described in Q-23 and Q-31, to be reimbursed from the appropriate account.

Q-1. What Benefits are Available under the Plan?

You may purchase benefits under the Plan for yourself, your spouse and your eligible dependents. You may pay for these benefits using pre-tax dollars that are automatically deducted each pay period. Details relative to the cost per pay period for each benefit and the minimum and maximum amounts you may contribute to the Flexible Benefit Accounts are listed on the enrollment form.

The benefits from which you may choose include:

***Premium Payment Component.** Permits an Employee to pay for his or her share of premiums under the several different health insurance plan offered through CalPERS.*

***Medical Spending Account.** Also called the Medical Reimbursement Plan. It permits an Employee to pay for his or her Allowable Medical Expenses (See Q-21) that are not otherwise reimbursed by insurance with pre-tax dollars.*

***Dependent Care Spending Account.** Also called the Dependent Care Plan. It permits an Employee to pay for his or her Employment-Related Dependent Care Expenses (See Q-25) with pre-tax dollars.*

Each benefit under the Plan has separate rules governing benefits and plan administration to comply with various federal tax laws. These rules are explained in more detail in the plan documents, copies of which are available from RCTC's Human Resources Department.

Q-2. May I Elect to Purchase Health Insurance Coverage for My Domestic Partner?

Yes, group health coverage, including medical and dental benefits, is available for Domestic Partners that meet (i) the requirements of Section 297(b) of the California Family Code ("**Domestic Partner**"), and (ii) the eligibility requirements of the applicable health insurance plan. However, please note that purchasing group health coverage for your Domestic Partner may have federal tax consequences.

Under federal tax law, if your Domestic Partner does not qualify as your tax dependent for health coverage purposes, the value of your Domestic Partner's health coverage is considered a taxable benefit under the Plan. In this case, the fair market value of your Domestic Partner's coverage for the Plan Year will be included in your gross income, subject to federal income tax withholding and employment taxes, and will be reported on your Form W-2. The fair market value of Domestic Partner health coverage is determined based upon the monthly premium for single person coverage multiplied by the number of months of coverage. Although your salary reduction amounts taken from your compensation on a pre-tax basis will be used to purchase health coverage for your Domestic Partner, the value of such additional coverage will be taxable to you as explained above. You will also be unable to claim expenses for your Domestic Partner under the Medical Spending Account.

If your Domestic Partner qualifies as your tax dependent for health coverage purposes, then the fair market value of your Domestic Partner's health coverage will not be included in your income or be subject to federal withholding or employment taxes. You will also be able to claim Allowable Medical Expenses for your Domestic Partner under the Medical Spending Account.

California excludes Domestic Partner coverage from gross income for state income tax purposes, even if the Domestic Partner is not a tax dependent for health coverage purposes.

Q-3. How Do I Know Whether My Domestic Partner is My Tax Dependent for Health Coverage Purposes?

The following conditions must be met in order for your Domestic Partner to qualify as your tax dependent for health coverage purposes under federal tax law:

1. You and your Domestic Partner have the same principal place of abode for the entire calendar year;
2. Your Domestic Partner is a member of your household for the entire calendar year (the relationship must not violate local law);
3. During the calendar year you provide more than half of your Domestic Partner's total support;
4. Your Domestic Partner is not your (or anyone else's) "qualifying child" under Section 152(c) of the Internal Revenue Code ; and

If your Domestic Partner qualifies as your tax dependent for health coverage purposes, you can avoid having the value of your Domestic Partner's health coverage treated as taxable income. To avoid taxation, you must complete and return the attached Certification of Dependent Domestic Partner Status, indicating that your Domestic Partner qualifies as your federal tax dependent for health coverage purposes. Because the determination of whether a person is a tax dependent for health coverage purposes turns on facts solely within your knowledge, RCTC cannot make this determination for you. You will be asked to complete a Certification each year at open enrollment. For any year in which RCTC does not receive a Certification from you, RCTC will assume that your Domestic Partner does not qualify as your federal tax dependent for health coverage purposes for that year.

ELIGIBILITY & ENROLLMENT

Q-4. Who May Participate in the Plan?

To be eligible for participation under the Plan, you must:

- Be a resident of the United States.*
- Not be a temporary or contract Employee.*
- Be a regular or probationary Employee.*

Q-5. How Do I Enroll in the Plan?

All Participants must enroll or re-enroll during the designated Open Enrollment Period. However, if you first become eligible after January 1 of a Plan Year you may enroll within 30 days of the date you become eligible. Enrollment forms are available from RCTC's Accounting Department or the intranet.

To select the benefits you would like to purchase under the Plan, you must complete a Flexible Benefits Enrollment Form ("**Election Form**") prior to the beginning of *each Plan Year*.

For newly eligible employees, if you fail to complete an Election Form, then you will be considered as having elected not to participate in the Plan. If you are already a participant in the Plan and you fail to complete a new Election Form for the upcoming Plan Year, then you will be deemed to have elected the same benefit options and salary reduction amounts that you elected for the prior Plan Year; however, you will not be eligible to participate in the Flexible Benefit Accounts.

Q-6. What are the "Open Enrollment Period" and the "Plan Year"?

The Open Enrollment Period is the period during which you have an opportunity to participate under the Plan by signing and returning an individual Election Form. See Q-5. You will be notified of the timing and duration of the Open Enrollment Period, which for a Plan Year generally will be from November 1 through December 15 of the previous Plan Year.

The Plan Year is the 12 months beginning on each January 1 and ending on December 31.

Q-7. Can I Change My Elections?

During each annual Open Enrollment Period, you may change all of your benefit elections with respect to the upcoming Plan Year. Your choices are in effect for the entire Plan Year. Only under special circumstances may you apply to change an election after a Plan Year has started and make new elections for the rest of that Plan Year. These special circumstances include the following:

Change in Status

Marital Status. Change in marital status (such as marriage, divorce, legal separation or annulment);

Number of Dependents. Change in the number of your dependents (such as the death of your spouse or a child; the birth, adoption of or placement for adoption of a child);

Employment. Change in your employment status or the status of your spouse or dependent which results in that person becoming or ceasing to be eligible under this Plan or other benefit plan (such as the switching from part-time to full-time employment status or from full-time to part-time status by you or your spouse; termination or commencement of

*employment; a strike or lockout; the taking of or return from an unpaid leave of absence; or a change in work site); **however, a change in status will not be deemed to have occurred in cases where a former employee is rehired within 30 days of his or her termination;***

Dependent Status. Change in dependent status (your dependent satisfies or ceases to satisfy the eligibility requirements under the Plan);

Residency. Change in residence causing you to be outside the Plan's coverage area (if applicable); or

Medicare or Medicaid. Entitlement to or ceasing to be entitled to Medicare or Medicaid.

Changes in election must be consistent with the change in family status. For example, the birth of a child may necessitate an increase in the Dependent Care Spending Account, but not a decrease.

Changes in Cost or Coverage

Special circumstances also include cost and coverage changes to the group health plan in which you participate, such as a significant increase in the cost of your group health coverage, a significant decrease in or cessation of your group health coverage or a significant change in your group health coverage or your spouse's attributable to your spouse's employment. For these instances, however, only a change to another health plan with similar coverage is permitted.

To change your election, complete a new Election Form available at RCTC's Accounting Department or the intranet.

PARTICIPATION IN THE PLAN

Q-8. What Are the Advantages of a Section 125 Plan?

One of the advantages of a Section 125 Plan is that the employee, rather than the employer, decides which benefits he or she should receive. Consequently, a wider range of choices is offered allowing you to make the choices as to the particular benefits which fit your situation. A Section 125 Plan can significantly lower your tax burden, because you pay no federal income tax on compensation allocated to the Plan for qualified benefits. Furthermore, you do not have to pay state income taxes on this money. However, please see Q-2 for a discussion on when certain benefits provided under the Plan may give rise to federal income tax.

Q-9. How Do I Pay for Benefits under the Plan?

An Employee's election to pay for Benefits on a pre-tax or after-tax basis is made by submitting an Election Form and a Salary Reduction Agreement with the Employer (ask the RCTC Accounting Department for a copy if you have not received one). Under that Salary Reduction Agreement, if you elect to pay for Benefits on a pre-tax basis, you agree to a salary reduction to pay for your share of the cost of coverage (also known as contributions) with pre-tax funds instead of receiving a corresponding amount of your regular pay that would otherwise be subject

to taxes. From then on, you must pay contributions for such coverage by having that portion deducted from each paycheck on a pre-tax basis (generally an equal portion from each paycheck, or an amount otherwise agreed to or as deemed appropriate by the Administrator). Please see Q-2 for an exception to the preceding.

Q-10. How Long Can I Participate in the Plan?

You can participate in the Plan as long as you remain eligible. See Q-4. To participate in the Medical Spending Account and Dependent Care Spending Account you must elect to participate in the Flexible Benefit Accounts before the beginning of each Plan Year.

Q-11. What Happens if My Employment Terminates or the Plan Terminates?

If your employment terminates or the Plan is terminated, then, unless you elect to continue your participation under the Plan's group health coverage, no further additions will be made to your Flexible Benefit Accounts.

However, benefits for expenses incurred prior to termination will be paid until the earlier of:

The end of the Plan Year; or

The account balance in your Flexible Benefit Accounts has been reduced to zero.

PREMIUM PAYMENT COMPONENT

Q-12. How Does the Premium Payment Component Work?

You may choose group health coverage from one of the several different health insurance plans offered through CalPERS. You share the cost of your health coverage with RCTC and your share of the premium is deducted from each paycheck. Except as discussed at Q-2, when you participate in the Premium Payment Component your share of the premium is deducted from your paycheck on a pre-tax basis. Because contribution costs are deducted from gross pay before taxes are calculated, you save tax dollars.

If the cost of medical and prescription drug coverage increases or decreases, then your payroll deduction will be automatically adjusted to reflect the change.

GENERAL INFORMATION REGARDING
FLEXIBLE BENEFIT ACCOUNTS

Q-13. How Do the Flexible Benefit Accounts Work?

You may establish special accounts for two separate categories of predictable expenses: medical and dependent care. You specify on your Election Form how much you want to contribute to each account for the Plan Year. This is your annual contribution which will be deducted from your pay throughout the year. The Internal Revenue Service states that the balances of these Flexible Spending Accounts cannot be combined or used for purposes other than for which they were originally intended. That means that if you have money left over in your Dependent Care Spending Account at the end of the year, you cannot use it for medical expenses or vice versa.

Q-14. What Are the Advantages of Electing this Benefit?

There are some expenses you know you will have to pay for in the coming year; for example, new eye glasses, orthodontia services not covered by insurance or daycare for a child or an incapacitated dependent adult while you are at work. Normally, you would pay for these expenses with after-tax income. However, when you participate in the Medical Spending Account or Dependent Care Spending Account, you may set aside pre-tax earnings in special accounts to pay for these expenses.

Q-15. How Much Should I Contribute to My Flexible Benefit Accounts?

There are certain federal regulations to consider before enrolling in either of the Flexible Benefit Accounts.

Federal regulations require that you designate how much money you wish to contribute annually to each account at the beginning of the Plan Year.

You may change your annual contribution only if you experience a change in family status, such as marriage, divorce or the addition or loss of a spouse's income. See Q-7 for a complete list of circumstances that qualify as a change in status).

Due to IRS regulations, you must have incurred eligible expenses for which you may receive reimbursement from the Flexible Benefit Accounts by the end of the "grace period" (See Q-16), and make a claim for such reimbursements within 3 months after the end of such "grace period", or you will lose them. Any money left in your Medical Spending Account or your Dependent Care Spending Account after all claims have been processed for that Plan Year must be forfeited. IRS regulations prohibit RCTC from returning these forfeitures directly to the Employees who forfeited the funds. Any forfeited amounts will be applied toward plan expenses.

Money set aside for medical expenses cannot be used for dependent care expenses, or vice versa. Therefore, if you have money left over in one account that you would otherwise forfeit, you cannot use that money for other types of expenses. That is why it is important to estimate your expenses carefully.

Once you make an election, you cannot change it until the end of the Plan Year unless you have a change in status.

If you do not enroll in the Plan during the annual Open Enrollment Period, you must wait until the next annual Open Enrollment Period to enroll unless you have a change in status. See Q-7 for additional information.

Here are a few questions that might help you decide how much money to set aside in your Flexible Benefit Accounts:

What is your health insurance plan deductible? Do you think you will incur enough expenses to meet it during the Plan Year?

At what percentage does your health insurance plan pay benefits? You can pay the remaining portion with pre-tax dollars.

What medical, prescription drug, dental or vision care expenses do you expect to incur that may not be covered under your plan? Are you or any of your dependents on long-term medication?

How much do you expect to pay for dependent care during this Plan Year? Be sure to consider expenses for child care, elder care and care for a disabled dependent.

Q-16. What is the “Grace Period”?

With respect to both the Medical Spending Account and the Dependent Care Spending Account, you may be reimbursed from unused amounts remaining in your Medical Spending Account or the Dependent Care Spending Account at the end of the Plan Year for Allowable Medical Expenses or Employment-Related Dependent Care Expenses, respectively, incurred during the Grace Period. The “Grace Period” is the period occurring two months and fifteen days after the end of the Plan Year.

Q-17. How Do I Get Reimbursed?

Reimbursement payments under the Medical Spending Account or Dependent Care Spending Account will be made directly to you. Simply complete a Flexible Benefit Account Reimbursement Request Form (“**Reimbursement Request**”) available from RCTC’s Accounting Department or the intranet, attach a copy of your receipts, and send it to RCTC’s Accounting Department. Please see Q-23 and Q-31 for additional requirements.

Q-18. When Will I Receive My Reimbursements?

Reimbursement Requests are usually processed twice a week. Currently, the “cut off” is Friday/Tuesday 12:00 p.m. for Monday/Wednesday checks, respectively. Claims for expenses

incurred during the Grace Period will be processed in the order received; first to the prior Plan Year balance, if any, and then to the current Plan Year balance.

All claims for payment in any Plan Year must be made no later than 3 months after the end of the Grace Period following the prior Plan Year. Employees who terminate employment during the Plan Year will be given 3 months from their date of termination in which to submit expenses incurred prior to their termination.

Any questions regarding the administration of the Flexible Benefit Accounts should be directed to the Accounting Department and Human Resources Manager.

Q-19. How Will I Know How Much I Have in My Accounts?

For each Employee, a detail statement is maintained that clearly states the balance in each account. It lists the year-to-date deposits, claims submitted and claims paid, as well as any carry-over amounts. It may be requested from RCTC's Accounting Department. In addition, three months prior to the end of the Plan Year, each participating Employee will receive an Employee Account Status Report. This report is your reminder to submit any remaining claims you may have to avoid plan forfeitures.

THE MEDICAL SPENDING ACCOUNT

Q-20. What Are the Advantages of Contributing to a Medical Spending Account?

You choose the amount to be deducted from your gross pay, up to a maximum of \$2,500.00 in any one Plan Year. This amount will be:

*Transferred to a medical spending account in equal amounts each pay period; and
Used to reimburse you for allowable medical expenses incurred during a Plan Year. This includes any deductibles and co-payment percentages you must pay.*

Q-21. What Are Allowable Medical Expenses?

“Allowable Medical Expenses” means those expenses defined in Section 213 of the Internal Revenue Code for diagnosis, treatment, or prevention of disease that are not otherwise used as a tax deduction by you and that are incurred on or after the date you become covered under the Plan. This includes expenses such as deductibles and copayments, uninsured medical and dental expenses, vision care and hearing care. Generally, the expenses covered must be “medically necessary,” or prescribed by a licensed physician to qualify.

Examples of Allowable Medical Expenses:

*Acupuncture;
Alcoholism and drug abuse treatment;
Ambulance services;
Artificial limb or teeth;
Chiropractor;
Contact lenses;*

Cosmetic surgery necessary to improve a deformity caused by congenital abnormality, accident or trauma, or disfiguring disease;
Crutches;
Dental treatment (non-cosmetic);
Deductibles or co-payments for medical, dental, or vision plans;
Eyeglasses;
Eye surgery;
Fertility enhancement;
Guide dog or other animal;
Hearing aids;
Hospital services;
Laboratory fees;
Nursing home and nursing devices;
Oxygen;
Prescription medicines;
Psychiatric care, psychoanalysis, and psychologist services;
Stop-smoking programs, including prescribed drugs;
Transportation expenses for, and essential to, medical care;
Vaccinations or Immunizations;
Weight-loss programs related to specific disease diagnosed by physician; and
Wheelchairs.

**Effective for the plan year beginning on January 1, 2011, expenses for over-the-counter drugs or medications are not eligible for reimbursement unless you provide a copy of a doctor's prescription.*

For a more comprehensive list, contact RCTC's Accounting Department.

Q-22. What Medical Expenses Are Ineligible?

You will not be reimbursed for ineligible expenses. Examples of ineligible expenses are:

Any illegal operations or treatment;
Unnecessary cosmetic surgery;
Babysitting, childcare and nursing services for a normal, healthy child;
Cost of special foods taken as a substitute for a regular diet, where the special diet is not medically necessary or the taxpayer cannot show cost in excess of cost of a normal diet;
Cost of toiletries, cosmetic and sundry items (e.g. soap, toothbrushes);
Diaper service;
Fees for exercise, athletic or health club membership where there is no specific health reason for needing the membership;
Funeral expenses;
Hair removal (electrolysis) or hair transplants;
Premiums paid for long term care insurance;
Maternity clothes;
Mechanical exercise device not specifically prescribed by a doctor;

*Nutritional supplements for general well-being;
Over-the-counter medications and drugs unless prescribed by a physician;;
Teeth whitening; and
Weight-loss program for general well-being.*

For a complete list of eligible and ineligible expenses, review the IRS Publication 502 available at <http://www.irs.gov/pub/irs-pdf/p502.pdf> or contact RCTC's Accounting Department.

Q-23. What Should I Know About Requesting a Reimbursement from the Medical Spending Account?

Allowable Medical Expenses incurred during a Plan Year will be reimbursed, up to the amount you have elected for the Plan Year, even if you have not yet accumulated that amount in your account.

Copies of receipts from service providers or the Explanation of Benefits Form from an insurance carrier must be submitted with the completed Reimbursement Request. The documentation from the service providers must contain the following information:

*Name of the provider;
Patient name;
Date of service;
Description of service; and
Amount charged.*

THE DEPENDENT CARE SPENDING ACCOUNT

Q-24. What Are the Advantages of Contributing to a Dependent Care Spending Account?

The cost of dependent care can be a major expense for today's working parents. When you participate in the Dependent Care Spending Account, you may set aside pre-tax earnings to pay for dependent care expenses incurred to enable you or your spouse to work.

When you enroll at the beginning of each Plan Year, you choose the amount to be deducted from your gross pay. The maximum that can be set aside for dependent care in any one Plan Year is:

*\$5,000.00 for a single Employee, or a married Employee filing a joint federal income tax return; or
\$2,500.00 for a married Employee filing a separate federal income tax return.*

The amount deducted from your pay will be transferred to your Dependent Care Spending Account in equal amounts each pay period and used to reimburse you for Employment-Related Dependent Care Expenses incurred during the Plan Year.

Q-25. What Are Employment-Related Dependent Care Expenses?

“Employment-Related Dependent Care Expenses” means expenses incurred for the care of a Qualifying Dependent to enable you or your spouse to be gainfully employed. This includes:

Charges for daily care of any of your children who are under the age of 13. Care may be provided either in or outside your home by any person except:

- A child of yours who is under age 19; or
- A person for whom you claim a federal income tax deduction.

If care is provided outside the home by a facility that cares for more than 6 children, the facility must be licensed.

Charges for daily care of any member of your immediate family who is physically or mentally incapable of self-care.

Included are payments to child care centers, nursery schools, kindergarten and schools for children up to but not including first grade. Eligible expenses also include payment for summer day camps, after-school care and elderly care provided this care is required to enable you (or your spouse) to work. However, expenses relating to nonrefundable fees charged by a day care facility will not be eligible for reimbursement unless child care services directly related to the fee are provided.

The expenses must be incurred on or after the date you become covered under the Plan.

Q-26. What if I Incur Employment-Related Dependent Care Expenses After My Participation in the Plan has been Terminated but I Still Have a Remaining Balance in My Dependent Care Spending Account?

If you cease participation in the Plan prior to the end of the Plan Year, whether due to termination of employment or otherwise, and you have unreimbursed contributions remaining in your Dependent Care Spending Account you may receive reimbursement for claims for post-termination Employment-Related Dependent Care Expenses incurred during the remaining Plan Year or the Grace Period (See Q-16) immediately following that Plan Year.

Q-27. Who is a Qualifying Dependent?

“Qualifying Dependent” for purposes of the Dependent Care Spending Account means:

a person under age 13 who is your “qualifying child” under the Internal Revenue Code (in general, the person must: (1) have the same principal abode as you for more than half the year; (2) be your child or stepchild (by blood or adoption), foster child, sibling or stepsibling, or a descendant of one of them; and (3) not provide more than half of his or her own support for the year); or

your spouse who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as you for more than half of the year; or

a person who is physically or mentally incapable of caring for himself or herself, has the same principal place of abode as you for more than half of the year, and is your tax dependent under the Internal Revenue Code or would qualify as your dependent except that: (1) he or she has income that equals or exceeds the exemption amount; (2) he or she is married and files a joint return with his or her spouse; or (3) you (or your Spouse, if filing jointly) could be claimed as a tax dependent of another taxpayer.

Under a special rule for children of divorced or separated parents, a child is a Qualifying Dependent with respect to the noncustodial parent when the noncustodial parent is entitled to claim the dependency exemption for the child. See the Administrator for more information on which individuals will qualify as your Qualifying Dependents.

Q-28. Can I Still Take the Federal Income Tax Credit for Dependent Care Expenses?

You may not claim any other tax benefit for the amount of your pre-tax salary reductions under the Dependent Care Spending Account, although your Employment-Related Dependent Care Expenses in excess of that amount may be eligible for the Dependent Care Tax Credit (see Q-29). For example, if you elect \$3,000 in coverage under the Dependent Care Spending Account and are reimbursed \$3,000, but you had Employment-Related Dependent Care Expenses totaling \$5,000, then you could count the excess \$2,000 when calculating the Dependent Care Tax Credit if you have two or more Qualifying Dependents.

Q-29. What is the Dependent Care Tax Credit?

The Dependent Care Tax Credit is a credit against your federal income tax liability under the Internal Revenue Code. It is a non-refundable tax credit, which means that any portion of it that exceeds your federal income tax liability will be of no value to you. The credit is calculated as a percentage of your annual Employment-Related Dependent Care Expenses. For more information about how the Dependent Care Tax Credit works, see IRS Publication No. 503 (“Child and Dependent Care Expenses”). You may also wish to consult a tax advisor.

Q-30. What Should I Consider When Determining if and to What Extent to Participate in the Dependent Care Spending Account?

When deciding whether to set aside part of your pay for dependent care, you need to consider how the tax break for the Dependent Care Spending Account compares with the Dependent Care Tax Credit.

The Dependent Care Tax Credit is subtracted from your income tax, while the Dependent Care Spending Account reduces your taxable income. The method that gives you the greatest tax savings depends on your individual situation. In some cases, either the Dependent Care Tax Credit or the Dependent Care Spending Account may be better. In other cases, using a combination of the two may provide the most tax savings.

Q-31. What Should I Know about Requesting a Reimbursement from the Dependent Care Spending Account?

Employment-Related Dependent Care Expenses incurred during a Plan Year will be reimbursed when you have a positive, or funded, balance in your Dependent Care Spending Account for that Plan Year.

Submit an itemized receipt or canceled check, along with a completed Reimbursement Request, to RCTC's Accounting Department. The Tax ID Number (or Social Security Number) of the care provider must be included on the Reimbursement Request. The tax law requires you to give this number, and your dependent care provider is required by law to give you this number.

OTHER RIGHTS THAT YOU SHOULD KNOW

COBRA and HIPAA Rights. Under the Health Insurance Portability and Accountability Act of 1996, you have certain rights to the reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the Plan, when you become entitled to elect continuation coverage, when your continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

Family Medical Leave Act. As an Employee, you may be entitled under the federal Family and Medical Leave Act (FMLA) to up to 12 work-weeks of unpaid, job-protected leave in any 12-month period. You may be eligible if you have worked for RCTC for at least one year, and for 1,250 hours during the previous 12 months. Such leave may be available for the birth and care of a newborn child, placement of a child for adoption or foster care, a serious health condition of a family member (child, spouse, or parent) or a personal serious health condition.

As a participant in the health care part of the Plan, you have, while on FMLA leave, the option to continue your health benefits on the same terms and conditions as immediately prior to your taking FMLA leave. You and your eligible dependents shall remain covered under the Plan while you are on FMLA leave as if you still were at work. Your coverage will be maintained until you return to work or, if earlier, you notify RCTC that you will not return to work. If you choose not to remain covered under the Plan while on FMLA leave, and subsequently return to work before or at the end of FMLA leave, you and your eligible dependents shall immediately become covered under the Plan without proof of insurability and without regard to pre-existing conditions that arise while on FMLA leave.

Continuation Coverage Following Termination of Employment. Continued health care coverage may be available to you under the terms of the component health plans. If you are covered under one of the Plan's group health plans, you have the right to choose continuation coverage if you lose health coverage for any reason other than termination due to gross misconduct. Your spouse or eligible dependent covered under a health plan shall have a separate

right to continuation coverage for themselves if they lose group health plan coverage for any of the following reasons:

your death;
the termination of your employment (for any reasons other than gross misconduct) or reduction in your hours of employment;
your divorce or legal separation;
you become entitled to Medicare; or
the dependent ceases to be a “dependent child” under the terms of a group health plan.

The terms on which continuation coverage is available are explained in the information provided to you in connection with your enrollment in the particular health plans.

If you have a balance in either of your Flexible Spending Accounts upon your termination of employment, you may elect to continue your participation under the Plan’s group health coverage until the end of the Plan Year. Your continued participation is subject to payment of required contributions on an after-tax basis. If you incur Allowable Medical Expenses during the period of continued participation, you will be reimbursed for those expenses according to Q-17. However, in no event will you receive benefits in excess of the elected salary reduction for that Plan Year.

OTHER INFORMATION TO KNOW

Qualified Medical Child Support Orders. Generally, your Plan benefits may not be assigned or alienated. However, an exception applies in the case of a “qualified medical child support order.” Basically, a qualified medical child support order is a court-ordered judgment, decree, order or property settlement agreement in connection with state domestic relations law which either (1) creates or extends the rights of an “alternate recipient” to participate in a group health plan, including this Plan, or (2) enforces certain laws relating to medical child support. An “alternate recipient” is any child of a Participant who is recognized by a medical child support order as having a right to enrollment under a Participant’s group health plan. A medical child support order must satisfy certain specific conditions to be qualified. You will be notified by the Plan Administrator if it receives a medical child support order that applies to you and the Plan’s procedures for determining whether the medical child support order is qualified.

Maternity and Newborn Coverage. Group health plans and health insurance carriers generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a normal vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother’s or newborn’s attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Confidentiality of Your Private Health Information. A federal law, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, requires that health plans protect the confidentiality of your private health information. Because this Plan offers certain health plan benefits, such as a medical plan, dental plan, vision plan, and medical spending account, it is required by HIPAA to safeguard your private health information. The section of the Plan relating to HIPAA will apply only to those health plan benefits provided under the Plan.

The Plan and RCTC will not use or further disclose information that is protected by HIPAA except as necessary for treatment, payment, health plan operations and plan administration, or as permitted or required by law. By law, the Plan has required all of its business associates (those entities that perform functions on behalf of the Plan and need access to private health information) to also observe HIPAA's privacy rules. In particular, the Plan will not, without authorization, use or disclose protected health information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of RCTC.

Under HIPAA, you have certain rights with respect to your protected health information, including certain rights to see and copy the information, receive an accounting of certain disclosures of the information and, under certain circumstances, amend the information. You also have the right to file a complaint with the Plan or with the U.S. Department of Health and Human Services if you believe your rights under HIPAA have been violated.

A complete description of your rights under HIPAA can be found in the Plan's privacy notice, which was either distributed to you upon enrollment or prior to June 15, 2006. For a copy of this notice, if you have questions about the privacy of your health information or if you wish to file a complaint under HIPAA, please contact the Privacy Official and Complaint Manager for RCTC.

Examination of Records. RCTC will make available to each Employee such records as pertain to the Employee, for examination at reasonable times during normal business hours.

Amendment or Termination of the Plan. RCTC, at any time or from time to time, may amend any or all of the provisions of the Plan without your consent. No amendment will have the effect of reducing any of your benefit elections in effect at the time of such amendment, unless such amendment is made to comply with federal law or local statute or regulations. RCTC reserves the right to terminate this Plan, in whole or in part, at any time.

Non-Alienation of Benefits. Except for Qualified Medical Child Support Orders received by RCTC, no benefit, right or interest of any person under this Plan will be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, seizure, attachment or legal, equitable or other process or be liable for, or subject to, the debts, liabilities or other obligations of such person, except as otherwise required by law.

Limitation on Employee Rights. Nothing appearing in or done pursuant to this Plan will be held or construed:

To give any person any legal or equitable right against RCTC, except as expressly provided herein or provided by law; or

To create a contract of employment with any Employee, to obligate RCTC to continue the service of any employee or to affect or modify his or her terms of employment in any way.

Other Salary-Related Plans. It is not intended that any other salary-related employee benefit plans that are maintained or sponsored by RCTC will be affected by this Plan. Any contributions or benefits under such other plans with respect to you will, to the extent permitted by law, be based on your compensation from RCTC, including any amounts by which your salary or wages may be reduced.

Jurisdiction. The Plan is governed by the Internal Revenue Code and the regulations issued thereunder (as they might be amended from time to time).

GENERAL INFORMATION

Name and Identification Number of Plans

Riverside County Transportation Commission Flexible Benefits Plan (501), Riverside County Transportation Commission Dependent Care Reimbursement Plan (502) and Riverside County Transportation Commission Medical Reimbursement Plan (503).

Participants

The plans provide benefits for all employees of RCTC who meet the eligibility requirements described herein.

Plan Administrator

Riverside County Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
(951) 787-7141

Contact: Michele Cisneros, Accounting and Human Resources Manager

If you have a question about the Plan, then contact RCTC's Finance Department:

Chief Financial Officer	(951) 787-7926
Accounting and Human Resources Manager	(951) 787-7941
Accounting Supervisor	(951) 787-7925
Accounting Technician	(951) 787-7959
Accounting Clerk	(951) 787-7930

Employer Identification Number (EIN)

33-0072823

Agent for Service of Legal Process

Clerk of the Board
Riverside County Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501

Plan Year

The Plan Year is based on the calendar year beginning on January 1 and ending on December 31.

Plan Definition and Funding

This is a Section 125 flexible benefits plan classified as a “cafeteria” plan by the Internal Revenue Code. It includes a Section 105 health flexible spending account, classified by the Department of Labor as a “welfare” plan, and a Section 129 dependent care flexible spending account. The Plan is funded through salary reduction contributions.

Health Insurance Issuer

The name and address of the health insurance agent is:

CalPERS
Office of Employer & Member Health Service
P.O. Box 942714
Sacramento, CA 94229-2714
(888) CalPERS (225-7377)

Not a Contract of Employment

No provision of the Plan is to be considered a contract of employment between you and RCTC. RCTC’s rights with regard to disciplinary action and termination of any Employee, if necessary, are in no manner changed by any provision of the Plan.

GLOSSARY

The following defined terms have a special meaning with respect to the benefits outlined in this booklet.

“**Employee**” refers to a person in the Service of RCTC, and only includes a person who is a resident of the United States.

“**RCTC**” refers to Riverside County Transportation Commission, as the employer.

“**Service**” refers to work performed for RCTC on an active regular or probationary basis; and not as a temporary or contract employee.

AGENDA ITEM 7

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	November 14, 2012
TO:	Executive Committee
FROM:	John Standiford, Deputy Executive Director
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Administrative Code Amendment – Committee Removal Process

STAFF RECOMMENDATION:

This item is for the Committee to adopt Ordinance No. 12-001, *“An Ordinance of the Riverside County Transportation Commission Amending the Commission’s Administrative Code”*, to include the addition of language regarding the removal of Commissioners from committees.

BACKGROUND INFORMATION:

During its October meeting, the Executive Committee conducted a comprehensive discussion regarding the process to be followed if the Chair deemed it necessary to remove a Commissioner from a standing Committee appointment. Up to this point, the responsibility of appointing Commissioners to Committees has been the sole responsibility of the Chair and takes place at the beginning of the Chair’s term in January.

The Committee expressed its continued support for that policy but directed staff to establish a process that would provide a Commissioner the right to appeal if the Chair took action during the middle of the year to remove a Commissioner from a committee appointment. The thought was that this would deter a Chair from taking a hasty action to remove a Commissioner from a Committee for strictly personal or political reasons.

With the assistance of the Commission’s legal counsel, a policy has been drafted for inclusion into the Administrative Code that would provide for a hearing from the Executive Committee if a Commissioner was removed from a Committee appointment during the course of the year and asked for an appeal hearing. The new Administrative Code language, which details the process is attached for your review.

Attachment: Ordinance No. 12-001

ORDINANCE NO. 12-001

AN ORDINANCE OF THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AMENDING THE COMMISSION'S ADMINISTRATIVE CODE

ADDITION OF ARTICLE III.H.5 TO ADMINISTRATIVE CODE

Appointments made by the Chair shall be for a one year term ending on December 31 of the year in which the appointments are made. In the event that the Chair wishes to remove a Commissioner ("Appointee") appointed during the term of the appointment, the following steps shall be taken:

1. The Chair shall provide Appointee with written notice of the Chair's decision to remove the Appointee from the appointment.

2. The notice shall be provided in writing to the Appointee through the Commission's Clerk of the Board and shall include a brief statement of why removal is sought, which reason may include, without limitation, three or more consecutive absences of committee meetings. The notice shall be delivered to the email address, if any, provided by Appointee as well as by first class mail to the Clerk of the City/County appointing Appointee to the Commission and the Appointee's mailing address.

3. The removal shall be effective on the 15th day after the Commission's Clerk of the Board sends notice to Appointee unless Appointee provides notice to the Commission's Clerk of the Board, prior to the expiration of such 15 day period, of his or her desire to contest the removal.

4. In the event that the removal is contested, the removal shall be stayed and the Executive Director shall schedule an Executive Committee meeting at which both the Chair and Appointee may present their arguments for and against removal. Based thereon, the Executive Committee shall either uphold or reject the removal. The decision of the Executive Committee shall be final.

5. If the removal is not contested or approved by the Executive Committee, the Chair may appoint a Commission member to fill the remainder of the Appointee's term.

This section shall only apply to appointments made by the Chair to 1) the Budget and Implementation Committee as defined under Article III.H.1(a); 2) the Western Riverside County Programs and Projects Committee as defined under Article III.H.1(b)(1); and 3) Representative Appointments defined under Article III.G.3(b).