

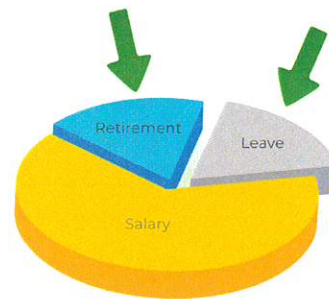


## Total Rewards Rebalance Recommendation

Proposed Effective Date: January 1, 2027

### Understanding the “Why”

- Strong focus on salary past few years
  - Time to focus on Retirement & Leave
- Maximizing the impact & value of the Total Rewards package
- Future view of the workforce changing
- Internal and external trends



### Paid Time Off (PTO)

#### The PTO Package

- ✓ Sick Leave Balances remain
- ✓ Accelerated Accrual
- ✓ Increasing Cap Accrual to 360
- Employer Paid**
- ✓ Short Term Disability
- ✓ Accidental Life & Dismemberment
- ✓ Postpartum Leave expanded to 9 weeks

Years of Service	PTO Hours PPP
0 - 3.9	6 Hours
4 - 7.9	7 Hours
8 - 11.9	8 Hours
12 +	9 Hours

- 28% of staff would benefit from an immediate tier increase under the new plan
- Max accrual would be at 12 years instead of 20 and the cap will be raised to 360
- Employer paid Basic Life + AD&D = \$100K of protection for beneficiaries in the event of a fatal accident
- Time off would be in one flexible bucket to use however needed instead of separate balances
- A safety net, Short Term Disability, would guarantee 60% of an employee's salary if sidelined by an illness or injury
- New mothers would receive 12 weeks of paid leave (9 weeks postpartum + 3 weeks parental)

## Tier 2 401K Match

### Current

- Up to a **\$26 employer match** for all employees



### Future

- Employees in Tier 2 Hybrid and DC plans will receive a **50% 401K employer match up to 2%**

Examples of Possible Scenarios	
Employee Contribution	Employer Contribution
4%	2%
3%	1.5%
2%	1%

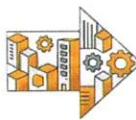
- The value of a 50% employer match up to 2% grows as employees progress through their career
- Flexible match based on 50% of the employee's contribution up to the maximum of a 2% employer match
- Better alignment to employer 401K matches in the market
- Provides added value to Tier 2 Hybrid Retirement to offset some of the employee pension contribution
- Does not affect \$26 match for Tier 1 employees
- Flexibility to choose the contribution option—either the flat \$26 or the % program—that best aligns with their personal financial objectives.

## Job Architecture for Classified Jobs Implementation 2027 and beyond

Job architecture is a systematic framework that organizes jobs into logical groups and levels based on skills and responsibility, creating a clear structure for career paths, compensation, and talent management.

### Actions

- **Group jobs** by skill sets and competencies
- **Modernize** & standardize job descriptions and titles
- **Consolidate** 657+ salary ranges to 25-40 grades



### Outcomes

- **Defined** career paths
- **Improved** market matches, more **accurate** salary data, **regular** range updates
- **Fair & accurate** employee compensation



## Total Rewards Enhancement Summary

### What Employees Gain

- ✓ Tier 2 401(k) Match Enhancement (50% up to 2% employer contribution)
  - ✓ Match remains dollar for dollar up to a \$26 employee contribution w/ 50% match for contributions above \$26
  - ✓ No change for Tier 1 employees
  - ✓ One flexible Paid Time Off leave bucket
  - ✓ Annual leave converted at a 1:1 ratio
  - ✓ PTO leave balances paid out at separation
  - ✓ Accrued sick leave balances will still be available for use (PTO not req'd first)
  - ✓ Accelerated PTO accrual rate
  - ✓ New accrual schedule:
    - 0 - 3.9 years = 6 hours per PP
    - 4 - 7.9 years = 7 hours per PP
    - 8 - 11.9 years = 8 hours per PP
    - 12+ years = 9 hours per PP
  - ✓ Annual max PTO rollover cap to 360 hrs
  - ✓ Employer paid Short-Term Disability
  - ✓ Employer paid AD&D
  - ✓ Paid postpartum recovery leave - increasing from 3 wks to 9 wks (12 wks w/ parental leave)
- Part of Package Outside the Bill:
- ✓ Job Architecture for classified jobs
  - ✓ Group jobs by skill set & competencies defining career paths
  - ✓ Modernize job descriptions and titles improving market matches and salary data
  - ✓ Consolidate 657 salary ranges to 20-45 grades for consistency across agencies

### What Employees Would Lose

- Discontinue accruing sick leave, reducing total leave 2 hours/pay period (52 hrs. annually max.)