

MEMORANDUM OF EXCEPTION

A. The Parties

The Parties to this Memorandum of Exception are Multnomah County, Oregon, hereinafter referred to as the County, the Multnomah County Sheriff's Office, hereinafter referred to as the Sheriff, and the Multnomah County Deputy Sheriffs Association, hereinafter referred to as the Association.

B. Background

A. Since September 1, 2003, members of the Association have had their accrued vacation cash out contributed in its entirety to their individual VEBA accounts upon voluntary termination of employment from the County. This was established by a Memorandum of Agreement (MOA) between the parties on July 13, 2003. The 2003 MOA further indicated that the "contribution process would remain in place for the term of the party's current agreement with extension of the contributions subject to future agreements and can be subject annually to review by mutual agreement of both parties." This provision was incorporated into the parties' current CBA upon ratification in 2004 and has remained unchanged since that time.

B. In March 2009, the Association contacted the County to indicate that it wished to revisit this issue since some of its members plan on retiring this year due to the current economic situation. Specifically, the Association indicated that for the year of April 1, 2009 through March 31, 2010, the Association wished to suspend contributions of the retirees' accrued vacation into their individual VEBA accounts. The parties had agreed to extend the MOE annually through March 31, 2013.

C. On July 10, 2013, the parties entered into a Memorandum of Exception regarding the vacation "cash-out" provisions under Article 11, Sec. II.C of the parties' collective bargaining agreement for the period April 1, 2013 through December 31, 2013.

D. The parties met on October 22, 2013, to discuss the impact of the Affordable Care Act on the vacation "cash-out" provisions under Article 11, Sec. II.C of the parties' collective bargaining agreement.

C. Terms of the Agreement

1. The following underlined provision of the parties' 2004-2010 CBA is modified for the period of January 1, 2014 through March 31, 2014:


Article 11, Sec. II.C. VEBA The County will contribute an amount equal to one percent (1 %) of each Association member's base and overtime wage and at time of voluntary termination, 100% of Association member's accrued vacation cash out.

2. During the term of this MOE, all bargaining unit members who **are not enrolled** in group medical coverage meeting IRS integration requirements at the time of a voluntary separation of employment will have their accrued vacation paid to the member directly, subject to all applicable federal and state withholding. All bargaining unit members who **are enrolled in** County group coverage, or who have submitted a timely affidavit of alternative group medical coverage meeting IRS integration requirements at the time of a voluntary separation of employment will have their accrued vacation payout contributed to the member's VEBA account.
3. Except for the agreed-upon exception outlined above, all other terms and conditions of the County-Association CBA shall remain in full force and effect.
4. The Association shall contact the County no later than March 1, 2014, to indicate whether or not it is interested in extending the terms of this MOE. The provisions of this MOE may be extended through mutual agreement of the parties. In the absence of an extension, the MOE shall expire and the parties shall revert to the language of the CBA, in which case bargaining unit members who **are enrolled** in group medical coverage meeting IRS integration requirements at the time of a voluntary separation of employment will have their accrued vacation contributed to their VEBA account and bargaining unit members who **are not enrolled** in group medical coverage meeting IRS integration requirements at the time of a voluntary separation of employment will have their accrued vacation contributed to a post-separation VEBA account.
5. This MOE shall not be construed as establishing a precedent, practice or custom, and neither party shall raise it as such in any other forum.
6. Any dispute over the meaning, interpretation or application of this MOE shall be subject to the grievance procedure set forth in Article 20 of the CBA.


7. This MOE is effective January 1, 2014 and will expire March 31, 2014.

Executed this 23rd day of December, 2013.


For the Association:


Mark Herron, President

For the County:


Jeff Heinrich, Labor Relations Mgr.

For the Sheriff:


Dan Staton, Sheriff