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## ARTICLE 8

### HEALTH AND WELFARE BENEFITS

8.1 Each eligible member of the Unit shall be provided a basic insurance package. The basic insurance package shall include major medical, vision, dental, and life insurance coverage. Specific benefits of the basic insurance package shall be described in the District's basic insurance package brochure. Copies of this brochure will be distributed to all members of the Unit as soon as they are completed.

8.2 District Contribution for Health and Welfare Benefits

Employees who provide proof of other medical coverage may Opt-Out of the PUSD Basic Health Insurance Package. Neither Medicare, Medi-Cal nor individual marketplace or government exchange policies, such as Covered California plans shall qualify as "other group insurance coverage". Proof of other coverage must be provided to the District's Benefits Department no later than the end of open enrollment. If proof of other coverage is not provided by the end of open enrollment, the employee will be automatically enrolled in the basic employee only plan package (Kaiser, Dental, Basic Life Insurance). Employees electing the Opt-Out Option must enroll in the District sponsored \$20,000 life insurance coverage.

8.2.1 ~~For the 2018 Plan Year, the base annual District contribution for Health and Welfare Benefits for all benefitted employees (4.0 to 8.0 hours) shall be \$10,635.~~

~~Commencing January 1, 2019,~~ For the 2020 Plan Year, the base annual District contribution for Health and Welfare Benefits for all benefitted employees shall be ~~\$10,635~~ 11,023.10 plus an amount equal to the arithmetic average of the increased costs of the two (2) HMO basic insurance packages (Section 8.3).

8.2.2 Effective January 1, ~~2020~~ 2016, the Opt-Out maximum cash to warrant will be ~~\$3,725~~ 3,500 for employees who work between 4.0 and 8.0 hours per day.

The discretionary funds shall not exceed ~~\$3,500~~ 2,750 annually. For the purpose of qualifying for the above benefits, only regular assigned hours are included. Extra hours, limited term hours, and overtime hours are excluded.

Employees wishing to enroll in dental or vision coverage for self and dependents may do so; premiums for dental, vision and mandatory employee life insurance coverage will be paid by the District.

8.3 The District shall continue the employer contribution while the employee is on paid leave status, in the same manner as if the employee had remained in

regular service. Employees on District approved, non-paid leaves of absence, or retired employees, may elect to continue coverage for themselves and dependents. Premiums required for coverage must be paid in advance either annually, semi-annually, or quarterly.

- 8.4 Retired employees may purchase the basic health plan for themselves and their eligible dependents. Employees must be retired under one of the District's formal retirement plan(s) (PERS, PARS or STRS) early or normal retirement plan provisions; be at least age fifty (50) (PERS, STRS), or age sixty (60) (PARS) or older, and have had ten (10) consecutive previous years of service with the District. Retirees' dependents must meet the same eligibility requirements as dependents of active employees. Upon attainment of age sixty-five (65), the retired employee must sign up for Medicare parts A and B (this applies to dependents also). Retiree coverage is available for medical, dental, and vision insurance. Life insurance ceases upon retirement. Premiums required for coverage must be paid in advance either annually, semi-annually, or quarterly. Retirees may change insurance providers during the regular open enrollment period. If the coverage is allowed to lapse, it may not be reinstated the following year or any year thereafter.
- 8.5 Savings generated by PSEA represented employees selecting the health benefits "Opt-Out" plan will be used within the PSEA represented employees benefits programs. The parties agreed to develop language to implement this intent and identify the actual savings.
- 8.6 Employees and dependents insurance coverage shall be canceled under the following conditions:
- (a) The leave expires and the employee does not return to active duty.
  - (b) The required premium payment is not received in the Payroll Department.
- 8.7 PSEA Post Health and Welfare Benefits for Eligible Retired Employees

Effective July 1, 2007, one-half of one percent (0.5%) of the salary increase effective July 1, 2007 will be used to fund the Post Health and Welfare Benefits for Retired Employees.

If the Post Retirement Health and Welfare Benefits for Retired Employees requires less than one-half of one percent (0.5%) to fund, negotiations will reopen.

Unit members, retiring under one of the District's formal retirement plan(s) on July 1, 2007 or later (PERS or PARS) at least age fifty (50) or older, and having ten (10) consecutive years of benefited service with the District will be eligible for a District contribution towards their retiree health coverage through age sixty-five (65) or Medicare eligibility.

The District contributions will be based on a percentage of the cost of the lowest price plan for employee only coverage or flat dollar amount, whichever is greater, varying by years of District service at retirement as follows, based on a monthly rate:

YEARS OF SERVICE AT RETIREMENT	DISTRICT MONTHLY CONTRIBUTION PERCENTAGE
10 years of service	\$200 or 50%
15 years of service	\$300 or 75%
20 or more years of service	\$400 or 100%

Employees retiring between July 1, 2007 and December 31, 2015 will receive 100% of the District contribution if working between 7.76 hours and 8 hours, 92% of the contribution if working between 6 and 7.75 hours, and 73% of the District contribution if working between 4 and 5.99 hours. For the purpose of qualifying for the above benefits, only regular assigned hours are included. Extra hours, limited term hours, and overtime hours are excluded.

All monies paid by the District must be used for medical coverage for the employee; no other benefits are covered for employees under this Agreement. Eligible Unit members may purchase additional benefits for themselves or eligible dependents. Employees selecting a more expensive medical plan or dependent coverage will pay the difference in premium costs. Employees moving out of the area will be reimbursed to the same dollar amount for use toward medical premiums only. Premiums will be reimbursed annually with submission of required documentation.

Eligible Unit members must meet all criteria: retire into District plan, age, years of service, years of service in a benefited position, and must be in a benefited position and covered by a District plan at time of retirement.

	10-14.99 Years (\$200)	15-19.99 Years (\$300)	20+ Years (\$400)
4 – 5.99 hours	73% of \$200 or 50%	73% of \$300 or 75%	73% of \$400 or 100%
6 – 7.75 hours	92% of \$200 or 50%	92% of \$300 or 75%	92% of \$400 or 100%
7.76 – 8 hours	100% of \$200 or 50%	100% of \$300 or 75%	100% of \$400 or 100%

8.7.1 Employees who retire on or after January 1, 2016 shall receive a District contribution in accordance with the following chart:

	10-14.99 Years (\$200)	15-19.99 Years (\$300)	20+ Years (\$400)

4.0 – 8.0 hours	100% of \$200 or 50%	100% of \$300 or 75%	100% of \$400 or 100%
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This post-retirement medical benefit as reported for the required GASB 45 75 actuarial is funded by the dedication of all 'Opt-Out' funds not provided to the employee and interest earned by the post-retirement benefit fund, less the annual amount needed to fund Section 8.8. It is understood that should the dedicated Opt-Out monies be found to be insufficient to fund this post-retirement benefit plan, the parties agree to reopen negotiations on this post-retirement benefit plan immediately. Both parties understand that the benefit plan must be independently and financially sound. Retired employees currently receiving this benefit will continue to do so as long as Opt Out funding supports the benefit.

8.7.2 Employees' and dependents' insurance coverage shall be cancelled under the following conditions:

- (a) A required premium is not received in the Payroll Department.

8.8 PSEA Post Age 65 Vision and Dental Coverage

Effective July 1, 2012, employees who retire under the existing post-retirement plan or who are sixty-five (65) years of age or older and, who retire from the District and, but for age, would have been eligible for post-retirement benefits under the PSEA Post Health and Welfare Benefits for Eligible Retired Employees, will be eligible for District paid employee vision and dental coverage not to exceed the percentages or full employee only premiums for vision and for dental contained below:

	10-14.99 Years	15-19.99 Years	20+ Years
4.0 – 8.0 hours	50%	75%	100%

In lieu of District paid vision and dental coverage, such eligible retirees will be reimbursed to the same dollar amount for the purchase of retiree vision and dental coverage only upon the annual submission of proof of payment of premiums.

8.9 Effective Plan Year 2017, an amount of \$74,000 will be used each year to offset medical premiums for active Unit members in a manner determined by mutual agreement between the District and PSEA.