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## **Article 17. Health and Life Insurance**

### **17.1 Labor/Management Benefits Committee**

- 17.1.1 The parties agree to the continuation of the City-wide Labor/Management Benefits committee (LMBC). The committee will consist of ~~fourteen (14)~~ fifteen (15) members. One member shall be appointed from each of the following labor organizations: the American Federation of State County and Municipal Employee, Local 189 (AFSCME189), the District Council of Trade Unions (DCTU), the Portland Fire Fighters' Association (PFFA), the Professional and Technical Employees, Local 17 (PROTEC17), Portland Police Association representing Emergency Communications Operators (BOEC), Laborers' Local 483, representing Recreation Employees (Recreation), the Portland Police Commanding Officers Association (PPCOA), and, Laborers' Local 483 representing Portland City Laborers. The remaining seven (7) members shall be appointed by the City.
- 17.1.2 A quorum of twelve (12) voting members is required for the committee to take action. An absent committee member may designate a substitute with full voting authority. Any committee member may invite one or more visitors to attend committee meetings. Any vacant committee position may not designate or substitute voting authority.
- 17.1.3 The committee shall select its chairperson, who shall serve at the will of the committee.
- 17.1.4 In order to make a recommendation to the City Council, at least twelve 12 committee members must vote in favor of the recommendation. The committee shall be responsible for establishing internal committee voting and decision-making processes.
- 17.1.5 Members of the committee shall be allowed to attend committee meetings on-duty time. In the event meetings are scheduled outside the regular shift hours of a committee member, the City shall make every effort to adjust the shift of the member to allow the member to attend while on duty.
- 17.1.6 The committee shall meet at least quarterly and shall make written recommendations regarding plan design changes in the employee benefits program to the City Council no later than April 1st of each year.
- 17.1.7 The City Council shall retain the discretion to implement or reject any of the committee's recommendations. In the event the committee makes a recommendation that is consistent with the committee's authority, is actuarially sound and meets all the requirements of federal, state and local laws, and Council rejects the recommendation, any reductions in plan costs that may have occurred due to the change in plan design, will be treated as having occurred for the purposes of calculating the maximum city contribution under this agreement. These costs will be calculated by evaluating the premiums and/or rates as if the changes had occurred, the rates and/or premiums absent

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the changes, and the number of participants under the plan(s) involved. For example, if the self-insured plan two party rate would be \$298 per employee per month with the addition of a benefit design change "X", but Council rejects the design change and therefore the two- party rate is \$350 per month per employee, the City contribution will be increased \$52 per month per employee on the self-insured plan to give credit for the change.

17.1.8 ~~Nothing in this Agreement shall be construed as a waiver of Union's right to bargain over any changes to plan design or level of benefits prior to implementation by the City. If the LMBC provides a recommendation modifying or changing benefits and the Union opposes the recommendation, it will provide written notice to the City. If the Council votes to accept the recommendations by the LMBC or the City is planning any other benefit change, it shall notify the Union in writing in accordance with the Public Employee Collective Bargaining Act and bargain over any proposed changes upon receiving written notice from the Union of its desire to bargain over the matter.~~

**17.2 Benefits Eligibility.** The City offers healthcare benefits to regularly appointed full-time and part-time employees and their qualified dependents. The plan is administered in compliance with all applicable federal, state, local laws, statutes and rules.

**17.2.1 Regular Full-Time Employees.** Regular full-time employees shall be eligible as provided herein for medical, dental, vision and life insurance coverage the first of the month following the date of hire. City paid benefits will continue for employees each month in which they are actively employed in an eligible job class and status and are working their regularly scheduled hours, or they are in a qualified leave status for the City of Portland, and they make the required premium contribution. Employees who are on non-paid Military Leave or personal leave without pay do not receive City paid benefits. City paid benefits will end on the last day of the month in which an employee terminates employment, enters an unpaid status because of military leave or unpaid leave or is not working their regularly scheduled hours. Coverage for the employee and their eligible family members will be reinstated retroactively to the first of the month in which the employee returns to their regular work schedule. Any required catch-up premium contribution(s) will be deducted from the first paycheck the employee receives upon returning to paid status unless other repayment arrangements have been made.

(A) Employees who become ineligible for participation in City benefit plans will have the right to continue coverage on a self-pay basis in accordance with state and federal law and/or as described in this Labor Agreement.

(B) Medical, dental, vision and life insurance benefits will be paid at 100% of the City contribution for those employees who have regularly scheduled hours of at least

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~~seventy-two (72)~~ ~~sixty-four (64)~~ seventy-two (72) hours in a pay period in a benefits eligible, budgeted position.

17.2.2 **Regular Part-Time Employees.** Regular part-time employees will be eligible for medical, dental, vision and life insurance coverage the first of the month following the date of hire. City paid benefits will continue for employees each month in which they are actively employed in an eligible job class and status and are working their regularly scheduled hours, or they are in a qualified leave status for the City of Portland, and they make the required premium contribution. Employees who are on non-paid Military Leave or personal leave without pay do not receive City paid benefits. City paid benefits will end on the last day of the month in which an employee terminates employment, enters an unpaid status because of military leave or unpaid leave or is not working their regularly scheduled hours. Coverage for the employee and their eligible family members will be reinstated retroactively to the first of the month in which the employee returns to their regular work schedule. Any required catch-up premium contribution(s) will be deducted from the first paycheck the employee receives upon returning to paid status unless other repayment arrangements have been made.

- (A) Employees who become ineligible for participation in City benefit plans will have the right to continue coverage on a self-pay basis in accordance with state and federal law and/or as described in this Labor Agreement.
- (B) Percentage of City Contribution based on employee status. The amount of contributions which the City will make on behalf of regularly appointed employees for medical, dental, vision and life insurance benefits shall be as follows:

Regularly Scheduled Hours Per Pay Period	Percentage of Employer Contribution
40 – 45	50%
46 – 55	63%
56 – 63	75%
<del>64-71</del> <del>64 – 71</del>	<del>88%</del> <del>88%</del>
<del>72-76</del> <del>64 – 80</del>	100%

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(C) The percentage of benefits paid shall be based on whether an employee is actively employed in an eligible job class and is in paid status.

### **17.3 City/Employee Contributions**

~~17.3.1~~ Self-Insured Medical Plan or Kaiser Plan effective Plan Year July 1, 2017. Effective in Benefit Plan years July 1, 2017 through June 30, 2018, the City shall contribute ninety-five percent (95.0%) of the medical, vision and dental rates adopted by the City Council for the one party, two party or family enrollees (whichever applies) for each of the options (Self-insured Medical Plan or the Kaiser Plan) provided herein and elected by a regular full-time employee. Each regular full-time employee shall contribute five percent (5.0%) of the medical, vision and dental rates adopted by the City Council for the one party, two party or family enrollees (whichever applies). The City reserves the right to expand family tier descriptions if it is in the best interest of the employee enrollee and it has been recommended by the LMBC and subsequently approved by City Council.

~~17.3.2~~17.3.1 High Deductible Health Plan (HDHP) effective Plan Year July 1, 2017. Beginning with Benefit Plan year July 1, 2017, and effective in subsequent plan years, the City shall contribute one hundred percent (100%) of the medical and vision rates and ninety-five percent (95.0%) of the dental rates adopted by the City Council for the one party, two party or family enrollees (whichever applies), or any variation of the tiered rates recommended by the LMBC and subsequently approved by City Council, for regular full-time employees who elect the HDHP. Each regular full-time employee who elects the HDHP shall contribute five percent (5.0%) of the dental rates adopted by the City Council for the one party, two party or family enrollees (whichever applies), or any variation of the tiered rates recommended by the LMBC and subsequently approved by City Council.

~~17.3.3~~17.3.2 Self-Insured Medical Plan or Kaiser Plan effective Plan Year July 1, 2018. Beginning with Benefit Plan year July 1, 2018, and effective in subsequent plan years, the City shall contribute ninety-five percent (95.0%) of the medical, vision and dental rates adopted by the City Council for the one party, two party or family enrollees (whichever applies), or any variation of the tiered rates recommended by the LMBC and subsequently approved by City Council, for each regular full-time employee who elects the Self-Insured Medical Plan or the Kaiser Plan; provided that the employee has received a preventive health care examination within the prior two (2) full calendar years. Each regular full-time employee who elects the Self-Insured Medical Plan or the Kaiser Plan and who received a preventive health examination within the prior two (2) full calendar years shall contribute five percent (5.0%) of the medical, vision and dental rates adopted by the City Council for the one party, two party or family enrollees (whichever applies), or any variation of the tiered rates recommended by the LMBC and subsequently approved by City Council.

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~~17.3.4~~17.3.3 Beginning with Benefit Plan year July 1, 2018, and effective in subsequent plan years, the City shall contribute ninety percent (90.0%) of the medical, vision and dental rates adopted by the City Council for the one party, two party or family enrollees (whichever applies), or any variation of the tiered rates recommended by the LMBC and subsequently approved by City Council, for each regular full-time employee who elects the Self-Insured Medical Plan or the Kaiser Plan and who has not received a preventive health care examination within the prior two (2) full calendar years. Each regular full-time employee who elects the Self-Insured Medical Plan or the Kaiser Plan and who did not receive a preventive health examination within the prior two (2) full calendar years shall contribute ten percent (10.0%) of the medical, vision and dental rates adopted by the City Council for the one party, two party or family enrollees (whichever applies), or any variation of the tiered rates recommended by the LMBC and subsequently approved by City Council.

~~17.3.5~~17.3.4 Beginning with Benefit Plan year July 1, 2018, and effective in subsequent plan years, newly hired full-time regular employees who elect the Self-Insured Medical Plan, or the Kaiser Plan will have one (1) full calendar year to receive a preventive health examination to retain the City's ninety-five percent (95.0%) contribution and the employee's five percent (5.0%) contribution in the subsequent plan year. The City shall contribute ninety percent (90.0%) and the employee shall contribute ten percent (10.0%) of the medical, vision and dental rates adopted by the City Council for the one party, two party or family enrollees (whichever applies), or any variation of the tiered rates recommended by the LMBC and subsequently approved by City Council, for each newly hired full-time regular employee who does not receive a preventive health examination within the first full calendar year of service.

~~17.3.6~~17.3.5 Confirmation of meeting the preventative exam criteria will be sent from the provider to a third-party administrator. The third-party administrator will send the employee's name, birth date, and last four digits of the social security number to the City. No other information will be provided. The parties acknowledge that Kaiser requires a release of information to be signed allowing Kaiser to release the information described above.

~~17.3.7~~17.3.6 The City shall share all cost, savings, and participation data from the healthcare plan with the Labor Management Benefits Committee.

~~17.3.8~~17.3.7 **Medical Coverage Opt Out.** For the term of the Agreement a benefits eligible employee who has alternate group medical coverage may choose to opt out of City provided medical coverage. A full-time employee who chooses to opt out shall not be required to pay the contribution in Clauses 17.3 and shall receive a cash payment every payday (except for the third payday in a month) as follows:

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Cash Payment	One Party	\$25.00 per payday
	Two Party	\$45.00 per payday
	Family	\$62.50 per payday

~~17.3.9 Employees may elect to receive the cash payment as cash (subject to withholding). In addition to the cash payment to the employee, the City shall contribute for each full-time employee who opts out of medical coverage an additional amount to the Health Fund as follows:~~

~~City Contribution One Party — \$117.26 per payday~~

~~Two Party — \$93.59 per payday~~

~~Family — \$72.86 per payday~~

~~17.3.10~~17.3.8 Effective July 1, of each year of the Agreement, the City contribution rate provided in the previous year of the Agreement to each employee who opts out of medical coverage shall be adjusted to reflect the full annual percentage increase in the Portland-Salem medical care component in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) current base period measured by the reported percentage change between the second half of the most recent calendar year and the second half of the second most recent calendar year as published by the federal Bureau of Labor Statistics. However, in no event shall the contribution rate increase be less than two percent (2%) or greater than ten percent (10.0%).

~~17.3.11~~17.3.9 The City shall pro-rate the cash payment and City contribution in 17.3.8 and 17.3.9 above for part-time benefits eligible employees based on whether they are actively employed in an eligible job class and status and are working their regularly scheduled hours.

~~17.3.12~~17.3.10 Benefit coverage for domestic partners will continue. Availability of domestic partner benefit is subject to continuing availability from the City's employee benefit insurance carriers. The Committee will recommend eligibility rules governing domestic partner benefit coverage to the City Council.

#### 17.4 Health Fund Reserves

17.4.1 The Health Fund shall be maintained with adequate reserves to meet fund obligations.

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17.4.2 The term “excess reserves”, as used in this agreement, shall be defined as the monies in the Health Fund which are not needed to meet fund obligations.

Excess reserves shall remain in the Health Fund but shall be subject to separate reporting to the committee.

17.4.3 The Health Fund and all reserves associated with the Fund must be maintained in an interest-bearing account. Fund reserves shall be pooled and shall not be allocated on an individual employee or employee group basis.

**17.5 Retiree and Survivor Benefits**

17.5.1 The City shall make available to a retired employee and their eligible dependents, the same medical, dental, and vision benefits offered to active employees. The cost of the plans shall be borne by the retiree, surviving spouse, or surviving domestic partner. Such coverage shall be made available through the City until both the retiree and spouse (or domestic partner) become eligible for Medicare coverage.

17.5.2 The City shall provide to the spouse (or domestic partner) and eligible dependent children of an employee who is killed on the job, the same medical, dental and vision benefit plans available to active employees. The City agrees to continue the City contribution for the spouse (or domestic partner) and eligible dependent children until the spouse (or domestic partner) becomes eligible for federal Medicare coverage or remarries (or establishes a new domestic partnership) and for each dependent child, to the date which meets the eligibility requirements of the health plan in which said eligible child is enrolled.

**17.6 Life Insurance**

17.6.1 The City shall provide each employee with a life insurance policy; said policy shall be secured and maintained in accordance with the City's existing practices.

17.6.2 The value of the policy shall be the lesser of one-time annual salary rounded to the next higher multiple of \$1,000 or \$50,000 and if greater, shall be such amount as established by the City Council upon the recommendation of the Labor/Management Benefits Committee.

17.6.3 The City shall make available supplemental life coverage on a voluntary, employee paid basis.

**17.7 Federal and State Health Legislation**

17.7.1 If the Federal Government enacts Federal Health Legislation, the State of Oregon enacts or changes any Health Legislation, including ORS 243.303, or if any taxing authority taxes

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or otherwise limits or restricts health care benefits paid by the City, the City and the union will immediately negotiate on the effect of that legislation as it pertains to this Article.

17.8 **Disability Insurance**

17.8.1 The City shall provide each employee with a long-term disability insurance coverage through a group policy; said policy shall be secured and maintained in accordance with the City's existing practices.

~~17.8.2 The city will pay the full premium for part time city employees~~

~~17.8.3~~ **17.8.2 Domestic Partners.** For purposes of this agreement, the phrase "domestic partners" shall be as defined by the Labor-Management Benefits Committee.

**Transportation Benefit**

~~17.8.4~~ ~~17.8.3~~ The City shall continue to provide ~~the a trip-TRIP~~ reduction program. ~~as it exists today.~~