**Teamsters Health Insurance**

**Meeting Date Requested:** 8/8/2017

**Department:** Human Resources

**Contact:** Pamela Knorr-Director  
**Phone:** 530-538-7652

**Regular Agenda** ✗ **Consent Agenda**  

### Department Summary:

The Board approved Memorandum of Understandings ("MOU's") with Teamsters General and Social Service Worker (SSW) Units in February 2017. Both agreements contained a re-opener regarding health insurance. County and Teamsters General and SSW Units have met and conferred with respect to transitioning members from CalPERS Health Insurance to Teamsters Health Insurance. A tentative agreement was reached on July 24, 2017 after impacted employees voted to move from CalPERS to Teamsters Health Insurance. The side letters document both the operational changes needed to facilitate the change as well as an adjustment to the employer contribution to health insurance which aligns the County's contribution to the coverage categories offered by Teamsters and eliminates the County's contribution towards retiree health benefits for employees hired after 6/30/10 who retire after 12/31/17. Approval is requested for side letter agreements with Teamsters 137 General and SSW Units regarding members moving from CalPERS health insurance to Teamsters Health Insurance effective 1/1/2018. Additionally CalPERS requires a resolution approved by the Board of Supervisors to remove the units from CalPERS health effective 12/31/2017.

### Fiscal Impact:

The General and SSW unit currently have a relatively high number of employees who have opted out of County sponsored health insurance. The plans offered under Teamsters Health are more affordable than the current CalPERS plans. This could result in additional employees opting in to County sponsored health insurance which could result in increased County costs. The agreement also eliminates the retiree health benefit for employees hired after June 30, 2010 which will, over the long term, reduce County costs. Staff will continue to monitor costs and make budget adjustments if necessary.

### Personnel Impact:

There is no personnel impact

### Action Requested:

1. Approve the side letter agreements and authorize the Chair to sign; and
2. Approve the resolutions and authorize the Chair to sign.

**Administrative Office Review:** Meegan Jessee, Deputy Chief Administrative Officer
RESOLUTION OF THE COUNTY OF BUTTE ELECTING TO CEASE TO BE SUBJECT TO THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION (TEAMSTER 137 EMPLOYEE ASSOCIATION/GENERAL UNIT)

WHEREAS, (1) Government Code Section 22938 provides that a contracting agency which has elected to be subject to the Public Employees’ Medical and Hospital Care Act (the “Act”) may cease to be so subject by proper application by the contracting agency; and

WHEREAS, (2) County of Butte is a contracting agency under Government Code Section 22920 and subject to the Act for participation by members of 003 Teamster 137 Employee Association/General Unit; now, therefore be it

RESOLVED, (a) County of Butte elects to cease to be subject to the Act; and be it further

RESOLVED, (b) That coverage under the Act cease on December 31, 2017.

PASSED AND ADOPTED by the Butte County Board of Supervisors this 8th day of August, 2017, by the following vote:

AYES:
NOES:
ABSENT:
NOT VOTING:

______________________________
Bill Connelly, Chair
Butte County Board of Supervisors

ATTEST:
Paul Hahn, Chief Administrative Officer
and Clerk of the Board of Supervisors

By: ____________________________
Deputy
RESOLUTION OF THE COUNTY OF BUTTE ELECTING TO CEASE TO BE SUBJECT TO THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION (TEAMSTER 137 EMPLOYEE ASSOCIATION/SOCIAL SERVICE WORKERS UNIT)

WHEREAS, (1) Government Code Section 22938 provides that a contracting agency which has elected to be subject to the Public Employees’ Medical and Hospital Care Act (the “Act”) may cease to be so subject by proper application by the contracting agency; and

WHEREAS, (2) County of Butte is a contracting agency under Government Code Section 22920 and subject to the Act for participation by members of 001 Teamster 137 Employee Association/Social Service Workers; now, therefore be it

RESOLVED, (a) County of Butte elects to cease to be subject to the Act; and be it further

RESOLVED, (b) That coverage under the Act cease on December 31, 2017.

PASSED AND ADOPTED by the Butte County Board of Supervisors this 8th day of August, 2017, by the following vote:

AYES: 
NOES: 
ABSENT: 
NOT VOTING: 

__________________________________________________
Bill Connelly, Chair
Butte County Board of Supervisors

ATTEST:
Paul Hahn, Chief Administrative Officer
and Clerk of the Board of Supervisors

By: ____________________________________________
Deputy
SIDE LETTER AGREEMENT BETWEEN
THE COUNTY OF BUTTE (COUNTY)
AND
TEAMSTERS LOCAL 137 – GENERAL UNIT (UNION)

Whereas, the County of Butte (County) and Teamsters Local 137-General Unit (Union) agreed to a successor Memorandum of Understanding (MOU) covering the period of February 2017-December 2019, and the Butte County Board of Supervisors ratified the MOU on February 28, 2017. The MOU contains a re-opener regarding the transition of Union members from Cal-PERS health insurance to Teamsters sponsored health insurance. As a result of the meet and confer process regarding the transition to Teamsters health insurance, the parties have agreed to the language in this side letter of agreement. The terms described herein constitute the complete and entire agreement between the parties.

NOW THEREFORE, County and Union hereby agree that:

Section 16 of the current MOU between County and Union will be replaced in its entirety with the following:

16.00 HEALTH PLAN

16.1 Employee Health Plan Eligibility

Those eligible for participation in the Northern California General Teamsters Security Fund (NCGTSF) shall include:

a) All regular employees assigned to a one-half (1/2) time or more position.
b) Variable hour employees qualifying for coverage under the Affordable Care Act.

The Eligible Employee's dependents meeting the definition of “dependent” under the NCGTSF, shall include:

- Spouse under a legally valid marriage, registered domestic partner and children from birth through age 25, including:
  - Step-children
  - Children placed for adoption
  - Children who are the subject of a Qualified Medical Child Support Order (QMCSO)
• Children to age 18 who are in the permanent legal guardianship of the covered employee by court order
• Certain disabled adult children beyond age 26

Employees working less than full-time and hired after November 1, 1987, shall receive prorated health contributions rounding to the nearest one quarter time; i.e., either fifty percent (50%), seventy-five percent (75%), or one hundred percent (100%) of the County contribution for full-time employees. Within the first 30 days of employment, the regular help employee must elect or decline health coverage. If an election is not made, the employee will be presumed to have declined coverage and will be eligible at the next open enrollment or in conjunction with a qualifying event. The effective date of coverage will be the first of the month following 30 days of regular help employment.

Employees will not be eligible for the medical flexible spending account and limited purpose flexible spending account offered by the County until the completion of six (6) months of employment. Employee contributions must be current by the last day of the first coverage month, including coverage changes due to qualifying events. Subsequent monthly premiums must be collected prior to the coverage month.

The Trust must be notified of a Qualifying Event within 30 days of the date of event, or otherwise as required by law. For Children’s Health Insurance Program (CHIP) enrollment, a 60 day enrollment period is allowed. All documentation/verification must accompany the request for coverage.

The following qualifying events will result in coverage being effective on the date of the qualifying event for medical through NCGTSF. Qualifying event rules for other coverages may differ (please see Summary Plan Description).

• Birth of a child or child placed with the participant for adoption
• Date of Marriage; County will not be required to make a tier change contribution until the first of the following month.
• Divorce; County will not make a tier change contribution to the monthly premium (as referenced in section 16.3) for the spouse if the divorce is effective on or before the 15th of the month. If the divorce is effective after the 15th of the month, the County and employee will make a full monthly contribution.

For qualifying events due to divorce, spousal coverage and coverage for step children will end as of the date of the divorce.

For qualifying events due to marriage, spousal coverage will be effective as of the date of marriage as stated below:

Coverage for a newly acquired spouse or child through marriage will become effective on the date of marriage, but only if a valid marriage license and an application to enroll the new spouse and stepchild(ren) has been filed within thirty (30) days of marriage and provided that all required contributions have been paid as of the first of the following month.

Newborn infants will be covered as of the date of birth provided a written application is filed within thirty (30) days of the birth of the child and provided that, as of the date of application, all
required contributions have been paid. A valid birth certificate shall be provided to the County no later than one hundred and eighty (180) days of birth.

A legally adopted child will be covered on the date the child is placed in the physical custody of the employee, provided written application and copy of the court order is provided within thirty (30) days of the effective date of the adoption and that all required contributions have been paid.

All other qualifying events are effective on the first of the month following the qualifying event date.

Coverage will terminate on the last day of the employment termination month. Any advance premiums paid for coverage will be refunded to the employee in their final paycheck.

**16.2 Description**

Medical coverage is provided through the Northern California General Teamsters Security Fund Plan Select Plus (including a Kaiser option), or Plan E (a HDHP with an HSA) and is funded through County and employee contributions.

The County will provide a Flexible Benefits Plan consisting of the Tax Deferred Medical Premium option, Dental, Vision, The Dependent Care Spending Account, Healthcare Spending Account, Flexible Spending Account, and Limited Purpose Flexible Spending Account, (hereafter "Cafeteria Plan") is available to all employees in regular-help positions (hereafter "employee").

There will be two (2) participation levels, identified as Employee "A" and Employee "B" as per Section 16.3. Once a selection has been made, it will remain in force until the next plan year or unless a qualifying event, as defined by the IRS, occurs. Any fee for a third party administrator related to the medical plan coverages will be paid by the NCGTSF.

The basic group term life insurance will continue to be provided at County expense.

The County shall implement any necessary changes in order to comply with Federal and State law when there is no cost to the County. If there are costs, the parties agree to reopen negotiations regarding this section.

**16.3 Participation Levels**

Premium Holiday: In the event that a “Premium Holiday” is declared by the NCGTSF or provider in which health plan premiums are not required to be paid for a period of time, the following shall occur:

a) The County shall retain ownership and sole rights to the County’s monthly contributions, as stated above, for this period;

b) Employees shall not be required to contribute their portion of monthly premiums for this same period.

**Option A – CORE Medical PLAN UNDER NCGTSF**
Employees who elect Option A to participate in the NCGTSF medical plan will receive the County health benefits flex contribution (as specified below) to be utilized to purchase their selected medical plan and cannot be cashed out. In the event that an employee selects a medical plan that results in an excess County contribution, that excess contribution will be deemed a non-health flex contribution that may be taken as taxable income or applied to pre-tax dental, vision or other alternative approved benefits. Should an employee decline medical coverage, such employee will receive a cash-in-lieu payment if the employee complies with the requirements outlined in Option B below.

Employees that elect Option A will receive a County contribution into the Employee’s Flexible Benefit Account calculated as follows:

<table>
<thead>
<tr>
<th>Coverage Category</th>
<th>2017 Teamsters Select Plus Anthem Blue Cross PPO Plan Rates</th>
<th>Current Negotiated County Contributions</th>
<th>Maximum County Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$659.00</td>
<td>$517.78</td>
<td>$537.55</td>
</tr>
<tr>
<td>Employee Plus Spouse</td>
<td>$1,101.00</td>
<td>$951.00</td>
<td>$984.03</td>
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<tr>
<td>Employee Plus Children</td>
<td>$1,011.00</td>
<td>$861.00</td>
<td>$891.33</td>
</tr>
<tr>
<td>Family</td>
<td>$1,410.00</td>
<td>$1,160.00</td>
<td>$1,202.30</td>
</tr>
</tbody>
</table>

The current negotiated County contributions are subject to increase for the 2018 plan year, pending the final release of the NCGTSF Select Plus and Plan E rates. Should the employee elect the Select Plus Kaiser option, the employee will be responsible for the additional contribution difference.

Should these plan rates increase, the County’s contributions will also increase, subject to a cap of three percent (3%). For the 2019 plan year, the employees shall absorb any costs associated with premium or any other health care related increases.

Employees, regardless of medical plan participation status, are eligible to enroll in the County’s dental and/or vision programs. Teamsters and County will begin the meet and confer process no later than 4/1/18 regarding the possibility of moving Teamsters members into the NCGTSF Dental and Vision plans effective 1/1/19. Employee contributions for dental and vision will be deducted from employee’s regular payroll on a pre-tax basis.

Employees that wish to participate in the optional benefits in the plan, with the exception of the cash back option, but do not have any surplus credits, can elect to have pre-tax payroll deductions in an amount to cover the cost of their elections.

**Option B - FLEXIBLE BENEFIT OPTIONS**

Employees who decline medical coverage and elect Option B must provide to the County the following in order to receive the cash-in-lieu:

(1) proof that the employee and all individuals for whom the employee intends to claim a personal exemption deduction (“tax family”), have or will have minimum essential coverage through another source of group health insurance (coverage not obtained in the individual market or through Covered California) for the plan year to which the opt out arrangement applies (“opt out period”); and
(2) the employee must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The opt-out payment cannot be made and the County will not in fact make payment if the County knows that the employee or tax family member doesn’t have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied.

Employees hired on or before December 31, 2013, will receive an employer flex credit contribution of one hundred eighty-six dollars and sixteen cents ($186.16) per pay period for "employees" who elect and satisfy the requirements outlined above for Option B. Employees hired on or after January 1, 2014, will receive an employer flex credit contribution of ninety-two dollars and thirty-one cents ($92.31) per pay period for employees who elect and satisfy the requirements outlined above for Option B.

Employees may elect a pre-tax deduction (through regular payroll or cash-in-lieu) to purchase any of the Flexible Benefit Options listed in the Flexible Benefits Options Exhibit. Should an employee receive cash-in-lieu that is not utilized for Flexible Benefit Options, the amount will be included as taxable income.

16.4 Administration

a) The Teamsters acknowledge that they are fully responsible for the administration and management of the NCGTSF Select Plus Plan, NCGTSF Plan E, and Teamsters Retiree Trust. The County agrees to notify Delta Health Systems (Plan Administrator) of any change to an employee’s enrollment within seven (7) days of receipt of such notification from the employee. Plan Administrator and County agree to provide timely response and cooperation for any census and/or reporting requests that may be needed to accomplish any and all mandated reporting.

b) No benefits will be paid by the County to employees in Option B until all requirements outlined in the Flexible Benefits – Option B section have been met. Newly hired employees will begin to receive payment under Option B on the first pay period of the month following thirty (30) days of their hire date. Retroactive payments under Option B will not be made to employees. In order to determine eligibility for payment under Option B, the County will look at the two (2) pay periods prior to the month of the cash back payment.

c) Part-time, regular help employees will receive proportional benefits as provided in the Memorandum of Understanding. All employees assigned to a one-half (1/2) time or more position, and the employees' eligible dependents, shall be entitled to participate in the Northern California General Teamsters Security Fund (NCGTSF) for medical and prescription drug benefits. Employees working less than full-time, shall receive prorated flex benefit contributions rounding to the nearest one-quarter time; i.e., either fifty percent (50%), for employees working thirty-six (36) hours to forty-five (45) hours; seventy-five percent (75%), for employees working forty-six (46) to sixty-four (64) hours; or one hundred percent (100%), for employees working sixty-five (65) hours or more. This section does not affect part-time employees grandfathered into full-time benefit status under Section 16.01 of the M.O.U.
d) Any money deposited in the County’s Flexible Spending Account of an employee must be used during the plan year, with the exception of $500, which may be rolled over to the following plan year pursuant to IRS provisions; otherwise, the remaining balance reverts to the County. Upon separation, the money will be disbursed in conformance with the rules and procedures explained to and authorized by the employee at the time of his/her enrollment.

e) The County will not pay any health insurance, dental, or vision premium when an employee is in a non-compensated status, with the exception of employees on Family Medical Leave Act (FMLA), California Family Rights Act (CFRA), Pregnancy Disability Leave, or approved workers compensation leaves.

<table>
<thead>
<tr>
<th>Percentage Funded</th>
<th>Percentage of Hours Worked</th>
<th>Total Hours Worked Prior Two Pay Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>87.50 - 100 %</td>
<td>140.0 - 160.0</td>
</tr>
<tr>
<td>75%</td>
<td>62.50 - 87.49 %</td>
<td>100.0 - 139.99</td>
</tr>
<tr>
<td>50%</td>
<td>50.00 - 62.49 %</td>
<td>80.0 - 99.99</td>
</tr>
<tr>
<td>NONE</td>
<td>LESS THAN 50 %</td>
<td>79.99 OR LESS</td>
</tr>
</tbody>
</table>

16.5 Retired Employee Options

All Retirees

Employees and their eligible dependents who retire and are eligible for County paid premiums shall be covered under the NCGTSF plan at the same level and premium amount as active employees. Employees and their eligible dependents that are not eligible for County paid premiums shall be covered under the TRT plan, except those employees who are in a retired status as of 12/31/17 shall have the option of the NCGTSF or the TRT plan. County and Teamsters agree to continue to meet and confer regarding an option for retirees not eligible for County paid premiums to remain on the NCGTSF plan.

Effective January 1, 2018 all retirees and their eligible dependents who are not eligible for Medicare and who pay retiree premiums and are in a retired status as of December 31, 2017 will receive a County contribution of $80.00 per month towards Health Insurance until he/she reaches age sixty-five (65).

The employee must advise Delta Health Systems (Trust Administrator) of their intent to retire and self-pay the full monthly premium as determined by the Board of Trustees of TRT. For premiums paid solely by retirees, the Trust Administrator shall work directly with the retiree to administer coverage and collect premiums. The retiree’s share of the premium for medical benefit must be paid monthly directly to Delta Health Systems.

The employee must advise the County’s Director of Human Resources and advance the full dental and vision insurance premium permitted (by law) directly to the County. Premiums for dental and vision (if applicable) must be paid directly to the County on a quarterly basis.
A widow(er) of a retiree may continue to participate in the TRT, provided they meet the eligibility criteria and the required contribution is paid. However, in the event the widow(er) remarries, the new spouse or the new spouse’s dependents cannot be enrolled under the TRT Plan.

**Retiree Health for employees hired prior to June 30, 2010**

Employees with ten (10) years or more of compensated cumulative service with Butte County that were hired prior to June 30, 2010, and who retire immediately from County service, shall be eligible for the County paid health, dental, and vision benefit only coverage for themselves (employees only) until the Medicare Supplemental Qualifying Age under the following conditions.

For up to the first year of retirement, retired members subject to this Memorandum of Understanding shall be entitled to twelve (12) months of health premiums up to the Medicare Supplemental Qualifying Age.

After 12 months of retirement, miscellaneous members may choose one of the following options as allowed under Section 16.3:

1. to receive one (1) month of health, dental, and vision premium for each day of sick leave on accrual at the date of retirement;  
   or
2. one (1) month of health, dental, and vision benefits (employee only) will be granted for each day of accrued sick leave until the sick leave credit is exhausted or the employee reaches the Medicare Supplemental Qualifying Age; and one (1) month of health plan benefits for each one and one-half days in excess of thirty (30) days accrued sick leave to cover employee’s spouse until the sick leave credit is exhausted or spouse reaches the Medicare Supplemental Qualifying Age.

Enrollment of employee’s spouse may be postponed until a pre-determined date, but only if the spouse is eligible for enrollment to the health plan, effective that date, pursuant to the Health Insurance Portability and Accountability Act (HIPAA). This election is irrevocable and will revert to employee only coverage if employee’s spouse is not eligible for enrollment on the effective date cited about pursuant to HIPAA. The sick leave originally allocated for the coverage of the employee’s spouse shall be forfeited if the employee’s spouse is not enrolled in the health plan on the effective date cited above. Rights to continuation of health coverage above are in addition to any rights the employee is entitled to under COBRA.

For County paid premiums on behalf of retirees qualifying for retiree health care, the County shall provide a roster of retirees and dependents to TRT and NCGTSF and pay the amounts negotiated in this agreement. For premiums paid solely by retirees, the Trust Administrator shall work directly with the retiree to administer coverage and collect premiums.

After a retired employee’s death, the retiree’s spouse and eligible child(ren) may use remaining sick leave, subject to the provisions of this section, to purchase medical benefits. Under this provision, the spouse may purchase one month of medical benefits for one and one-half days of accrued sick leave up to age 65. Unused sick leave hours remaining upon a retiree’s death, a retiree achieving the Medicare Supplemental Qualifying Age or a spouse achieving the Medicare Supplemental Qualifying Age may not be cashed-out or converted to another benefit.
Effective January 1, 2012, the sick leave conversion above, at the time of retirement will be calculated at the lowest cost medical benefit offered by the Teamsters (excluding Plan E).

**Retiree Health for Employees Hired After June 30, 2010**

Employees hired after June 30, 2010 are not eligible for the conversion of sick leave to health insurance or one year’s paid health coverage as outlined in this Section.

This Side Letter Agreement identifies those articles, sections, and subsections of the Memorandum of Understanding between the County and the Union that the parties have mutually agreed to revise. All other terms of the Memorandum of Understanding remain in full force and effect.

FOR THE COUNTY OF BUTTE

______________________________
Pamela Knorr
Human Resources Director

Date: ________________________

FOR TEAMSTERS LOCAL 137

______________________________
DAVE HAWLEY
President

Date: ________________________

______________________________
Bill Connelly
Butte County Board of Supervisors, Chair

Date: ________________________
SIDE LETTER AGREEMENT BETWEEN
THE COUNTY OF BUTTE (COUNTY)
AND
TEAMSTERS LOCAL 137 –SSW UNIT (UNION)

Whereas, the County of Butte (County) and Teamsters Local 137-SSW Unit (Union) agreed to a successor Memorandum of Understanding (MOU) covering the period of February 2017-December 2019, and the Butte County Board of Supervisors ratified the MOU on February 28, 2017. The MOU contains a re-opener regarding the transition of Union members from Cal-PERS health insurance to Teamsters sponsored health insurance. As a result of the meet and confer process regarding the transition to Teamsters health insurance, the parties have agreed to the language in this side letter of agreement. The terms described herein constitute the complete and entire agreement between the parties.

NOW THEREFORE, County and Union hereby agree that:

Section 17 of the current MOU between County and Union will be replaced in its entirety with the following:

17.00 HEALTH PLAN

17.1 Employee Health Plan Eligibility

Those eligible for participation in the Northern California General Teamsters Security Fund (NCGTSF) shall include:

a) All regular employees assigned to a one-half (1/2) time or more position.

b) Variable hour employees qualifying for coverage under the Affordable Care Act.

The Eligible Employee's dependents meeting the definition of “dependent” under the NCGTSF, shall include:

- Spouse under a legally valid marriage, registered domestic partner and children from birth through age 25, including:
  - Step-children
  - Children placed for adoption
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- Children to age 18 who are in the permanent legal guardianship of the covered employee by court order
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Employees working less than full-time and hired after November 1, 1987, shall receive prorated health contributions rounding to the nearest one quarter time; i.e., either fifty percent (50%), seventy-five percent (75%), or one hundred percent (100%) of the County contribution for full-time employees. Within the first 30 days of employment, the regular help employee must elect or decline health coverage. If an election is not made, the employee will be presumed to have declined coverage and will be eligible at the next open enrollment or in conjunction with a qualifying event. The effective date of coverage will be the first of the month following 30 days of regular help employment.

Employees will not be eligible for the medical flexible spending account and limited purpose flexible spending account offered by the County until the completion of six (6) months of employment. Employee contributions must be current by the last day of the first coverage month, including coverage changes due to qualifying events. Subsequent monthly premiums must be collected prior to the coverage month.

The Trust must be notified of a Qualifying Event within 30 days of the date of event, or otherwise as required by law. For Children’s Health Insurance Program (CHIP) enrollment, a 60 day enrollment period is allowed. All documentation/verification must accompany the request for coverage.

The following qualifying events will result in coverage being effective on the date of the qualifying event for medical through NCGTSF. Qualifying event rules for other coverages may differ (please see Summary Plan Description).

- Birth of a child or child placed with the participant for adoption
- Date of Marriage; County will not be required to make a tier change contribution until the first of the following month.
- Divorce; County will not make a tier change contribution to the monthly premium (as referenced in section 16.3) for the spouse if the divorce is effective on or before the 15th of the month. If the divorce is effective after the 15th of the month, the County and employee will make a full monthly contribution.

For qualifying events due to divorce, spousal coverage and coverage for step children will end as of the date of the divorce.

For qualifying events due to marriage, spousal coverage will be effective as of the date of marriage as stated below:

Coverage for a newly acquired spouse or child through marriage will become effective on the date of marriage, but only if a valid marriage license and an application to enroll the new spouse and stepchild(ren) has been filed within thirty (30) days of marriage and provided that all required contributions have been paid as of the first of the following month.

Newborn infants will be covered as of the date of birth provided a written application is filed within thirty (30) days of the birth of the child and provided that, as of the date of application, all
required contributions have been paid. A valid birth certificate shall be provided to the County no later than one hundred and eighty (180) days of birth.

A legally adopted child will be covered on the date the child is placed in the physical custody of the employee, provided written application and copy of the court order is provided within thirty (30) days of the effective date of the adoption and that all required contributions have been paid.

All other qualifying events are effective on the first of the month following the qualifying event date.

Coverage will terminate on the last day of the employment termination month. Any advance premiums paid for coverage will be refunded to the employee in their final paycheck.

17.2 Description

Medical coverage is provided through the Northern California General Teamsters Security Fund Plan Select Plus (including a Kaiser option), or Plan E (a HDHP with an HSA) and is funded through County and employee contributions.

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There will be two (2) participation levels, identified as Employee "A" and Employee "B" as per Section 16.3. Once a selection has been made, it will remain in force until the next plan year or unless a qualifying event, as defined by the IRS, occurs. Any fee for a third party administrator related to the medical plan coverages will be paid by the NCGTSF.

The basic group term life insurance will continue to be provided at County expense.

The County shall implement any necessary changes in order to comply with Federal and State law when there is no cost to the County. If there are costs, the parties agree to reopen negotiations regarding this section.

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Premium Holiday: In the event that a “Premium Holiday” is declared by the NCGTSF or provider in which health plan premiums are not required to be paid for a period of time, the following shall occur:

a) The County shall retain ownership and sole rights to the County’s monthly contributions, as stated above, for this period;

b) Employees shall not be required to contribute their portion of monthly premiums for this same period.

Option A – CORE Medical PLAN UNDER NCGTSF
Employees who elect Option A to participate in the NCGTSF medical plan will receive the County health benefits flex contribution (as specified below) to be utilized to purchase their selected medical plan and cannot be cashed out. In the event that an employee selects a medical plan that results in an excess County contribution, that excess contribution will be deemed a non-health flex contribution that may be taken as taxable income or applied to pre-tax dental, vision or other alternative approved benefits. Should an employee decline medical coverage, such employee will receive a cash-in-lieu payment if the employee complies with the requirements outlined in Option B below.

Employees that elect Option A will receive a County contribution into the Employee’s Flexible Benefit Account calculated as follows:

<table>
<thead>
<tr>
<th>Coverage Category</th>
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<th>Maximum County Contribution</th>
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<td>$490.28</td>
<td>$510.05</td>
</tr>
<tr>
<td>Employee Plus Spouse</td>
<td>$1,101.00</td>
<td>$923.50</td>
<td>$956.53</td>
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<td>Employee Plus Children</td>
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<td>Family</td>
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<td>$1,132.50</td>
<td>$1,174.80</td>
</tr>
</tbody>
</table>

The current negotiated County contributions are subject to increase for the 2018 plan year, pending the final release of the NCGTSF Select Plus and Plan E rates. Should the employee elect the Select Plus Kaiser option, the employee will be responsible for the additional contribution difference.

Should these plan rates increase, the County’s contributions will also increase, subject to a cap of three percent (3%). For the 2019 plan year, the employees shall absorb any costs associated with premium or any other health care related increases.

Employees, regardless of medical plan participation status, are eligible to enroll in the County’s dental and/or vision programs. Teamsters and County will begin the meet and confer process no later than 4/1/18 regarding the possibility of moving Teamsters members into the NCGTSF Dental and Vision plans effective 1/1/19. Employee contributions for dental and vision will be deducted from employee’s regular payroll on a pre-tax basis.

Employees that wish to participate in the optional benefits in the plan, with the exception of the cash back option, but do not have any surplus credits, can elect to have pre-tax payroll deductions in an amount to cover the cost of their elections.

**Option B - FLEXIBLE BENEFIT OPTIONS**

Employees who decline medical coverage and elect Option B must provide to the County the following in order to receive the cash-in-lieu:

(1) proof that the employee and all individuals for whom the employee intends to claim a personal exemption deduction (“tax family”), have or will have minimum essential coverage through another source of group health insurance (coverage not obtained in the individual market or through Covered California) for the plan year to which the opt out arrangement applies (“opt out period”); and
(2) the employee must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The opt-out payment cannot be made and the County will not in fact make payment if the County knows that the employee or tax family member doesn’t have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied.

Employees hired on or before December 31, 2013, will receive an employer flex credit contribution of one hundred eighty-six dollars and sixteen cents ($186.16) per pay period for "employees" who elect and satisfy the requirements outlined above for Option B. Employees hired on or after January 1, 2014, will receive an employer flex credit contribution of ninety-two dollars and thirty-one cents ($92.31) per pay period for employees who elect and satisfy the requirements outlined above for Option B.

Employees may elect a pre-tax deduction (through regular payroll or cash-in-lieu) to purchase any of the Flexible Benefit Options listed in the Flexible Benefits Options Exhibit. Should an employee receive cash-in-lieu that is not utilized for Flexible Benefit Options, the amount will be included as taxable income.

17.4 Administration

a) The Teamsters acknowledge that they are fully responsible for the administration and management of the NCGTSF Select Plus Plan, NCGTSF Plan E, and Teamsters Retiree Trust. The County agrees to notify Delta Health Systems (Plan Administrator) of any change to an employee’s enrollment within seven (7) days of receipt of such notification from the employee. Plan Administrator and County agree to provide timely response and cooperation for any census and/or reporting requests that may be needed to accomplish any and all mandated reporting.

b) No benefits will be paid by the County to employees in Option B until all requirements outlined in the Flexible Benefits – Option B section have been met. Newly hired employees will begin to receive payment under Option B on the first pay period of the month following thirty (30) days of their hire date. Retroactive payments under Option B will not be made to employees. In order to determine eligibility for payment under Option B, the County will look at the two (2) pay periods prior to the month of the cash back payment.

c) Part-time, regular help employees will receive proportional benefits as provided in the Memorandum of Understanding. All employees assigned to a one-half (1/2) time or more position, and the employees' eligible dependents, shall be entitled to participate in the Northern California General Teamsters Security Fund (NCGTSF) for medical and prescription drug benefits. Employees working less than full-time, shall receive prorated flex benefit contributions rounding to the nearest one-quarter time; i.e., either fifty percent (50%), for employees working thirty-six (36) hours to forty-five (45) hours; seventy-five percent (75%), for employees working forty-six (46) to sixty-four (64) hours; or one hundred percent (100%), for employees working sixty-five (65) hours or more. This section does not affect part-time employees grandfathered into full-time benefit status under Section 16.01 of the M.O.U.
d) Any money deposited in the County’s Flexible Spending Account of an employee must be used during the plan year, with the exception of $500, which may be rolled over to the following plan year pursuant to IRS provisions; otherwise, the remaining balance reverts to the County. Upon separation, the money will be disbursed in conformance with the rules and procedures explained to and authorized by the employee at the time of his/her enrollment.

e) The County will not pay any health insurance, dental, or vision premium when an employee is in a non-compensated status, with the exception of employees on Family Medical Leave Act (FMLA), California Family Rights Act (CFRA), Pregnancy Disability Leave, or approved workers compensation leaves.

<table>
<thead>
<tr>
<th>Percentage Funded</th>
<th>Percentage of Hours Worked</th>
<th>Total Hours Worked Prior Two Pay Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>87.50 - 100 %</td>
<td>140.0 - 160.0</td>
</tr>
<tr>
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<td>50.00 - 62.49 %</td>
<td>80.0 - 99.99</td>
</tr>
<tr>
<td>NONE</td>
<td>LESS THAN 50%</td>
<td>79.99 OR LESS</td>
</tr>
</tbody>
</table>

17.5 Retired Employee Options

All Retirees

Employees and their eligible dependents who retire and are eligible for County paid premiums shall be covered under the NCGTSF plan at the same level and premium amount as active employees. Employees and their eligible dependents that are not eligible for County paid premiums shall be covered under the TRT plan, except those employees who are in a retired status as of 12/31/17 shall have the option of the NCGTSF or the TRT plan. County and Teamsters agree to continue to meet and confer regarding an option for retirees not eligible for County paid premiums to remain on the NCGTSF plan.

Effective January 1, 2018 all retirees and their eligible dependents who are not eligible for Medicare and who pay retiree premiums and are in a retired status as of December 31, 2017 will receive a County contribution of $80.00 per month towards Health Insurance until he/she reaches age sixty-five (65).

The employee must advise Delta Health Systems (Trust Administrator) of their intent to retire and self-pay the full monthly premium as determined by the Board of Trustees of TRT. For premiums paid solely by retirees, the Trust Administrator shall work directly with the retiree to administer coverage and collect premiums. The retiree’s share of the premium for medical benefit must be paid monthly directly to Delta Health Systems.

The employee must advise the County’s Director of Human Resources and advance the full dental and vision insurance premium permitted (by law) directly to the County. Premiums for dental and vision (if applicable) must be paid directly to the County on a quarterly basis.
A widow(er) of a retiree may continue to participate in the TRT, provided they meet the eligibility criteria and the required contribution is paid. However, in the event the widow(er) remarries, the new spouse or the new spouse’s dependents cannot be enrolled under the TRT Plan.

**Retiree Health for employees hired prior to June 30, 2010**

Employees with ten (10) years or more of compensated cumulative service with Butte County that were hired prior to June 30, 2010, and who retire immediately from County service, shall be eligible for the County paid health, dental, and vision benefit only coverage for themselves (employees only) until the Medicare Supplemental Qualifying Age under the following conditions.

For up to the first year of retirement, retired members subject to this Memorandum of Understanding shall be entitled to twelve (12) months of health premiums up to the Medicare Supplemental Qualifying Age.

After 12 months of retirement, miscellaneous members may choose one of the following options as allowed under Section 16.3:

1. to receive one (1) month of health, dental, and vision premium for each day of sick leave on accrual at the date of retirement;
   or
2. one (1) month of health, dental, and vision benefits (employee only) will be granted for each day of accrued sick leave until the sick leave credit is exhausted or the employee reaches the Medicare Supplemental Qualifying Age; and one (1) month of health plan benefits for each one and one-half days in excess of thirty (30) days accrued sick leave to cover employee’s spouse until the sick leave credit is exhausted or spouse reaches the Medicare Supplemental Qualifying Age.

Enrollment of employee’s spouse may be postponed until a pre-determined date, but only if the spouse is eligible for enrollment to the health plan, effective that date, pursuant to the Health Insurance Portability and Accountability Act (HIPAA). This election is irrevocable and will revert to employee only coverage if employee’s spouse is not eligible for enrollment on the effective date cited about pursuant to HIPAA. The sick leave originally allocated for the coverage of the employee’s spouse shall be forfeited if the employee’s spouse is not enrolled in the health plan on the effective date cited above. Rights to continuation of health coverage above are in addition to any rights the employee is entitled to under COBRA.

For County paid premiums on behalf of retirees qualifying for retiree health care, the County shall provide a roster of retirees and dependents to TRT and NCGTSF and pay the amounts negotiated in this agreement. For premiums paid solely by retirees, the Trust Administrator shall work directly with the retiree to administer coverage and collect premiums.

After a retired employee’s death, the retiree’s spouse and eligible child(ren) may use remaining sick leave, subject to the provisions of this section, to purchase medical benefits. Under this provision, the spouse may purchase one month of medical benefits for one and one-half days of accrued sick leave up to age 65. Unused sick leave hours remaining upon a retiree’s death, a retiree achieving the Medicare Supplemental Qualifying Age or a spouse achieving the Medicare Supplemental Qualifying Age may not be cashed-out or converted to another benefit.
Effective January 1, 2012, the sick leave conversion above, at the time of retirement will be calculated at the lowest cost medical benefit offered by the Teamsters (excluding Plan E).

**Retiree Health for Employees Hired After June 30, 2010**

Employees hired after June 30, 2010 are not eligible for the conversion of sick leave to health insurance or one year’s paid health coverage as outlined in this Section.

This Side Letter Agreement identifies those articles, sections, and subsections of the Memorandum of Understanding between the County and the Union that the parties have mutually agreed to revise. All other terms of the Memorandum of Understanding remain in full force and effect.

FOR THE COUNTY OF BUTTE

___________________________________

Pamela Knorr
Human Resources Director

Date: _____________________

FOR TEAMSTERS LOCAL 137

___________________________________

DAVE HAWLEY
President

Date: _____________________

___________________________________

Bill Connelly
Butte County Board of Supervisors, Chair

Date: _____________________