

ACE PROPOSAL—October 10, 2006

ARTICLE 14

Fringe Benefits

14.1 Benefits for Regular/Contract Members

1. Overview

The District shall provide regular/contract members and their dependents with insurance coverage for medical, dental, vision, prescription, and long-term disability insurance, or those benefits as agreed to through collective bargaining. ~~based upon recommendations of the District Benefit Review Committee.~~

In order to qualify for benefits, the member must be either regular or contract members and have at least a 50% load. Those regular/contract members working less than 100% ~~will~~ **shall** pay the pro rata share of the premium **unless specifically stated otherwise in other provisions of this contract. For members working less than 100%**, participation in benefits ~~will~~ **shall** be voluntary.

The District shall also extend benefits to the domestic partner of a unit member and his/her partner meet the eligibility requirements outlined in the “Affidavit of Domestic Partnership” (see **Appendix xx**) Both the member and the domestic partner must sign the Affidavit of Domestic Partnership in order for the domestic partner to be eligible to participate in the District benefits program. If the domestic partnership ceases, the unit member has an obligation to immediately notify the District of the termination of the relationship and to file with the District an “Affidavit of Termination of Domestic Partnership” (see **Appendix xx**). Unit members who fail to notify the District of the termination of the domestic partnership ~~will~~ **shall** be held personally responsible for the cost of the benefits premiums for the former domestic partner. ~~Domestic partners shall not be eligible for benefits upon the retirement of the unit member.~~

~~If the District agrees to a plan with lower deductibles and co-pays with another bargaining unit, said better conditions shall be provided to the faculty unit.~~

- 14.1.1 The District shall provide regular, contract members and their dependents with insurance coverage for medical services, including the provision of prescription drugs, coverage for vision services, and coverage for dental services. **For medical services, each member may choose from the available plans (see Appendix XX): Blue Shield HMO, Blue Shield PPO, or Kaiser Permanente (the same plans as are offered as of June 30, 2006. Once plans are selected by the member, member-initiated changes to a different plan are allowed only during the open enrollment period. All other benefits agreed to through collective bargaining shall be provided to all members except those benefits designated as optional coverages.**
- 14.1.2 **The District is responsible for paying the cost of the premiums for medical, dental, vision, prescription, and long-term disability insurance. Those benefits designated**

as optional coverages shall be paid by the employee through payroll deduction. ACE has set aside a "Faculty Health Insurance Reserve Account" as a contribution towards the increased cost of active members' medical and prescription coverages.

14.1.3 Effective for fiscal years beginning July 1, 2007, the District shall be entitled to use the funds set aside in "Faculty Health Insurance Reserve Account," as described in Article 13, section 1, to pay District expenditures for active full-time faculty medical insurance premium increases in excess of any State COLA for that fiscal year. For this purpose, the term "faculty medical insurance premium increases" means the additional cost to the District compared to the previous Academic Year of paying the composite premiums for medical insurance coverages, including the provision for prescription drug coverages for each active full-time faculty member.

14.1.4 The funds placed in the "Faculty Health Insurance Reserve Account" (as described in Article 13, section 1), shall not be used for any purpose other than those described in this section, 14.1 unless negotiated otherwise.

~~14.1.5~~ The District shall provide regular and contract faculty and their dependents with insurance coverage for dental, vision and long term disability insurance, continuing the coverage that is in effect as of the date of June 30, 2006.

~~14.1.1~~ The District agreed to remove the fringe benefit cost containment cap for all unit and retired members.

14.1.5 Waiver of Coverage

A member may waive medical and prescription drug benefits as specified in 14.1.1 if the member receives coverage by a plan provided to the member's spouse or domestic partner. Any member waiving District benefits will shall be paid \$300 per each-month. Members working less than 100% shall be paid a pro rata share of \$300 per month. Payment will shall be made as taxable income, or if legally permissible, with pre-taxed dollars into an annuity.

Each year, members have the opportunity to opt back into medical coverage during the open enrollment period or within 30 days of any change in status or loss of medical benefit coverage of the spouse/domestic partner. Active members who are planning their retirement may opt in during any open enrollment period prior to retirement or 30 days prior to the effective date of their retirement.

14.2 Post-Retirement Benefit Coverage—Members hired prior to January 1, 1994

14.2.1 Bargaining unit retirees shall be eligible to participate in the medical (including prescription) and dental plans provided to members, or the equivalent, with the following conditions: if the eligibility requirements specified in 14.2.2 are met.

14.2.2 Eligibility Requirements

To qualify for post-retirement benefits, the member must

1. be an active participant in the District fringe benefit program at the time of retirement. (Members who have waived coverage per Article 14.1.5

may opt back into the fringe benefit program during any open enrollment period prior to retirement or 30 days prior to the effective date of retirement.)

2. be eligible to retire through the State Teachers Retirement System (STRS) or the Public Employees Retirement System (PERS).
3. have provided service to the District immediately preceding retirement.
4. be enrolled in all parts of Medicare for which the member is qualified, or must enroll when the member becomes eligible.

In addition, a retiree's eligibility for the District's paid health and dental benefit package is determined by their years of service to the District and as provided by the contract of their collective bargaining unit at the time of retirement.

To **receive obtain** full benefits, members retiring who were hired before November 1, 1990 must have completed ten (10) years of service with the District. To be eligible for pro rata benefits, these members must have completed five (5) years of service. This benefit is prorated as follows:

50% = 5 years
60% = 6 years
70% = 7 years
80% = 8 years
90% = 9 years
100% = 10 years

To **receive obtain** full benefits, members retiring who were hired full-time between November 1, 1990 and January 1, 1994 must have completed fifteen (15) years of service with the District. To be eligible for pro rata benefits, these members must have completed ten (10) years of service. This benefit is prorated as follows:

50% = 10 years
60% = 11 years
70% = 12 years
80% = 13 years
90% = 14 years
100% = 15 years

~~Note: The District is accepting ACE's proposal to return to the current contract language for 14.2.2 (other than adding domestic partners), but the District will continue the District's long standing past practice of only providing benefits to the member's spouse and dependents at the time the member retires. If a member retires and later remarries and tries to add a new spouse or dependents, the member will be told that the District will not add a new spouse or new dependents as this has long been the District's practice.~~

- 14.2.2** Health Medical benefits for retirees shall include a spouse/**domestic partner** and eligible dependents **at the time of retirement**, or a surviving spouse until such time as the surviving spouse remarries or dies.

14.2.3 In order to retain coverage, retirees **shall** ~~will~~ be required to annually verify their residence, dependent status, and Medicare eligibility.

14.2.4 All retirees, eligible to receive retiree benefits, who move out of the service area shall be able to change medical plans to one of the plans listed in Appendix XX.

14.3 Post-Retirement Benefit Coverage—Members hired on or after January 1, 1994

14.3.1 ACE and the District shall contract with an actuarial firm to determine the estimated costs associated with offering various Medicare Bridge programs. ACE and the District agree to share the expense of this cost analysis equally. The cost analysis shall be completed no later than March 31, 2007.

14.3.2 At retirement, members hired after January 1, 1994 may elect to continue receiving, at their own cost, District medical and/or dental benefits until the member reaches Medicare eligibility.

14.3.3 All regular/contract faculty hired for the first time by the District after July 1, 1998 shall be paid \$5,500 when they achieve tenure and return for duty in the following year.

14.4 District Benefits Review Committee

14.4.1 Purpose

The purpose of the District Benefits Review Committee is to research and share information with its constituencies and act in an advisory capacity to its constituencies. All proposed changes in fringe benefits would still have to be negotiated.

14.4.2 Membership

The District Benefits Review Committee shall consist of the following:

ACE (one from each campus)	2 members
ACE Retirees	1 member
SEIU (includes 1 retiree)	3 members
Supervisors	1 member
Confidential	1 member
Police	1 member
Manager's Association	1 member
Board of Trustees	1 member
Assistant Vice-Chancellor of Human Resources	1 member
District Budget Office	Resource
SEIU Union Official	Resource
HR Specialist	Resource
Benefit Consultants	Resource

District

ACE

Date

Date