

**CPPW makes the following proposal on Health and Welfare on April 18, 2024. CPPW reserves the right to modify or adjust as negotiations continue so long as no TA has been reached.**

**NOTE: Most of this language is drawn from the PROTEC contract between the City of Portland and PROTEC.**

## **ARTICLE \_\_\_\_ HEALTH AND WELFARE**

### **Section 1, Labor/Management Benefits.**

- (a) The parties agree to the continuation of the citywide Labor/Management Benefits Committee. The Committee will consist of 17 members. One member shall be appointed from each of the following labor organizations: the City of Portland Professional Workers Union (CPPW), the District Council of Trade Unions (DCTU), the Portland Fire Fighters' Association (PFFA), Professional and Technical Employees Local 17, Portland Police Association (PPA) representing Emergency Communications Operators (BOEC), Municipal Employees, Local 483 representing Recreation Instructors (Recreation), the Portland Police Commanding Officers Association (PPCOA), AFSCME Local 189 representing the Auditor's Office, and Laborers' Local 483 representing the Portland City Laborers. The remaining eight members shall be appointed by the City.
- (b) 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 or designate another committee member as a proxy to vote on the absent committee member's behalf. Any Committee member may invite one or more visitors to attend Committee meetings.
- (c) The Committee shall select two (2) chairpersons, one (1) labor representative and one (1) City representative, who shall serve as co-chairpersons at the will of the Committee.
- (d) In order to make a recommendation to the City Council, at least 50% plus one (1) of the Committee members must vote in favor of the recommendation. The Committee shall be responsible for

establishing internal Committee voting and decision-making processes.

- (e) 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.
- (f) 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 1 of each year.
- (g) 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 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.)

## **Section 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 federal, state, local laws, statutes, and rules.

(a) **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 on qualified leave status for the City of Portland, and they make the required premium contribution. Eligibility for health benefits is dependent upon an employee working their scheduled hours on a regular basis. 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 the employee's regularly scheduled hours. Coverage for the employee and the employee's eligible family members will be reinstated retroactively to the first of the month in which the employee returns to the employee's regular work schedule. Any required catch-up premium contributions will be deducted from the first paycheck the employee receives upon returning to paid status unless other repayment arrangements have been made.

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.

Medical, dental, vision and life insurance will be paid at 100% of the City contribution for those employees who have regularly scheduled hours of at least seventy-two (72) hours in a pay period.

(b) **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 on qualified leave status for the City of Portland, and they make the required premium contribution. Eligibility for health benefits is dependent upon an employee working their scheduled hours on a regular basis. 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 the employee's regularly scheduled hours. Coverage for the employee and the employee's eligible family members will be reinstated retroactively to the first of the month in which the employee returns to the employee's regular work schedule. Any required catch-up premium contributions will be deducted from the first paycheck the employee receives upon returning to paid status unless other repayment arrangements have been made.

- (c) 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.

The percentage of contributions 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	60%
46 – 55	70%
56 – 63	80%
64 – 71	90%
72 – 80	100%

Number of regularly scheduled hours per pay period conversion to percentage of employer contribution below:

- 40 to 45 hours is a 50% contribution
- 46 to 55 hours is a 63% contribution
- 56 to 63 hours is a 75% contribution
- 64 to 71 hours is an 88% contribution
- 72 to 80 hours is a 100% contribution

The percentage of benefits paid shall be based on whether an employee is actively employed in an eligible job class and status and is working regularly scheduled hours.

(d) Job-share is defined as a full-time position designated by the appointing authority that is or may be shared by two employees. The amount of non-elective contributions that the City will make on behalf of its permanent job-share employees shall be fifty percent (50%) of the maximum amount it makes on behalf of full-time employees.

(e) Medical, dental, vision and life insurance benefits may be denied to employees who are in a pay status for less than eighty (80) hours during a calendar month by the withholding of city-paid premiums for the subsequent month. Employees who become ineligible for City paid benefits will have the right to continue coverage on a self-pay basis in accordance with state and federal law.

### **Section 3, Premium Contributions.**

(a) Self-Insured Medical Plan or Kaiser Plan effective Plan Year July 1, 2018, and effective subsequent years. The City shall contribute ninety-five percent (95%) 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 Self-Insured Medical Plan or Kaiser Plan and provided the employee has received a preventative health care examination within the prior two (2) full calendar years. Each regular full-time employee who elects the Self-

Insured Medical Plan or Kaiser Plan and who has received a preventative health examination with the prior two (2) full calendar years shall contribute five percent (5%) of the medical, vision and dental rates adopted by City Council for the one party, two party, or family enrollees (whichever applies), the tiered rates recommended by the LMBC and subsequently adopted by City Council.

- (b) Beginning with Benefit Plan Year July 1, 2018 and effective in subsequent plan years, the City shall contribute ninety percent (90%) 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 Self-Insured Medical Plan or Kaiser Plan and who has not received a preventative health care examination within the prior two (2) full calendar years. Each regular full-time employee who elects the Self-Insured Medical Plan or Kaiser Plan and who did not receive a preventative health examination with the prior two (2) full calendar years shall contribute ten percent (10%) of the medical, vision and dental rates adopted by 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 adopted by City Council.
- (c) 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%) 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 to the HDHP shall contribute five percent (5%) of the dental rates adopted by the City Council for one party, two party or family enrollees (whichever applies), or any variation of the tiered rate recommended by the LMBC and subsequently approved by City Council.

(d) 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 Kaiser Plan will have one (1) full calendar year to receive a preventative health care examination to retain the City's ninety-five percent (95%) contribution and the employee's five percent (5%) contribution in the subsequent plan year. The City shall contribute ninety percent (90%) and the employee shall contribute ten percent (10%) of the medical, vision and dental rates adopted by 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 adopted 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. After this initial service time, contribution percentages for health care plans shall be as in Section 3 (c) and 3 (d) above.

(e) 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.

(f) **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 Section 3 (a) through (c) and shall receive a cash payment every payday (except for the third payday in a month) as follows:

- a. Cash payment for one party is \$25 per payday
- b. Cash payment for two party is \$45 per payday
- c. Cash payment for family is \$62.50 per payday

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

(g) 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:

- a. City contribution for one party is \$218.40 per payday
- b. City contribution for two party is \$174.32 per payday
- c. City contribution for a family is \$135.69 per payday

City Contribution	One Party	\$218.40 per payday
	Two Party	\$174.32 per payday
	Family	\$135.69 per payday

(h) Effective July 1 of each year of this Agreement, the City contribution rate provided in previous year shall be adjusted to reflect the full annual percentage increase in the medical care component in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W West Class Size A) current base period measured by the reported percentage change between the 2<sup>nd</sup> 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%).

(i) The City shall pro-rate the cash payment and City contribution in Section 3 (d) above for part-time benefits eligible employees based on the standard hours schedule. (See Section 2.)



#### **Section 4, Health Fund Reserves.**

- (a) The Health Fund shall be maintained with adequate reserves to meet fund obligations.
- (b) 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.
- (c) 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.

#### **Section 5, Retiree and Survivor Benefits.**

- (a) 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 the retiree and/or the spouse/domestic partner becomes eligible for federal Medicare coverage.
- (b) The City shall provide to the spouse/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/domestic partner and eligible dependent children until the spouse/domestic partner becomes eligible for federal Medicare or either remarries or establishes a new domestic partnership, and for each dependent child to the age which meets the eligibility requirements of the health plan in which they are enrolled.
- (c) The promise of the City to provide insured plans is dependent upon the continuing availability of such plans from an insurance carrier and the qualification by the retired employee with the plan while the

retiree was employed with the City. Should an insurance carrier terminate the plan, the City shall attempt to replace it.

**Section 6, Life Insurance.**

(a) 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.

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

**Section 7, Deferred Compensation.** The City shall allow employees under this contract to participate in the Deferred Compensation Program that is currently available to employees. However, if the program is determined not to be allowable as a tax deferral under the Internal Revenue Code, the participating employee shall hold the City and the Union harmless against any and all claims, demands, or other forms of liability arising as a result of any invalidation of the terms and conditions of the Program.

**Section 8, Federal and State Health Legislation.** 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 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.

**Section 9, Disability Insurance.** The City shall continue to provide Long Term Disability plan coverage as an election under the Plan.

**Section 10, Retirement.** Throughout the term of this agreement, the City agrees to maintain its membership in the State of Oregon Public Employees Retirement System (PERS) and the Oregon Public Service Retirement Plan (OPSRP), and shall continue to "pick-up," assume and pay the average employee contribution to the Public Employees Retirement System, currently six percent (6%), as specified in Chapter 238 or 238A of the Oregon Revised Statutes.

**Section 11, Liability Insurance.** The City shall continue with no less than its present practices with reference to liability insurance or the protection of employees against claims against them incurred in or arising out of the performance of their duties.

**Section 12, VEBA.** The City agrees to create a Labor Management workgroup to explore a Voluntary Employee Beneficiary Association (VEBA) for employees covered by the CPPW.