

**ARTICLE 8  
HEALTH AND WELFARE BENEFITS**

8.1 Each eligible member of the unit shall be provided a basic insurance package. The basic insurance package shall include major medical, vision, dental, and life insurance coverage. Employees may opt out of the major medical, dental and vision plans provided by Poway Unified School District subject to the provisions of 8.2.3. Specific benefits of the basic insurance package shall be described in the District's basic brochure. Copies of this brochure will be distributed to all members of the unit as soon as they are completed.

8.2 District Contribution for Health and Welfare Benefits

8.2.1 For the 2015 Plan Year, the maximum annual District dollar contribution for Health and Welfare Benefits shall be as follows:

- (a) \$9,913 for employees who work between seven and seventy-six hundreds (7.76) and eight (8) hours per day.
- (b) \$9,120 for employees who work between six (6) and seven and seventy-five hundreds (7.75) hours per day.
- (c) \$7,236 for employees who work between four (4) and five and ninety-nine hundreds (5.99) hours per day.

8.2.1.1 Commencing January 1, 2016, the base annual District contribution for Health and Welfare Benefits for all benefitted employees shall be \$9,913 plus an amount equal to the arithmetic average of the increased costs of the two (2) HMO basic insurance packages (Section 8.3).

8.2.2 The discretionary funds (cash to warrant) for employees participating in the basic insurance package shall not exceed \$2,904.00 annually.

For the purpose of qualifying for the above benefits, only regular assigned hours are included. Extra hours, limited term hours, and overtime hours are excluded.

8.2.3 Proof of other insurance coverage must be provided in order to opt out of the major medical and dental plans provided by the Poway Unified School District. Employees opting out of the major medical plan are still required to purchase the mandatory life insurance. Additionally, employees may purchase both dental and vision benefits (see benefit brochure for cost). These benefits will be deducted from the opt out contribution negotiated between the District and PSEA. However, for the 2016 and 2017 benefit years only, the District agrees to redirect up to \$697,029 each benefit year from the District's post-retirement benefit fund for the purpose of

supporting District-paid dental and vision coverage for those PSEA unit members who opt out of medical coverage. Effective January 1, 2016, the maximum cash warrant will be \$3,725 per employee.

- 8.3 The District's annual contribution for Health and Welfare Benefits (8.2.1) shall be increased by an amount equal to the arithmetic average of the increased costs of the two (2) HMO basic insurance packages (prorated).
- 8.4 Upon initial eligibility or for continuing coverage employees whose monthly net earnings are less than the monthly premium payment, premiums required for coverage must be paid in advance either annually or semi-annually. Insurance coverage shall be canceled if the required premium payment is not received in the Payroll Department in advance of the required premium. If the coverage is allowed to lapse, it may not be reinstated the following year or any year thereafter.
- 8.5 The District shall continue the employer contribution while the employee is on paid leave status, in the same manner as if the employee had remained in regular service. Employees on District approved, non-paid leaves of absence, or retired employees, may elect to continue coverage for themselves and dependents. Premiums required for coverage must be paid in advance either annually, semi-annually, or quarterly.
- 8.6 Retired employees may purchase the basic health plan for themselves and their eligible dependents - employees must be retired under one of the District's formal retirement plan(s) (PERS, PARS or STRS) early or normal retirement plan provisions; be at least age fifty (50) (PERS,STRS), or age sixty (60)(PARS) or older, and have ten consecutive previous years of service with the District. Retirees' dependents must meet the same eligibility requirements as dependents of active employees. Upon attainment of age sixty-five (65), the retired employee must sign up for Medicare parts A and B (this applies to dependents also). Retiree coverage is available for medical, dental, and vision insurance. Life insurance ceases upon retirement. Premiums required for coverage must be paid in advance either annually, semi-annually, or quarterly. Retirees may change insurance providers during the regular open enrollment period. If the coverage is allowed to lapse, it may not be reinstated the following year or any year thereafter.

8.6.1 Post Health and Welfare Benefits for Eligible Retired Employees

Unit members, retiring under one of the District's formal retirement plan(s) (PERS or STRS), at least age 55 or older, and having five consecutive years of benefited service with the District will be eligible for a District contribution towards their retiree health coverage through age 65 or Medicare eligibility.

The District contributions will be based on a percentage of the cost of the lowest price plan for employee only coverage and will vary by years of District service at retirement as follows:

Years of Service at Retirement	District Contribution Percentage
At least 15 years of service but less than 17	80%
At least 17 years of service but less than 20	90%
20 or more years of service	100%

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

Eligible unit members must meet all criteria: retire into district plan, age, years of service, years of service in a benefited position, and must be in a benefited position and covered by a district plan at time of retirement. For retirements which take effect on or after June 21, 2012, the words "years of District service" means years of service in any of the District's bargaining units or in the District's management association. Additionally, up to five years of District service outside of any of the District bargaining units or its management association shall be counted for purposes of determining "years of District service" under this section.

	15-16.99 Years (80%)	17-19.99 Years (90%)	20+ Years (100%)
4-5.99 -73%	58%	65%	73%
6-7.75 -92%	73%	82%	92%
7.76-8 -100%	80%	90%	100%

The above chart shall be applicable to eligible employees who retire on or before October 31, 2015. Eligible employees who retire on or after November 1, 2015 shall receive a district contribution in accordance with the following chart effective January 1, 2016 and shall remain on the chart above until such time.

	15-16.99 Years (80%)	17 – 19.99 Years (90%)	20+ Years (100%)

For the purpose of this agreement as it relates to eligibility for post retirement benefits, any employee who resigns or retires from the Poway Unified School District and is then subsequently re-employed by the District on or after June 30, 2006 will carry no service credit forward to qualify for this Post Retirement Health and Welfare benefit and will need to reestablish eligibility.

The funding of this post-retirement medical benefit, as reported for the required GASB 45 actuarial, is partially funded from several existing sources, including an accumulated balance of not less than \$682,000, dedication of 'opt-out' funds (as defined in Section 8.10) not provided to the employee, and interest earned by the post-retirement benefit fund. It is understood that should the annual contributions to the post-retirement benefit fund become less than 1% of total PSEA salaries, or should any of the assumptions contained within the GASB 45 actuarial not be sufficient to fund this post-retirement benefit plan, the parties agree to reopen negotiations immediately in order to ensure this post-retirement benefits plan is independently and fiscally sound.

The District shall provide monthly data to PSEA of funds due and/or deposited to the post-retirement benefit fund, as well as the fund balance.

8.7 Employee and dependents insurance coverage shall be canceled under the following conditions:

- (a) The leave expires and the employee does not return to active duty.
- (b) A required premium payment is not received in the Payroll Department.

8.8 Effective Plan Year 2016, an amount of **\$1,040,250.00** will be used each year to offset medical premiums for active unit members in a manner determined by mutual agreement between the District and PSEA in an interest-based problem solving session(s).

8.9 The District agrees to allow for the continuation of benefits as required by Federal Law (COBRA).

8.10 Use of "Opt Out" Savings for the 2015 calendar year for health benefits as agreed by PUSD and PSEA are:

		2015
# of employees working between 7.76 and 8 hours	X	<b>\$6,527</b>
# of employees working between 6 and 7.75 hours	X	<b>\$5,822</b>
# of employees working between 4 and 5.99 hours	X	<b>\$4,147</b>

Effective for the 2016 calendar year "Opt Out" savings shall be determined by subtracting the amount specified in Section 8.2.3 from the amount specified in Section 8.2.1.1.