

April 23, 2018

Nancy E. Watson
Western Council of Engineers
950 College Avenue
Santa Rosa, California 95404

Re: Letter of Understanding – Pre-Medicare and Medicare Eligible Retirees

Dear Ms. Watson:

This letter confirms the agreement reached between the City of Sacramento (City) and the Western Council of Engineers (Union) regarding the above referenced matter.

Specifically, the agreement is as follows:

1. Memorandum of Understanding (MOU) Section 8.9 (d) shall be amended as follows:

d. ~~Pre-Medicare Eligible Retirees~~

~~Retirees who are not eligible for Medicare benefits may elect to participate in a City-sponsored medical plan or purchase an individual medical plan. A retiree who elects to purchase a medical plan not sponsored by the City shall be eligible to reenroll in a City-sponsored health plan within two (2) years of waiving coverage.~~

d. Pre-Medicare Retirees

Pre-Medicare retirees who are not eligible for Medicare benefits may elect to participate in a City-Sponsored medical plan or purchase an individual medical plan. A retiree who elects to purchase an individual medical plan not sponsored by the City shall only be eligible to enroll in a City medical plan if the retiree enrolls with an effective date of coverage which is within two (2) years from the date their prior City medical coverage terminated.

2. MOU Section 8.9 (f) shall be amended as follows:

f. ~~Medicare Eligible Retirees~~

~~Upon achieving eligibility for Medicare benefits, retirees and their dependent(s) shall not be allowed to participate in any City-sponsored medical plan.~~

f. Medicare Retirees

In order to maintain eligibility for the City retiree health insurance contribution, each eligible retiree and eligible dependent(s) shall enroll in Medicare Parts A and B immediately after becoming eligible for such benefits. Medicare retirees may elect to participate in a City-sponsored Medicare medical plan or purchase an individual Medicare medical plan.

Medicare retirees who have enrolled in Parts A and B after becoming eligible for such benefits may elect to participate in a City-sponsored Medicare medical plan without restriction to the amount of time the retiree has waived a City-sponsored medical plan. Medicare retirees may only enroll on their City-sponsored Medicare medical plan a Medicare eligible dependent(s) who has enrolled in Parts A and B.

Medicare retirees who are eligible for Medicare Parts A and B and who elect to purchase an individual medical plan shall only be reimbursed the cost of the individual premiums associated with a Medicare Advantage, Medicare Supplemental, and/or Medicare Prescription Drug plan up to their eligible City contribution.

3. This agreement memorializes and constitutes the entire understanding between the parties as to all matters referred to or included herein and supersedes and replaces all prior negotiations and proposed discussion, whether written or oral.

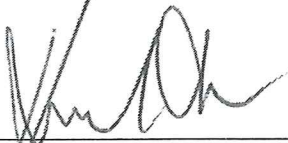
If this is your understanding of the agreement reached, please sign as indicated below and return one (1) original to Labor Relations. I have enclosed two (2) originals for your files.

Sincerely,



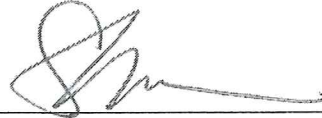
Aaron Donato
Acting Labor Relations Manager

AGREED TO:



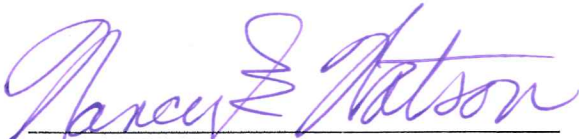
Howard Chan
City Manager

AGREED TO:



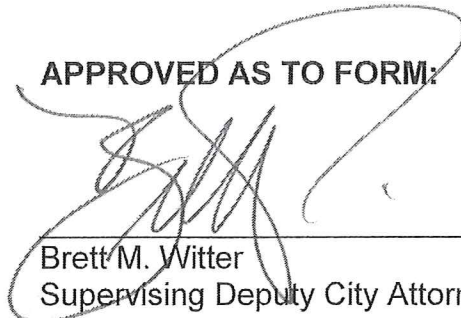
Shelley Banks-Robinson
Human Resources Director

AGREED TO:



Nancy E. Watson
Executive Director
Western Council of Engineers

APPROVED AS TO FORM:



Brett M. Witter
Supervising Deputy City Attorney