

TENTATIVE AGREEMENT
Between the City of Reno
And the RPSAE
July 26, 2018

ARTICLE 21. INSURANCE

Amend RPSAE CBA Article 21 - Adding Section (s) as follows:

(s) Effective July 1, 2018, for retired members under this Agreement, the following group health insurance program will apply. For the retired members hired prior to January 1, 2015, and retired after July 1, 1999 and mentioned in the Memorandum of Understanding attached, the following provisions apply, with the understanding that for these members, Medicare may not become effective until July 1, 2018. For those members retiring prior to July 1, 1999, no changes in their retiree health insurance shall be made. For those members hired on or after January 1, 2015 the provisions as described in Section (j) of this Article shall apply.

Eligibility for the Program – For the purposes of this Article, an eligible retired member is

one who is retired under PERS, pursuant to Article 21, Sections (j), (k), and (l).

For the purposes of the below listed Medicare-coordinated group health insurance plan, those members who have retired on or after July 1, 1999, and who were hired before January 1, 2015, are eligible to participate in the Program per the provisions outlined below. Based on negotiations with the City, retired members at Medicare eligible age and older are required to enroll in Medicare Part A and Part B to participate in the City of Reno's group health insurance plans. For those eligible members who are not listed in the MOU, attached to this

article, and who choose not to enroll in Medicare Part A or Part B when they become eligible to do so the City shall not be required to pay any penalty incurred by the member for their failure to enroll in Part A or Part B coverage except as follows:

- a. If a retiree, through no fault of their own fails to enroll in Part A or Part B when eligible, the City shall pay any penalty incurred by the member. "No fault of their own" is defined as: Member incapacitation through sickness or injury which prevents the retiree from enrolling in Part A or Part B Medicare.

Ineligibility for the Program – For the purposes of this Article, an ineligible member is one who is not retired under PERS, pursuant to Article 21, Sections (j), (k), and (l). While surviving spouses are eligible to remain covered under the City's group health insurance plans, retired members do not have the ability to assign retirement health insurance subsidy benefits to surviving spouses.

- 1) Retired members who are not Medicare eligible due to age, meaning they are younger than the eligible Medicare age at the time of the signing of this Agreement, which is currently 65 years old, shall have the option to be covered under the City of Reno's group health insurance coverage, pursuant to Sections (j) through (l) of this Article.
- 2) The RPSAE and the City of Reno agree that if eligibility for Medicare changes due to amendments made by the Federal government, they shall comply with all new eligibility laws, presidential executive orders, or regulations.
- 3) The RPSAE and the City of Reno agree that in the event the Federal government

significantly reduces Medicare benefits, or eliminates Medicare benefits, all retired members shall revert to group health insurance coverage pursuant to Section (j) through (l) of this Article.

- 4) All retired members must enroll in Medicare Part A and Part B when they are eligible to do so, regardless of whether they contributed to Medicare as employees of the City of Reno. Retired members will be eligible for Medicare coverage when they reach the eligible Medicare age, currently 65 years.
- 5) All retired members, at eligible Medicare age and older, must provide proof of Medicare Part A and Part B coverage to the City of Reno.
- 6) All retired members, at eligible Medicare age and older, must pay the premiums associated with enrollment in Medicare Part A and Part B and Part D directly to Medicare.
 - i. All retired members, at eligible Medicare age and older, must provide proof of Medicare Part A and Part B premium payment or their Medicare Determination Letter to the City of Reno each benefit year. After proof of Medicare Part A and Part B and Part D are provided to the City by the retiree or the retiree's designee, the City shall, within ninety (90) days, fund the RHA. This funding shall be retroactive to the date the retiree has the premiums taken out of his/her Social Security,

savings or checking account or any other form of payment, pursuant to the Medicare documentation provided.

7) All retired members, at eligible Medicare age and older, will be provided with access to a Retiree Health Account (RHA) by the City of Reno. The RHA will be administered per the City of Reno's Retiree Health Account Plan Document through ICMA-RC's Vantage Care Program and the Federal regulations set forth by the IRS. The RHA shall be funded per the following:

- a) For retired members eligible for a one hundred percent (100%) retiree-only health insurance subsidy, the RHA will be funded at one hundred percent (100%) of the amount of the retiree's Medicare Part A, Part B, and Part D.
- b) For retired members eligible for a seventy-five percent (75%) retiree-only health insurance subsidy, the RHA will be funded at seventy-five percent (75%) of the amount of the retiree's Medicare Part A, Part B, and Part D.
- c) For retired members eligible for a fifty percent (50%) retiree-only health insurance subsidy, the RHA will be funded at fifty percent (50%) of the amount of the retiree's Medicare Part A, Part B, and Part D.
- d) The City shall fund the RHA on January 1st and June

1st, of each year. All reimbursements shall comply with the provisions of this Section. Retirees may use the Retiree Health Account (RHA) for Medicare premiums.

8) All retired members at eligible Medicare age and older must enroll in the negotiated City Medicare-coordinated group health insurance plan.

1) The Medicare-coordinated group health insurance plan shall act as the retired member's Medicare Part D, or Prescription Drug coverage.

2) The City will pay the premiums for the Medicare-coordinated group health insurance plan as follows:

(a) For retired members eligible for a one hundred percent (100%) retiree-only health insurance subsidy, the City will pay one hundred percent (100%) of the premium for the retiree's Medicare-coordinated group health plan.

(b) For retired members eligible for a seventy-five percent (75%) retiree-only health insurance subsidy, the City will pay seventy-five percent (75%) of the premium for the retiree's Medicare-coordinated group health plan.

(c) For retired members eligible for a fifty percent (50%) retiree-only health insurance subsidy, the City will pay fifty percent (50%) of the premium for the retiree's Medicare-coordinated group health plan.

9) Should the City find it necessary to change carriers for the Medicare-coordinated

group health insurance plan, it shall seek a replacement plan of equal or greater benefit.

10) All retired members who wish to cover dependents who are at Medicare eligible age or older under the City's group health insurance plan may do so, pursuant to the following:

(a) All dependents to be covered under the City's group health insurance plan who are at Medicare-eligible age or older must enroll in Medicare Part A and Part B when they are eligible to do so, or in accordance with the provisions of Medicare.

(b) All dependents to be covered under the City's group health insurance plan, who are at Medicare-eligible age or older, must provide proof Medicare Part A and Part B coverage to the City of Reno.

(c) All dependents to be covered under the City's group health insurance plan, who are at Medicare-eligible age or older must enroll in the Medicare-coordinated group health insurance plan.

i. The Medicare-coordinated group health insurance plan shall act as the dependent's Medicare Part D, or Prescription Drug coverage.

11) All retired members who wish to cover dependents who are not yet at Medicare eligible age under the City's group health insurance plan may do so, pursuant to the following:

(a) All dependents to be covered under the City's group health insurance plan, who are at not yet Medicare-eligible age, shall continue to be covered by the City's group health insurance plan that the retired member was enrolled in prior to participating in the Medicare-coordinated group health insurance plan.

(b) The premiums for covered dependents not yet of Medicare-eligible age shall be the published group health insurance rate for the appropriate level of Retiree coverage.

12) Unless subsequently changed in Medicare, or by changes made by the State or Federal government, or by IRS regulation, it is understood that all RHA will revert to the City of Reno upon ineligibility of the retired member for this program, or upon the death of the retired member.

13) Group dental and vision insurance coverage shall remain in effect pursuant to Article 21, Section (a) (1) and (2).

14) Group basic life insurance coverage shall remain in effect pursuant to the following:

a) The life insurance benefit shall be provided to retirees regardless of the type of retirement subject to the reduction formula specified in the group term life insurance policy.

15) For the retired members listed in the MOU (See Appendix B), the City agrees to fund the RHA pursuant to 1)vi),(a), (b), and (c), including the possible penalties assessed by Medicare for non-enrollment when first eligible.

16) For members who retired before July 1, 1999, the group health insurance

benefits as outlined in this article exclusive of Sections (j) through (l) shall continue to apply.

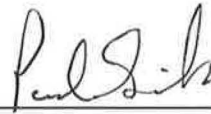
17) A retired member who is eligible for lifetime coverage under this article that voluntarily terminates Medicare Part A and Part B coverage shall forfeit their lifetime medical benefits under this article. A member who has voluntarily terminated their lifetime coverage and who desires to re-enroll in the City's insurance shall be responsible for the entirety of the City insurance costs including any Medicare Part A and/or Part B penalties.



For City of Reno

7/26/2018

Date



For RPSAE

7-26-18

Date