

March 24, 2022

Heather Hoekstra, President
Sacramento City Exempt Employees Association
1017 L Street, #503
Sacramento, California 95814

Jason Jasmine, Counsel
Messing, Adam, and Jasmine LLP
980 9th Street #380
Sacramento, California 95814

Re: Letter of Understanding – Resuming Retiree or Survivor Dependent Benefits for Eligible Personnel who Unretire from City Service and Subsequently Re-Retire from City Service

Dear Ms. Hoekstra and Mr. Jasmine:

This letter confirms the agreement reached between the City of Sacramento (City) and the Sacramento City Exempt Employees Association (SCXEA) in the above referenced matter.

Specifically, the agreement is as follows:

Article 8.11 (Retirees or Survivor Dependents) of the Memorandum of Understanding between the City and SCXEA will be modified as follows:

8.11 RETIREES OR SURVIVOR DEPENDENTS

Eligible City retirees or survivor dependents shall receive City-paid retiree insurance contributions for medical, dental, and vision insurance benefits under the following provisions:

- a. The maximum contribution towards the purchase of medical, dental, or vision insurance for retirees is \$300 per month for the retiree. A retiree with a dependent enrolled on the retiree's medical plan shall receive an additional sixty-five dollars (\$65.00) per month. The retiree shall not receive any portion of the City contribution as cash.
- b. Retiree Insurance Contributions
 - (1) Except as provided below, to be eligible for the City retiree insurance contribution, the employee must retire from active City service with a minimum of ten (10) full years of City service, a service or ordinary disability retirement, and be at least fifty (50) years of age.
 - (2) Employees retiring with thirty (30) or more years of City service shall be eligible for the City's retiree insurance contribution effective with the date of retirement without regard to age.

(3) The City's retiree insurance contribution shall be as follows:

- (a) Employees with a minimum of ten (10) full years of service but less than fifteen (15) full years of City service shall be eligible to receive fifty percent (50%) of the City's retiree insurance contribution identified in subsection 8.11 (a) above.
- (b) Employees with a minimum fifteen (15) full years of City service but less than twenty (20) full years of service shall be eligible to receive seventy-five percent (75%) of the City's retiree insurance contribution identified in subsection 8.11 (a) above.
- (c) Employees with a minimum of twenty (20) full years of City service shall be eligible to receive one hundred percent (100%) of the City's retiree insurance contribution identified in 8.11 (a) above.

(4) An employee who does not retire from the Sacramento City Employee Retirement System (SCERS) or the California Public Employees Retirement System (CalPERS) within one-hundred twenty (120) days from the date of separation from employment shall not be eligible for the City's retiree insurance contribution and may not enroll in a City medical, dental, or vision plan.

(5) There shall be no City retiree insurance contribution for retirees with less than ten (10) full years of City service.

c. 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 a non-City medical plan. A retiree who elects to purchase a 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.

d. Medicare Retirees

In order for Medicare eligible retirees to maintain eligibility for the City retiree health insurance contribution, each eligible retiree and eligible dependents must enroll in Medicare Parts A and B upon being eligible for such benefits. Medicare retirees may elect to participate in a City-sponsored Medicare medical plan or purchase an individual Medicare 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 plan without restriction to the amount of time that the retiree has waived a City-sponsored medical plan. Medicare retirees may only enroll eligible dependents on their City-

sponsored Medicare medical plan, if the eligible dependents have enrolled in Parts A and B. Non-Medicare dependents may be enrolled as long as the retiree has been enrolled on a City non-Medicare plan within two (2) years of the effective date of coverage for enrollment of the non-Medicare dependent.

Medicare retirees who are eligible for Medicare Parts A and B who elect to purchase an individual medical plan shall only be reimbursed the cost of the individual premium associated with a Medicare Advantage, Medicare Supplemental, and/or Medicare Prescription Drug plan up to the City contribution identified in subsection 8.11(a), above.

e. Retiree Insurance Contribution Exclusion

Retirees who participate in another group health plan as an employee or dependent spouse shall not be eligible for the City retiree contribution as outlined above.

f. Industrial Disability or Death in Line of Duty Survivors

Retirees who receive industrial disability pensions and death in the line of duty survivors will be entitled to one hundred percent (100%) of the City retiree insurance contribution regardless of years of service.

g. Survivor Dependents Benefits

Survivor dependents of eligible employees or retirees shall be entitled to continue receiving the retiree insurance contribution. The benefit to survivor dependents shall be calculated as provided in [Article 8.11 \(a\)](#).

h. Limitation Clause

No employee or retiree shall have any rights to retiree or survivor dependent benefits provided by Section 8.11 after September 22, 2023.

i. Elimination of Retirees or Survivor Dependents Benefits

No employee hired, reemployed, or rehired on or after June 30, 2012, shall be eligible for any retiree or survivor dependent City-contribution provided by ~~this Section~~[Article 8.11](#). Employees transferring into classifications covered by this Agreement after June 30, 2012, shall be eligible for the benefits provided by this Section only if the transferring employee was eligible for retiree or survivor dependent benefits at the time of transfer.

[j. Resuming Retiree or Survivor Dependent Benefits for Eligible Personnel who Unretire from City Service and Subsequently Re-Retire from City Service](#)

Individuals retired from classifications represented by SCXEA who are eligible for retiree or survivor dependents benefits under Article 8.11 shall have these benefits suspended if they elect to unretire and return to active employment with the City of Sacramento.

Notwithstanding Article 8.11 (i), upon re-retirement from a classification represented by SCXEA, retirees who were eligible for retiree or survivor dependents benefits under Article 8.11 at the time of their first retirement, shall receive the city contribution to which they were entitled upon their original retirement date. Years of service during the employee's return to active employment will not be used to determine any employee's entitlement to the City's retiree insurance contribution under Article 8.11.


Example: An employee retires from a classification represented by SCXEA with fifteen (15) years of city service. The employee is eligible for 75% of the City's retiree insurance contribution. The individual unretires and works in a SCXEA-represented classification for another ten (10) years. When the employee re-retires, the employee is only eligible for the fifteen (15) year contribution amount, irrespective of any additional years of service worked for the City.

This Agreement does not establish a precedent, nor does it interpret any employee rights under the language of the Labor Agreement, the Rules and Regulations of the Civil Service Board, or any applicable policies and procedures of the City of Sacramento, except as expressly stated herein.

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 discussions, whether written or oral.

If this is your understanding of the agreement reached, please sign as indicated below.

Sincerely,


Aaron A. Donato (Apr 1, 2022 16:43 PDT)

Apr 1, 2022

Aaron Donato
Labor Relations Manager

[Signatures Continued on Next Page]

