



STATE CENTER COMMUNITY COLLEGE DISTRICT

Human Resources

District Proposal
Full-Time Faculty Bargaining Unit Agreement
Article XIX – Insurance Programs
January 22, 2021

Negotiations on the Effects of the IRS Audit on Retiree Health Benefits

This is a non-precedent setting package proposal and must be accepted in its entirety. This proposal must be entirely agreed upon as to all provisions or in the alternative; any provision not agreed upon shall be a rejection of the entire proposal.

Effective Date of Implementation

Effective January 1, 2021, the “cash waiver” option for retiree health benefits will no longer be offered to any full-time faculty member and Article XIX of the 2018-2021 collective bargaining agreement between the District and the SCFT full-time faculty will be modified as per the attached. Employees will retain all other retiree health benefit options available in Article XIX of the 2018-2021 collective bargaining agreement.

Impact to Individual Employees

Employees hired on or after January 1, 2006 are not entitled to this benefit.

Employees who were hired before January 1, 2006, and have 30 or more years of service on January 1, 2021, will receive a one-time payment in the amount of \$9,100. Employees who were hired before January 1, 2006, and who have 25-29 years of service on January 1, 2021, will receive a one-time payment in the amount of \$7,130. Employees who were hired before January 1, 2006, and who have 20-24 years of service on January 1, 2021, will receive a one-time payment in the amount of \$5,600. Employees who were hired before January 1, 2006, and who have 15-19 years of service on January 1, 2021, will receive a one-time payment in the amount of \$4,390.

The payment will be made within sixty (60) days of Board of Trustees approval of the agreement. The payment will be subject to all applicable taxes and withholdings.

Impact to Current Retirees

Members who retired before January 1, 2021, which is the effective date of this change, and were eligible, shall remain eligible for Option 1.1c or 1.2c.

This Agreement is made this 22 day of January in the year 2021 in the City of Fresno, County of Fresno, State of California.

State Center Community College District



Julianna D. Mosier, Vice Chancellor, HR

Shelline Bennett

Shelline Bennett (Jan 22, 2021 16:01 PST)

Shelline Bennett, District Counsel

State Center Federation of Teachers



John Fitzer (Jan 22, 2021 15:54 PST)

John Fitzer, SCFT Chief Negotiator

Keith Ford

Keith Ford (Jan 22, 2021 15:58 PST)

Keith Ford, SCFT President

ARTICLE XIX – INSURANCE PROGRAMS

Section 1. MEDICAL INSURANCE:

- A. The District shall provide District-sponsored group medical insurance plan coverage for eligible unit members and their eligible dependents, conditioned upon the provisions of this Article and applicable law. The District's contribution to the premium is set forth in Section (1)(B) of this Article.
- B. District-sponsored group medical plan insurance coverage shall remain in effect during approved leaves, providing unit members pay, in accordance with insurance carrier requirements, District and unit member premium contributions, except as otherwise provided. Failure to pay required premium shall result in termination of coverage.

The District contribution shall be one thousand, twenty-nine dollars (\$1,029.00) per month per eligible unit member. The unit member shall pay the difference between the District contribution and the cost of any premium in excess of the District contribution for any selected medical plan.

- C. Any District-sponsored group medical insurance plan(s) offered to unit members shall first be mutually agreed to by the District and the Federation.
 - 1. Unit members and their eligible dependents shall become eligible for medical insurance benefits on the first of the month following date of hire, upon prior completion of enrollment requirements.
 - 2. Eligible unit members are required to enroll in a District-sponsored group medical insurance plan according to EdCare Joint Powers Agreement and insurance carrier requirements. If an eligible member fails to submit enrollment forms to the District Benefits Office within thirty-one (31) calendar days from the date of hire, which includes the date of hire, the District will automatically enroll the unit member into the lowest cost plan option for the District. The unit member will be responsible for any portion of the premium in excess of the District's contribution for the medical plan.

Section 2. DENTAL INSURANCE:

- A. The District shall provide a District-sponsored group dental insurance coverage for eligible unit members and their eligible dependents.
- B. The District will contribute a premium amount equivalent to the premium cost of the dental PPO network plan.
- C. District-sponsored group dental insurance coverage shall remain in effect during

approved leaves, providing unit members pay, in accordance with insurance carrier requirements, District and unit member premium contributions, except as otherwise provided. Failure to pay required premium shall result in termination of coverage.

- D. Unit members and their eligible dependents shall become eligible for District-sponsored group dental insurance benefits on the first of the month following date of hire, upon prior completion of enrollment requirements.
- E. Eligible unit members are required to enroll in District-sponsored group dental insurance coverage according to EdCare Joint Powers Agreement and insurance carrier requirements. If an eligible unit member fails to submit enrollment forms to the District Benefits Office within thirty-one (31) calendar days from the date of hire, which includes the date of hire, the District will automatically enroll the unit member into the dental plan option.

Section 3. VISION INSURANCE:

- A. The District shall provide District-sponsored group vision insurance coverage for eligible unit members and their eligible dependents.
- B. The District will contribute a premium amount equivalent to the premium cost of the vision plan.
- C. District-sponsored group vision insurance coverage shall remain in effect during approved unpaid leaves, providing unit members pay, in accordance with insurance carrier requirements, District and unit member premium contributions, except as otherwise provided. Failure to pay required premium shall result in termination of coverage.
- D. Unit members and their eligible dependents shall become eligible for District-sponsored group vision insurance coverage on the first of the month following date of hire, upon prior completion of enrollment requirements.
- E. Eligible unit members are required to enroll in District-sponsored group vision insurance coverage according to EdCare Joint Powers Agreement and insurance carrier requirements. If an eligible unit member fails to submit enrollment forms to the District Benefits Office within thirty-one (31) calendar days from the date of hire, which includes the date of hire, the District will automatically enroll the unit member into the vision plan option.

Section 4. LONG TERM DISABILITY INSURANCE (LTD):

- A. The District shall provide long-term disability insurance coverage options for eligible unit members.
- B. Eligible unit members have the following long-term disability insurance coverage options depending on their date of hire:

1. **Option 1 (Unit members hired on or before August 31, 2013):**

For eligible unit members hired into full-time benefited positions on or before August 31, 2013, the District shall provide, at the District's expense, long-term disability insurance coverage. If the unit member separates employment from the full-time benefited position, the LTD benefit under this section will be lost. If the unit member is rehired into a full-time benefited position at a later date, he/she will be eligible to purchase a voluntary long-term disability plan as noted in Option 2. Additional supplemental voluntary long-term disability insurance coverage shall be available to purchase at the unit member's expense during open enrollment, per the requirements of the carrier.

2. **Option 2 (Unit members hired on or after September 1, 2013):**

For eligible unit members hired into full-time benefited positions on or after September 1, 2013, the District shall provide, at the unit member's expense, voluntary, long-term disability insurance coverage.

- C. Long-term disability insurance coverage shall remain in effect during approved unpaid leaves, providing unit members pay, in accordance with insurance carrier requirements, District and unit member premium contributions except as otherwise provided. Failure to pay required premium shall result in termination of coverage.
- D. Unit members may refer to the plan document for their applicable policy to determine coverage as provided by the carrier.
- E. Should an eligible unit member be deemed disabled and approved for LTD benefits by the insurance carrier, the unit member may receive up to sixty percent (60%) of his/her current monthly salary with a maximum payout of five thousand dollars (\$5,000.00) per month.

Section 5. LIFE INSURANCE:

- A. The District shall provide a District-sponsored group term life insurance coverage for eligible unit members and their eligible dependents. The amount shall be fifty thousand dollars (\$50,000.00) level term for the unit member plus five thousand dollars (\$5,000.00) for dependent coverage. The dependent must be enrolled on the unit member's medical insurance plan.
- B. District-sponsored group term life insurance coverage shall remain in effect during approved unpaid leaves, providing unit members pay, in accordance with insurance carrier requirements, District and unit member premium contributions, except as otherwise provided. Failure to pay required premium shall result in termination of coverage.
- C. Unit members and their eligible dependents shall become eligible for District-sponsored group term life insurance benefits on the first of the month following date of hire, upon

prior completion of enrollment requirements.

Section 6. INSURANCE PREMIUMS:

The District shall pay one hundred percent (100%) of the premium for coverage listed in Section 2 (Dental Insurance), 3 (Vision Insurance), 4, B1. (LTD for unit members hired before August 31, 2013), and 5 (Life Insurance).

Section 7. RETIREE MEDICAL INSURANCE:

- A. The retiree medical insurance benefits shall be effective for eligible unit members who retire from the District during the term of this Agreement.
- B. The retiree medical insurance program covers the medical insurance plan only. Benefits will not be offered nor provided in cash or cash equivalent in lieu of insurance. The dental and vision plans may be continued at the unit member's expense with the insurance carrier(s) under the Consolidated Omnibus Budget Reconciliation Act (COBRA). The life insurance plan may be continued at the unit member's expense directly with the insurance carrier(s). The long-term disability plan ends upon retirement and is not portable. Should the unit member have voluntary insurance plans or deductions, he/she may be eligible to continue the insurance plans on an individual basis directly with the insurance carrier, subject to law and applicable plan documents.
- C. Unit members who retire from the District and later return to work at the District in a capacity that makes him/her eligible for medical insurance will no longer continue to receive retiree medical insurance benefits.
- D. To be eligible for the retiree medical insurance program, the unit member must have an effective retirement date with CalSTRS (or CalPERS, if applicable) no later than thirty (30) days after the unit member's last date in paid status with the District. Upon retirement from the District, eligible unit members shall have the option to either opt out or make an election of one (1) of the following retiree medical insurance plan options:
 - 1. **Unit Members hired on or before June 30, 2013:**
 - a. Option 1.1 A
 - b. Option 1.1 B
 - c. Option 2
 - 2. **Unit members hired on or after July 1, 2013:**
 - a. Option 1.2 A
 - b. Option 1.2 B
 - c. Option 2

OPTION 1.1 (Unit members hired on or before June 30, 2013):

- A. For unit members retiring early (prior to age of Medicare eligibility), and who wish to

continue coverage under the District-offered retiree medical insurance program, the District shall contribute two thousand, four hundred dollars (\$2,400.00) per year conditioned upon the following:

1. The unit member has attained his/her fifty-fifth (55th) birthday;
2. The unit member shall have served the District in a full-time, benefited position for a minimum of ten (10) consecutive years immediately preceding retirement.
3. The retiree is receiving his/her regular retirement allowance from STRS or PERS;
4. This benefit terminates at the beginning of the month in which the retiree reaches age of Medicare eligibility.
5. Upon death of retiree, the eligible surviving spouse/registered domestic partner shall not be eligible for the benefit contribution until he/she reaches age sixty (60). Prior to age sixty (60), the surviving spouse/registered domestic partner may continue coverage on the District's plan at his/her own cost. An eligible surviving spouse/registered domestic partner is the spouse/registered domestic partner enrolled on the retiree's medical insurance plan at the time of retirement and who remains continuously on the plan with no lapses in coverage. If the spouse/registered domestic partner is not enrolled in the medical insurance plan at the time of retirement, or if there is a lapse in coverage, the spouse/registered domestic partner is not eligible to receive the benefit contribution.
6. The eligible surviving spouse's/registered domestic partner's benefit terminates on the date the eligible surviving spouse/registered domestic partner reaches age of Medicare eligibility.

B. For bargaining unit members who retire and have served the District in a full-time, benefited position for a minimum of fifteen (15) consecutive years immediately prior to retiring, the District shall contribute two thousand, seven hundred seventy-one dollars and thirty-four cents (\$2,771.34) per year toward the District-offered medical insurance program supplement to Medicare, or the actual cost of the District-offered retiree medical insurance program supplement to Medicare, whichever is less, for the life of the unit member and his/her eligible spouse/registered domestic partner, as conditioned below. The District contribution amount in effect on July 1, 2017 shall be increased annually by two percent (2%), effective October 1, 2017, and on the plan anniversary date each year thereafter. The unit member shall be eligible to receive said District contributions toward the District-offered retiree medical insurance program supplement plan, conditioned upon the following:

1. The unit member shall have attained his/her age of Medicare eligibility;
2. The retiree is receiving his/her regular retirement allowance from STRS or PERS;

3. The District contribution toward the District-offered retiree medical plan will continue for life of retiree or eligible surviving spouse/registered domestic partner. The surviving spouse/registered domestic partner shall be the spouse/registered domestic partner enrolled on the retiree's medical insurance plan at the time of retirement and who remains continuously on the plan with no lapses in coverage. If the spouse/registered domestic partner is not enrolled in the medical insurance plan at the time of retirement, or if there is a lapse in coverage, the spouse/registered domestic partner is not eligible to receive the benefit contribution;
4. The District contribution toward the eligible surviving spouse's/registered domestic partner's supplement shall terminate should the spouse/registered domestic partner re- marry or enter into a registered domestic partnership.

OPTION 1.2 (Unit members hired on or after July 1, 2013):

- A. For unit members retiring early (prior to age of Medicare eligibility), and who wish to continue coverage under the District-offered retiree medical insurance program, the District will contribute two thousand, four hundred dollars (\$2,400.00) per year conditioned upon the following:
 1. The unit member has attained his/her fifty-fifth (55th) birthday;
 2. The unit member shall have served the District in a full-time benefited position for a minimum of ten (10) consecutive years immediately preceding retirement;
 3. The retiree is receiving his/her regular retirement allowance from STRS or PERS;
 4. This benefit terminates at the beginning of the month in which the retiree reaches age of Medicare eligibility;
 5. Upon death of retiree, the eligible surviving spouse/registered domestic partner shall not be eligible for any benefit contribution.
 6. The spouse/registered domestic partner is the spouse/registered domestic partner enrolled on the retiree medical insurance plan at the time of retirement and who remains continuously on the plan with no lapses in coverage.
- B. For bargaining unit members who retire and have served the District in a full-time, benefited position for a minimum of fifteen (15) consecutive years immediately prior to retiring, the District shall contribute two thousand five hundred ten dollars and nine cents (\$2,510.09) per year toward the District-offered retiree medical insurance program supplement to Medicare, or the actual cost of the District-offered retiree medical

insurance program supplement to Medicare, whichever is less, until age seventy (70), as conditioned below. The unit member shall be eligible to receive said District contributions toward the District-offered retiree medical insurance program supplemental plan, conditioned upon the following:

1. The unit member shall have attained his/her age of Medicare eligibility;
2. The retiree is receiving his/her regular retirement allowance from STRS or PERS;
3. The District contribution terminates on the beginning of the month in which the retiree reaches seventy (70) years of age;
4. Upon death of retiree, the eligible surviving spouse/registered domestic partner shall not be eligible for any benefit contribution.
5. The spouse/registered domestic partner is the spouse/registered domestic partner enrolled on the retiree medical insurance plan at the time of retirement and who remains continuously on the plan with no lapses in coverage.

- C. If a retiree or eligible, covered spouse/registered domestic partner drops the District-offered retiree medical insurance plan for any reason, he/she is not eligible for re-enrollment. The spouse/registered domestic partner must be the spouse/registered domestic partner enrolled on the retiree medical insurance plan at the time of retirement.

OPTION 2 (All unit members regardless of hire date):

- A. For unit members retiring early (prior to age of Medicare eligibility), and who wish to continue coverage under the District-offered retiree medical insurance program, the District will contribute seventy percent (70%) of the District's contribution to active employee premiums for the retiree medical insurance program conditioned on the following:
1. The unit member has attained his/her fifty-fifth (55th) birthday;
 2. The unit member shall have served the District in a full-time, benefited position for a minimum of ten (10) consecutive years immediately preceding retirement;
 3. The retiree is receiving his/her regular retirement allowance for STRS or PERS;
 4. This benefit terminates on the beginning of the month in which the unit member reaches age of Medicare eligibility;
 5. Upon death of retiree, the eligible surviving spouse/registered domestic partner shall not be eligible for benefit contribution until he/she reaches age sixty (60). If

the eligible surviving spouse/registered domestic partner is under the age of 60, he/she may continue on the District's plan at his/her own cost. An eligible surviving spouse/registered domestic partner must be the spouse/registered domestic partner enrolled on the retiree medical insurance plan with the unit member at the time of retirement and must remain continuously on the plan with no lapses in coverage. The surviving spouse/registered domestic partner shall not be eligible for benefit contributions for unit members hired on or after July 1, 2013.

6. The eligible surviving spouse's/registered domestic partner's benefit terminates on the date the surviving spouse/registered domestic partner reaches age of Medicare eligibility. The surviving spouse/registered domestic partner shall not be eligible for benefit contributions for unit members hired on or after July 1, 2013.
- B. Unit members who elect OPTION 2, which provides an enhanced pre-Medicare eligibility age District contribution toward medical coverage, shall not be eligible for a District contribution toward the District's medical insurance program supplement to Medicare (Option 1.1B and Option 1.2B).
 - C. If a retiree or eligible covered spouse/registered domestic partner drops the District's retiree medical insurance plan for any reason, he/she is not eligible for re-enrollment. The spouse/registered domestic partner must be the spouse/registered domestic partner enrolled on the retiree medical insurance plan at the time of retirement.

Section 8. IRC SECTION 125 PLAN:

An Internal Revenue Code (IRC) section 125 Plan shall be implemented in accordance with Governmental rules and regulations for full-time faculty for premium conversion, medical reimbursement, and dependent care made available by the College District. The Federation agrees to defend, indemnify, and hold harmless the District, its officers, agents, and employees from any claims, demands, damages, or other liability, including costs and attorney's fees arising out of this section or the administration or implementation thereof. Upon valid service of a summons and complaint or of a claim under the Government Tort Claims Act, the District agrees to notify the Federation thereof and to cooperate as reasonably necessary for the defense or settlement of such action.

Section 9. Consolidated Omnibus Budget Reconciliation Act (COBRA):

Upon separation from the District, unit members may have the option to continue his/her District-sponsored medical, dental, and vision insurance plan at his/her own expense as afforded under COBRA legislation. All COBRA plans are administered directly through the District's third party administrator.