

Amendment No. 2  
TO THE 2012-2014 MEMORANDUM OF UNDERSTANDING  
BETWEEN  
TEAMSTERS, LOCAL 856  
MULTI-UNIT  
AND  
CITY AND COUNTY OF SAN FRANCISCO

Consistent with the Tentative Agreement signed on July 31, 2013, the parties hereby amend the Agreement as follows:

**III.L. HEALTH AND WELFARE AND DENTAL INSURANCE**

Employee Health Care

260. The level of the City's contribution to employee health benefits will be set in accordance with the requirements of Charter Sections A8.423 and A8.428.

**a. Health Coverage Effective Through December 31, 2013**

**1)** Medically Single (Employee Only).

261. From July 1, 2012 to December 31, 2013, for "medically single"/Employee Only employees, i.e., benefited employees not receiving the contribution paid by the City for dependent health care benefits, the City shall contribute all of the premium for the employee's own health care benefit coverage.

**2)** *Dependent Health Care Pick-Up.*

**261a. From July 1, 2012 to December 31, 2013, for Dependent Coverage (Employee Plus One; Employee Plus Two More), the City will also contribute a maximum of \$225 per month towards each employee's dependent health coverage for the life of the agreement. However, in the event that the cost of dependent care exceeds \$225 per month, the City will adjust its pick-up level up to 75% of the cost of Kaiser's dependent health care medical premium charged to the employee plus two or more dependents category.**

**b. Health Coverage Effective January 1, 2014 Through December 31, 2014**

**1)** *Medically Single (Employee Only)*

262. Effective January 1, 2014 **through December 31, 2014**, for "medically single employees" (Employee Only) enrolled in any plan other than the highest cost plan, the City shall contribute ninety percent (90%) of the "medically single employee" (Employee Only) premium for the plan in which the employee is enrolled; provided, however, that

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the City's premium contribution will not fall below the lesser of: (a) the "average contribution" as determined by the Health Service Board pursuant to Charter Sections A8.423 and A8.428(b)(2); or (b), if the premium is less than the "average contribution," one hundred percent (100%) of the premium.

263. For the period January 1, 2014 through December 31, 2014 only, for "medically single employees" (Employee Only) who elect to enroll in the highest cost plan, the City shall contribute ninety percent (90%) of the premium for the second highest cost plan, plus fifty percent (50%) of the difference between: (a) ninety percent (90%) of the premium for the second highest cost plan, and (b) one hundred percent (100%) of the premium for the highest cost plan. ~~Thereafter, the City shall contribute ninety percent (90%) of the premium for the second highest cost plan for such employees.~~

2) Dependent Health Care Pick-Up.

263a. Effective January 1, 2014 through December 31, 2014, for Dependent Coverage

~~(Employee Plus One; Employee Plus Two More), the~~ The City will also contribute a maximum of \$225 per month towards each employee's dependent health coverage for the life of the agreement. However, in the event that the cost of dependent care exceeds \$225 per month, the City will adjust its pick-up level up to 75% of the cost of Kaiser's dependent health care medical premium charged to the employee plus two or more dependents category.

c. Health Coverage Effective January 1, 2015

- 263b. Effective January 1, 2015, the contribution model for employee health insurance premiums will be based on the City's contribution of a percentage of those premiums and the employee's payment of the balance (Percentage-Based Contribution Model), as described below:

1) Employee Only:

- 263c. For medically single employees (Employee Only) who enroll in any health plan offered through the Health Services System, the City shall contribute ninety-three percent (93%) of the total health insurance premium, provided however, that the City's contribution shall be capped at ninety-three percent (93%) of the Employee Only premium of the second-highest-cost plan.

2) Employee Plus One:

- 263d. For employees with one dependent who elect to enroll in any health plan offered through the Health Services System, the City shall contribute ninety-three percent (93%) of the total health insurance premium,

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provided however, that the City's contribution shall be capped at ninety-three percent (93%) of the Employee Plus One premium of the second-highest-cost plan.

3) Employee Plus Two or More:

263e.

For employees with two or more dependents who elect to enroll in any health plan offered through the Health Services System, the City shall contribute eighty-three percent (83%) of the total health insurance premium, provided however, that the City's contribution shall be capped at eighty-three percent (83%) of the Employee Plus Two or More premium of the second-highest-cost plan.

263f.

4) Contribution Cap

In the event HSS eliminates access to the current highest cost plan for active employees, the City contribution under this agreement for the remaining two plans shall not be affected.

5) Average Contribution Amount

263g.

For purposes of this agreement, and any resulting agreements under paragraph 263h, to ensure that all employees enrolled in health insurance through the City's Health Services System (HSS) are making premium contributions under the Percentage-Based Contribution Model, and therefore have a stake in controlling the long term growth in health insurance costs, it is agreed that, to the extent the City's health insurance premium contribution under the Percentage-Based Contribution Model is less than the "average contribution," as established under Charter section A8.428(b), then, in addition to the City's contribution, payments toward the balance of the health insurance premium under the Percentage-Based Contribution Model shall be deemed to apply to the annual "average contribution." The parties intend that the City's contribution toward employee health insurance premiums will not exceed the amount established under the Percentage-Based Contribution Model.

d. Agreement Not to Renegotiate Contributions in 2014

263h.

The terms described in paragraphs 263b through 263g above will be effective in calendar year 2015, and the parties agree not to seek to modify this agreement through the term of any MOU entered into prior to, or in the spring of, 2014.

e. Other Terms Negotiable

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263i. While the parties have agreed in paragraph 263h not to negotiate any changes to the Percentage-Based Contribution Model, the parties are free to make economic proposals to address any alleged impact of the health contribution levels described above or other health related issues not involving the percentage-based contribution model (e.g. wellness and transparency).

f. Other Agreements

263j. Should the City and any recognized bargaining unit reach a voluntarily bargained agreement that results in City contributions to health insurance premiums exceeding those provided by the Percentage-Based Contribution Model, the City agrees to offer the entire alternate model to the Union as a substitute.

FOR THE CITY

FOR THE UNION

\_\_\_\_\_  
Micki Callahan Date  
Human Resources Director

\_\_\_\_\_  
Peter Finn Date  
Teamsters, Local 856

\_\_\_\_\_  
Martin R. Gran Date  
Employee Relations Director

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

*Janet Carroll Richardson* 9/23/13  
\_\_\_\_\_  
Elizabeth Salveson Date  
Deputy City Attorney, for  
Office of the City Attorney

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