

Amendment No. 1
TO THE 2012-2014 MEMORANDUM OF UNDERSTANDING
BETWEEN AND FOR
THE CITY AND COUNTY OF SAN FRANCISCO
AND
OPERATING ENGINEERS LOCAL UNION NO. 3
OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS, AFL-CIO
SUPERVISING PROBATION OFFICERS

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

III.N. ADDITIONAL BENEFITS

1. EMPLOYEE HEALTH CARE COVERAGE

190. The City shall maintain the contribution level of health insurance and dental benefits as determined by the Health Service System Board and shall contribute the applicable amount per month for employee coverage and, as appropriate for dependent coverage, as follows.

~~2. *DEPENDENT HEALTH CARE COVERAGE*~~

~~191. *For the period July 1, 2012 through December 31, 2012, the City shall contribute up to \$225 per month per employee to provide for dependent coverage for employees with one or more dependents. 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.*~~

~~192. *Effective January 1, 2013, the City's contributions for dependent coverage shall be as follows:*~~

~~• *Employee Plus One:*~~

~~*For employees with one dependent who elect to enroll in the highest and the second highest cost medical plans, the City shall contribute towards the cost of the premium an amount equivalent to eighty five percent (85%) of the cost of the total premium of the second highest cost plan.*~~

~~*For employees with one dependent who elect to enroll in an available medical plan other than the highest and second highest cost plans, the City shall contribute towards the cost of the premium an amount*~~

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~~equivalent to ninety percent (90%) of the cost of the total premium of the second highest cost plan.~~

~~• Employee Plus Two or More:~~

~~For employees with two or more dependents who elect to enroll in the highest and the second highest cost medical plans, the City shall contribute towards the cost of the premium an amount equivalent to seventy-five percent (75%) of the cost of the total premium of the second highest cost plan.~~

~~For employees with two or more dependents who elect to enroll in an available medical plan other than the highest and second highest cost plans, the City shall contribute towards the cost of the premium an amount equivalent to eighty-five Percent (85%) of the cost of the total premium of the second highest cost plan.~~

~~3. DENTAL COVERAGE~~

~~193. Each employee covered by this agreement shall be eligible to participate in the City's dental program.~~

~~194. Employees who enroll in the Delta Dental PPO Plan shall pay the following premiums for the respective coverage levels: \$5/month for employee only, \$10/month for employee + 1 dependent, or \$15/month for employee + 2 or more dependents.~~

~~4. CONTRIBUTIONS WHILE ON UNPAID LEAVE~~

~~195. As set forth in Administrative Code section 16.701(b), covered employees who are not in active service for more than twelve (12) weeks, shall be required to pay the Health Service System for the full premium cost of membership in the Health Service System, unless the employee shall be on sick leave, workers' compensation, mandatory administrative leave, approved personal leave following family care leave, disciplinary suspensions or on a layoff holdover list where the employee verifies they have no alternative coverage.~~

a. **Health Coverage Effective Through December 31, 2012**

1) 5. MEDICALLY SINGLE EMPLOYEES

196. For the period July 1, 2012 through December 31, 2012, for "medically single"/Employee Only employees (i.e., benefited employees not receiving

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contributions 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 COVERAGE*

196a.

For the period July 1, 2012 through December 31, 2012, the City shall contribute up to \$225 per month per employee to provide for dependent coverage for employees with one or more dependents. 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, 2013 Through December 31, 2014

1) MEDICALLY SINGLE EMPLOYEES

197.

Effective January 1, 2013 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 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.

198.

Effective January 1, 2013 through December 31, 2014, 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.

2. *DEPENDENT HEALTH CARE COVERAGE*

198a.

Effective January 1, 2013 through December 31, 2014, the City's contributions for dependent coverage shall be as follows:

- *Employee Plus One:*

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198b.

For employees with one dependent who elect to enroll in the highest and the second highest cost medical plans, the City shall contribute towards the cost of the premium an amount equivalent to eighty-five percent (85%) of the cost of the total premium of the second highest cost plan.

198c.

For employees with one dependent who elect to enroll in an available medical plan other than the highest and second highest cost plans, the City shall contribute towards the cost of the premium an amount equivalent to ninety percent (90%) of the cost of the total premium of the second highest cost plan.

- Employee Plus Two or More:

198d.

For employees with two or more dependents who elect to enroll in the highest and the second highest cost medical plans, the City shall contribute towards the cost of the premium an amount equivalent to seventy-five percent (75%) of the cost of the total premium of the second highest cost plan.

198e.

For employees with two or more dependents who elect to enroll in an available medical plan other than the highest and second highest cost plans, the City shall contribute towards the cost of the premium an amount equivalent to eighty-five Percent (85%) of the cost of the total premium of the second highest cost plan.

c. Health Coverage Effective January 1, 2015

198f.

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:

198g.

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:

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198h. 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, 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:

198i. 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.

4) Contribution Cap

198j. 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

198k. For purposes of this agreement, and any resulting agreements under paragraph 198l, 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

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198l. The terms described in paragraphs 198f through 198k 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

198m. While the parties have agreed in paragraph 198l 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

198n. 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.

2. 3. DENTAL COVERAGE

198o. *Each employee covered by this agreement shall be eligible to participate in the City's dental program.*

198p. *Employees who enroll in the Delta Dental PPO Plan shall pay the following premiums for the respective coverage levels: \$5/month for employee-only, \$10/month for employee + 1 dependent, or \$15/month for employee + 2 or more dependents.*

3. 4.—CONTRIBUTIONS WHILE ON UNPAID LEAVE

198q. *As set forth in Administrative Code section 16.701(b), covered employees who are not in active service for more than twelve (12) weeks, shall be required to pay the Health Service System for the full premium cost of membership in the Health Service System, unless the employee shall be on sick leave, workers' compensation, mandatory administrative leave, approved personal leave following family care leave, disciplinary suspensions or on a layoff holdover list where the employee verifies they have no alternative coverage.*

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FOR THE CITY

FOR THE UNION

Micki Callahan Date
Human Resources Director

Dave Gossman *9/4/2013*

Dave Gossman Date
Chief Negotiator

Martin R. Gran Date
Employee Relations Director

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

Elizabeth Salveson *Richardson*

Elizabeth Salveson Date
Deputy City Attorney, *for* *9/23/13*
Office of the City Attorney

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