

[Note—the District would like to work with SCTA to create consistency in references to “employee” throughout the article]

**Sacramento City Unified School District  
Initial Proposal to Sacramento City Teachers Association  
Article 13, Employee Benefits  
July 20, 2021 [District response to SCTA proposal of May 12, 2021]**

**ARTICLE 13 - EMPLOYEE BENEFITS**

**13.1 Health Insurance**

Appropriate insurance coverage for employees/dependents will be provided by the District with options available to employees/dependents at their expense to suit their particular needs. At least two (2) carriers of major medical programs will be available. Upon initial employment each unit member will be notified of the availability of health and insurance benefits contained in this article.

13.1.1 ~~The District and SCTA agree to negotiate in good faith to effectuate on or before July 1, 2018, changes to the health plan consistent with this section. The Board shall provide all eligible employees with a choice of the Kaiser Plan and a mutually agreed upon alternative plan(s), which is currently Health Net. Summary plan descriptions of the health plans will be included in Appendix X. The level of benefits of the plan (e.g. out of pocket maximums, co-payments, services covered, network scope, etc.), when evaluated in the aggregate, may not be reduced, and the providers may only be changed through mutual agreement of the parties. The parties agree that any savings that result from making changes to health plans or in the reduction of health plan costs will be applied to the certificated bargaining unit. The parties will negotiate how to apply to the bargaining unit any such savings achieved by the District. Savings shall be defined as any total amount per plan that is lower on an actual cost basis. The annual anniversary date for health plan changes will be July 1<sup>st</sup>.~~

The District will provide for the health and insurance plans and make contributions to these plans as set forth in this article.

The District’s maximum contribution toward medical benefit premium costs shall be 100% of the premium costs for the low cost medical plan offered by the District for employee-only coverage for eligible employees. The District’s maximum contribution toward medical benefit premium costs shall be 75% of the premium cost of the low cost medical plan offered by the District for employee plus 1 and family coverage. Each employee taking employee plus 1 or family coverage shall be responsible to pay 25% of the premium cost for the low cost medical plan offered by the District. Employees shall be responsible for any buy up costs related to selecting a medical plan other than the low cost plan.

13.1.1.1 ~~The Board shall fully pay the cost of the above health insurance plans for eligible employees, and will pay one hundred percent (100%) of the premium cost for those dependents, including domestic partners and spouses, covered by the plans. In the event that a unit member has a spouse or domestic partner, as defined by law, who is also employed by the District, the District shall pay only for one plan to cover the unit member and his/her spouse/domestic partner, provided that the benefits for any individual teacher are not reduced~~ the medical benefit premium costs for the low cost employee-only plan for each employee and employees may not cover each other as dependents and only one employee may cover eligible children under the plan. The intent of the parties is that all eligible are only covered under one plan.

**13.2 Dental Insurance**

13.2.1 The Board shall provide all eligible employees with a fully paid dental plan. The Board shall pay one hundred (100%) of the premium costs for eligible dependents. The plans offered shall be the current fee-for-service plan and may include a pre-paid dental plan (i.e., a dental HMO) upon mutual selection annually by the parties. A summary plan description will be included in Appendix X.

**13.3 Vision Care**

13.3.1 The Board shall provide employees with the current fee-for-service vision care plan and will provide a family vision plan upon annual selection by the parties.

**13.4 Life Insurance**

13.4.1 The Board shall provide all eligible employees with a fully paid life insurance policy. ~~The Board shall pay seventy five per cent (75%) of the life insurance premium for eligible dependents.~~

**13.5 Tax Sheltered Annuities**

13.5.1 Employees may participate in ~~the~~ a tax-sheltered annuity plan of their choice that is offered by the District. Payroll deductions will be made for employees upon execution of the proper District form and in accordance with District rules.

**13.6 Deferred Compensation**

13.6.1 Payroll deductions will be made for Board of Education approved deferred compensation plans upon their execution of the appropriate District form.

**13.7 Medical Examinations and Tests**

13.7.1 All medical examinations and tests related to application requirements for new employees shall be paid for by the Board.

~~13.8~~ The Board of Education shall continue to provide, at no cost to the teachers, liability insurance coverage. Further, an agent of the insurance company will take immediate action to defend the teacher in any suit within the coverage provided.

**13.8 Eligibility for District-Paid Insurance Benefits**

13.98.1 Members of the bargaining unit employed under contract for not less than half-time are eligible for fully-paid health, dental, life insurance, and vision care for the unit member as provided in Sections 13.1 through 13.4.1.

13.8.2 Employees working less than full-time shall be eligible for health and welfare benefits on a pro-rated basis based on the proportion of a 1.0 full time equivalent that they work. No unit member working less than twenty (20) hours a week shall be eligible for District-Paid Insurance Benefits.

~~13.9.2~~ Employees who are eligible under the conditions set forth in Section 13.9.1 of this Article, who are absent because of illness, and who have exhausted sick leave benefits shall continue to be covered by fully paid health, dental, life insurance, and vision care as provided in Section 13.1 through 13.4.1 through June 30 of the school year in which sick leave benefits are exhausted.

~~13.9.3~~ Employees who are eligible under the conditions set forth in Section 13.9.1 of this Article and who are on sabbatical leave of absence shall continue to be covered by fully paid health, dental, life insurance, and vision care as provided in Sections 13.1 through 13.4.1 while on such leave.

13.9.48.3 Employees who are eligible under the conditions set forth in Section 13.9.1 of this Article and who are participating in the early retirement incentive plan as described in P-3604 of the Board's Policies and Bylaws, as adopted on July 10, 1978 District policy, shall continue to be covered by fully paid health, dental, life insurance, and vision care as provided in Sections 13.1 through 13.4.1.

~~13.9.5~~ Temporary contract employees who have been terminated from positions which met the criteria set forth in Section 13.9.1 of this Article and who are reemployed for less than half-time or for less than one (1) full semester shall be covered by fully paid health, dental, life insurance, and vision care as provided for in Sections 13.1 through 13.4.1 for the period of reemployment.

13.9.68.4 Contract employees whose employment terminates on or following the last day of the school year and before the first day of the ensuing school year shall be covered by fully-paid health, dental, life insurance, and vision care as provided in Sections 13.1 through 13.4.1 until the last day of the month following their termination ~~September 30 of the ensuing school year.~~

~~13.9.7~~ — Non-contract, including permanent hourly, adult education teachers who are assigned fifteen (15) or more teaching hours per week, and which hours are anticipated to extend for one (1) or more semesters, will be provided fully paid health, dental, life insurance, and vision care as provided for in Sections 13.1 through 13.4.1.

### **13.109 Retiree Health Benefits**

#### 13.109.1 Employee Eligibility

The Board agrees to pay the medical insurance premiums for teachers who have retired on or after January 1, 1974, after reaching the permissive state retirement age, provided said employee has served ten (10) consecutive years of service in the District immediately prior to retirement, except that in calculating previous service an employee who resigns and is reemployed within one (1) year shall be counted. A Board-approved leave shall constitute a year of service for the purpose of eligibility for this benefit. This benefit shall continue to be available to an eligible surviving spouse, if the spouse opts to pay the premium for said benefit.

Unit members with less than 15 years of service to the District as of July 1, 2010 will have three years from that date to qualify for the current 10-year rule. After July 1, 2013, as the Parties agree all teachers in order to be eligible for retiree health benefits will need to have the following:

- at age 55 at least 20 consecutive years of service to the District in the SCTA bargaining unit;
- at age 56 at least 19 consecutive years of service to the District in the SCTA bargaining unit;
- at age 57 at least 18 years of consecutive service to the District in the SCTA bargaining unit;
- at age 58 at least 17 consecutive years of service to the District in the SCTA bargaining unit;
- at age 59 at least 16 years of consecutive service to the District in the SCTA bargaining unit;
- at age 60 at least 15 years of consecutive service to the District in the SCTA bargaining unit;

#### 13.9.2 Dental/Vision/Life Benefits

~~13.109.2.1~~ It is understood by the parties that those retirees electing to take advantage of the benefit provided in ~~13.9.8~~ section 13.9.1 and who retire after January 1, 1990 ~~may will, if they elect to continue benefits,~~ pay the premium for the dental and/or life insurance and/or vision portion of the package themselves.

~~13.109.2.2~~ This benefit shall be available to the retired employee's spouse and dependents if the retiree opts to pay the premium for said benefit.

13.109.2.3 This benefit shall continue to be available to an eligible surviving spouse if the spouse opts to pay the premium for said benefit.

13.109.2.4 It is understood by the parties that it shall be the retiree's responsibility to make application for enrollment for the benefits described in section 13.9.8 through 13.9.9.2. It is further understood that it shall be the District's responsibility, after consulting with the Association, to develop implementing procedures for the benefits described in section 13.9.8 through 13.9.9.2.

### 13.109.3 Retiree Health Insurance Opt Out

13.109.3.1 To reduce future costs for retiree health benefits, all qualifying retirees who receive health benefits may opt to decline the health coverage. The retiree will receive on an annual basis 50% of the average in area premium cost to purchase other insurance coverage(s) of their choice. The remainder of the savings will be applied to fund the District's GASB-45 Other Post Employment Benefit ("OPEB") liability. The District will advise the SCTA of the number of retirees who take advantage of this program on a yearly basis and will also place the funds in a separate account that will hold the net savings that will be transferred to the District/SCTA trust.

13.109.3.2 The parties agree that a retiree utilizing the opt out program must show proof of health insurance coverage. The retiree opting out may return to the District/SCTA program due to qualifying events or with approval of SCTA and the District.

### 13.110 Eligibility for Employee-Paid Insurance Benefits

13.110.1 Employees on Board-approved unpaid leave of absence shall continue to receive full coverage of insurance benefits through the District if they elect to remit by the first of the month for which coverage is to be provided, the necessary premium payment(s) for health and/or dental and/or vision and/or life insurance benefits.

~~13.11.1.1 Whenever a teacher goes on an unpaid leave after working 75% of the first semester, the District shall fully pay the fringe benefits through March 31 of the same school year.~~

~~13.11.2 Those employed on an hourly basis for at least one (1) semester not less than ten (10) hours per week and excluding summer school per session personnel shall be eligible for all fringe benefits available to contract employees if those employees elect to remit the complete premium payment to the District for such benefits.~~

13.11.310.2 Teachers retiring after five (5) years of service in the District who do not otherwise qualify for District-paid benefits shall have the option of maintaining group health benefits at their own expense.

13.11.410.3 Substitute shall be eligible for benefits (if any) as set forth in Article 15, Substitutes. In addition, substitute teachers who have advanced to the highest substitute

pay rate shall be entitled to employee-paid health, dental, and vision benefits subject to open enrollment requirements. Substitutes must remit the complete premium payment to the District at a time specified by the District; payroll deduction for premium payment is prohibited.

**13.1211 Open Enrollment/Switching**

13.11.1 There shall be an "open enrollment" period each year for everyone eligible unless prohibited by the health provider. In any year when no open enrollment is offered, there shall be a "switching" period during which time an active or retired teacher may change or amend his or her carrier and/or dependency status. During a designated "switching" period, active or retired teachers may change carriers but cannot add dependent status.

~~13.1211.2~~ In the event that a health provider (i.e., medical, dental, vision, life, etc.) policy or plan is either terminated by the parties or cancelled by the providers, then a "switching" period may be implemented to facilitate the needs of the impacted unit members.

~~13.1311.3~~ The District shall continue to pay health insurance premiums for the surviving dependents of a certificated Non-management employee who dies while in service. The premiums will be paid for the balance of the school year in which the death occurs and the first six (6) months of the following school year.

~~13.1311.4~~ When an employee has been diagnosed by a physician as having a terminal illness, the District shall continue to pay health benefits for the employee until his/her demise.

**13.1412 Flexible Reimbursement Account**

The Board shall establish a Flexible Reimbursement Account under Section 125 of the Internal Revenue Code for each eligible employee requesting such an account. The Flexible Reimbursement Account will be operated and administered to be in compliance with all city, state and federal laws and regulations.

Each eligible employee shall be allowed to make an annual election to have their monthly compensation reduced by a specified amount for a deposit to their Flexible Reimbursement Account.

~~a. Dependent Care: Up to \$4,980 per year for use as allowed under Section 129 of the IRC.~~

~~b. Health Care: Up to \$4,000 per year for use in covering the unreimbursed deductibles, co-payments, and co-insurance amounts under a group medical, dental, or vision benefits plan.~~

e. —Each eligible employee requesting a Flexible Reimbursement Account will have their account charged with ~~\$3.00 per~~ monthly administrative fee charged by the plan provider.

### **13.1513 Total Compensation Funds**

For 1990-91 and thereafter unless this section is deleted, funds required to pay annual health benefit cost increases under Sections 13.1.1 et al, shall be deducted from funds appropriated for the agreed upon total compensation increase. The balance of required funds shall be applied to the salary schedule in accordance with the specific agreement reached each year. This section shall prevail over the District contribution level specified in Article 13. This section is intended to survive the expiration of the Agreement and constitutes the status quo for 1990-91 and each year thereafter unless modified.

### **13.1614 Health and Welfare Benefits Committee**

~~The parties will consult in a committee regarding fringe benefits.~~

~~13.1614.1~~ The District agrees to participate with employee representatives in a committee to study fringe health and welfare benefit coverage.

~~13.1614.2~~ The committee shall study all matters related to fringe health and welfare benefits coverage and make recommendations regarding feasibility and cost efficiency. ~~Special emphasis shall be given to the value of "a broker of record" versus "a consultant service."~~

~~13.1614.3~~ The committee shall be comprised of six members, three (3) of whom shall be appointed by SCTA and three (3) of whom shall be appointed by the District. In addition to the three (3) members, each appointing body shall appoint two (2) alternate committee members who can vote only upon the absence of the voting member(s). Alternate members may attend meetings and participate in discussions. The District and SCTA shall each have one vote.

~~13.1614.4~~ Formal committee and subcommittee meetings and place of meetings shall be arranged and scheduled by the administrator, Business Office, and the ~~chairman~~ of the SCTA Committee. The committee and/or designated subcommittees shall meet as often as necessary to accomplish assigned tasks.

~~13.1614.5~~ The committee and/or subcommittee shall develop an agenda and submit minutes for each meeting to officially designated District and bargaining unit representatives and to all committee members.

13.15 The parties agree to establish a committee consisting of four (4) members appointed by the District and four (4) members appointed by the Association to review retiree health

benefits. The committee's recommendations shall be subject to negotiation. The parties will consult in a committee regarding fringe benefits for retirees.

### **Medical Costs**

13.17.16.1 The Parties agree to form a joint committee to work on helping the parties respond over the long term to continuing increases in medical costs.

### **13.1817 Funding for retiree health insurance benefits**

The parties recognize the importance and value of health and welfare benefits and are concerned about rising costs and unfunded liability.

The parties recognize the importance of the District in honoring the District's commitment to uphold promises to provide health insurance benefits to qualified retirees who provided decades of service to the students of Sacramento. The parties agree that every reasonable effort will be made to lower premium increases for current plans without diminishing benefits or increasing co-pays except as mutually agreeable. Any recommendations relative to working conditions will be subject to the CBA.

In addition, the parties agree to the following with regard to retiree health insurance benefits:

- A. Contribution of Educators: Commencing with the ~~2014-15~~ 2019-20 school year, ~~SCTA members~~ unit members shall contribute ~~twenty dollars~~ two percent of the unit member's monthly salary paid each month to fund retiree health benefits. Any savings as a result of the decrease in the budgeted cost of providing benefits to retirees shall be placed in the jointly-administered GASB fund.
- B. Pay as You Go and Additional Pre-funding: In addition to continue paying the monthly/annual costs of health insurance benefits for eligible retirees (pay as you go), the District will contribute an additional one and one-half percent (1.5%) of the total payroll for bargaining unit ~~employees~~ members which shall be placed in the jointly-administered GASB fund. The contribution, which shall occur on or about January 1 of each year, shall be calculated on the total payroll for bargaining unit certificated employees in the preceding fiscal year, which ends June 30<sup>th</sup>. The District may suspend this payment if in the preceding year, the District ends the year in an operating deficit, as established in the annual audited financial statement, or if the budget is in "qualified" or "negative" status.
- C. On or before February 1, 2020, the District and SCTA will meet to develop a plan to address the District's growing unfunded liability for other post-employment benefits (OPEB). Such plan shall be based on the actuarial



analysis of the District's OPEB liability and including options for reducing the increased costs of and eventually fully funding this unfunded liability.