

**ARTICLE 17
RETIREMENT**

17.1 Health Insurance Benefits for Retirees

Each retired worker, hired before July 1, 1997 who qualifies under this section, and her or his eligible dependents including domestic partners, shall receive medical insurance benefits, prescription drug benefits, vision care benefits, and dental benefits as provided in this section and described in Article 18.

17.1.1 A qualified worker is one:

17.1.1.1 who is age 55 or older, who has retired from service from the State Teachers Retirement System or the Public Employees Retirement System (or who has applied for and is eligible to receive a service retirement from either of said retirement systems), and who has rendered service to the District as a permanent or probationary worker with a normal work week of at least 20 hours for 10 or more years immediately preceding her/his retirement; or

17.1.1.2 who is on a disability retirement from the State Teachers Retirement System or the Public Employees Retirement System and who has rendered service to the District as a permanent or probationary worker with a normal work week of at least 20 hours for 10 or more years immediately preceding her/his retirement; or

17.1.1.3 who was hired before July 1, 1997, and has rendered service to the District as a permanent or probationary worker with a normal workweek of at least 20 hours for 20 or more years immediately preceding her or his resignation. If the worker qualifies under this subsection benefits shall be provided to the worker and her/his spouse or domestic partner only.

No absence from the service of the District under a leave of absence shall constitute a break in the continuity of service required by this section, nor shall any absence from service for 39 months or less because of layoff constitute a break in the continuity of service required by this section. However, time spent on a leave of absence without pay or in layoff status shall not count towards the service requirement prescribed by this section.

17.1.2 The benefits provided to eligible dependents pursuant to this section shall cease upon the death of the retired worker. However, a surviving spouse or domestic partner may continue to receive benefits under this section by reimbursing the District quarterly, in advance, for the full premium or its equivalent for all of the benefits provided.

- 17.1.3 Retired workers may change health benefit plans during a scheduled open enrollment period. This section shall not be construed as prohibiting any change in benefits or benefit plans as specified in Section 17.1.7.
- 17.1.4 Each retired worker and every eligible dependent shall, upon obtaining eligibility for Medicare, receive benefits under this section only in a manner that augments the benefits that the worker or dependent could receive from Medicare even though the retired worker or her/his eligible dependents fail to claim rights to Medicare benefits. It shall be the sole responsibility of the retired worker and her/his eligible dependents to satisfy the requirements of Medicare, but the District shall reimburse the retired worker and her/his eligible dependents for the basic cost of Medicare during the previous 12 months if adequate proof of payment is submitted to the Office of Human Resources, at least once each calendar year and at any time that the amount of the premium is changed by Medicare. This section shall not apply to retired workers or their eligible dependents whose social security status does not qualify them for Medicare benefits.
- 17.1.5 If a retired worker or her/his eligible dependents receive benefits under any other health benefits plan, the benefits provided under the other plan shall be primary and the benefits provided under this section shall be reduced to the difference between the benefits provided or paid or payable by the other plan and the maximum benefits provided under this section.
- 17.1.6 To obtain the benefits provided under this section a worker shall file an application for the benefits with the Office of Human Resources and shall complete all necessary enrollment forms before the last date of her/his employment with the District.
- 17.1.7 The benefits provided under this section shall remain subject to modification, revision, or termination by any future agreement negotiated between the Board and the exclusive representative for ACE.
- 17.1.8 Unit members employed after July 1, 1997 shall receive a medical benefits bridge program to cover the cost of medical benefits in the period of time between retirement and eligibility for Medicare coverage. Once eligible for Medicare coverage, the District's obligation for Medicare and/or medical benefits contributions shall cease.
- 17.1.8.1 A qualified worker is one:
- who is age 55 or older;
 - who has retired from service from the State Teachers Retirement System or the Public Employees Retirement System (or who has

applied for and is eligible to receive a service retirement from either of said retirement systems);

- who has rendered service to the District as a permanent or probationary worker with a normal work week of at least 20 hours for 15 or more years immediately preceding his or her retirement;

No absence from the service of the District under a leave of absence shall constitute a break in the continuity of service required by this section, nor shall any absence from service for 39 months or less because of layoff constitute a break in the continuity of service required by this section. However, time spent on a leave of absence without pay or in layoff status shall not count towards the service requirement prescribed by this section.

17.1.8.2 The District agrees to contribute towards the payment of the worker's choice of health benefits premium a maximum of either 2.8% or 5.6% of Range 70, Step F of the salary schedule as follows:

1. Should the retiree have no spouse or qualified domestic partner at the time of retirement, the maximum amount of the benefit to be paid will be 2.8% of Range 70, Step F of the salary schedule.
2. Should a retiree's spouse or domestic partner possess medical benefit insurance in his/her own right as a primary insured, the maximum amount of the benefit to be paid will be 2.8% of Range 70, Step F of the salary schedule.
3. If the retiree is married or has a qualified domestic partner as of the date of retirement, and the spouse or domestic partner has no medical benefits coverage as a primary insured, the retiree will receive up to a maximum of 5.6% of Range 70, Step F of the salary schedule for the payment of medical insurance premiums for him/her self and his/her spouse/domestic partner, until eligible for Medicare coverage.
4. In the event that the worker qualifies for the benefit, that workers' surviving spouse or qualified domestic partner shall be eligible for the benefit under the conditions set forth above.

All current District workers are required to provide information for Medicare verifying Medicare eligibility and to update that information as appropriate.

17.1.9 Notwithstanding any other provision of this article, a worker eligible to receive retiree health insurance benefits under this article may be denied such benefits if it is established that the worker engaged in felonious criminal activity (1) involving District property or (2) involving students or persons employed by the District and said activity occurred on District premises."

- 17.1.10 Retirees are eligible to participate in the District's health insurance plans in the same manner as eligible active employees and may select from the same plan choices offered to eligible employees.

The parties acknowledge that for Medicare-eligible retirees and their Medicare-eligible dependent(s), the CalPERS Choice and CalPERS Select plans offer identical benefits, except for retirees who live outside of California in which the select plan is not available.

In accord with CalPERS regulations, the entire CalPERS retiree monthly premium less the minimum District contribution to CalPERS (i.e., \$1 for 2012) is deducted from the retiree's monthly retirement warrant (e.g. STRS or PERS pension check), and the District shall reimburse the retiree the difference between the monthly warrant deduction and the subscriber's required monthly contribution. In the event a required retiree monthly contribution exceeds the monthly retirement warrant, the retiree shall have the responsibility for paying the District directly for the required retiree monthly contribution in accord with the Plan Compliance timelines and procedures.

17.2 **Public Employees Retirement System**

All classified workers are required by law to participate in the California Public Employees Retirement System. Deductions are made from a worker's regular salary, but not from overtime or extra duty payments. In addition to the worker's contribution, the District makes an employer's contribution as required by law. A worker may have the right to receive credit for unused sick leave per PERS policy and procedures.

17.3 **Social Security**

All classified workers are covered under Federal Social Security (FICA, which includes Medicare (MQFE)). Both the worker and the District contribute according to rates prescribed by law.