

ARTICLE 14
GROUP HEALTH BENEFITS
(Amended effective [DATE])

Section 1. Health Benefits Coverage and the Provider.

a. ~~The City agrees to provide medical coverage Association and the City will enter into the attached Healthcare Contract (or an Agreement substantially similar to the attached Healthcare Contract) that obligates the Association to take appropriate steps to create and administer a Trust and Local 440 Benefit Plan for Recruits, Fire Fighters, Future Retirees, Pre-Medicare Retirees and eligible employees spouses and their eligible dependents that is subsidized by. The Healthcare Contract and all successor Healthcare Contracts will be negotiated between the City at a level and the Association and must be ratified by a majority of the members of the Association and approved by the City Council on an annual basis. During before any such Healthcare Contract will be effective. Such Healthcare Contracts may extend beyond the term of this or any successor Collective Bargaining Agreement.~~

b. ~~All capitalized terms used in this Article that are defined in the Healthcare Contract shall have the same meaning as stated in the Healthcare Contract.~~

c. ~~The Association will create a Trust pursuant to the terms of the Healthcare Contract.~~

Section 2. Active Fire Fighters as Future Retirees

a. ~~The , eligible parties acknowledge that the Association does not represent current Retirees, that is, those former City fire fighters who retired from the City before [Date] (the effective date of this amended Article). However, the parties acknowledge that the Association represents active Fire Fighters who may retire from the City after [Date] (the effective date of this amended Article). Those persons are referred to in this Article as “Future Retirees.”~~

~~b.~~ ~~Because the Association does not represent current Retirees, the Association and their eligible~~ the City acknowledge and agree that implementation of the Local 440 Benefit Plan shall be contingent on the Association obtaining and providing to the City waivers from 90% or more of Pre-Medicare Retirees in which those individuals agree to forego coverage under the City’s plan and to receive coverage under the Local 440 Benefit Plan.

~~b-c.~~ The parties also recognize that the Association does not represent Recruits. However, through the Healthcare Contract, the Association and the City have agreed to certain responsibilities relating to Recruits, including that such Recruits will be covered by the Local 440 Benefit Plan and that the City’s Contributions to the Local 440 Benefit Plan will include funds to be used by the Trust created by the Association to provide healthcare coverage for Recruits. Those obligations are set out in the Healthcare Contract and neither party can file a grievance under this

CBA, asserting that, with respect to Recruits, the other party has failed to perform a duty or obligation set out in this CBA or the Healthcare Contract.

e-d. Upon approval of this amended Article of the Collective Bargaining Agreement, all current Fire Fighters shall no longer have any access to the City's health plan as described in the following paragraphs, either as an active Fire Fighter or as a Future Retiree, so long as the Association continues to offer a healthcare plan through the Trust referred to in this Amended Article.

i. The Association agrees to provide a healthcare plan through the Trust to Recruits, Fire Fighters, Retirees and Future Retirees and eligible spouses and dependents ~~shall be offered the same medical~~, and persons employed by the Association or the Trust specifically to administer the Trust until they become eligible for Medicare. The City and the Association agree that upon approval of this amended Article, the City has no obligation to provide a healthcare plan to Recruits, Fire Fighters, Retirees, or Future Retirees, so long as the Association continues to offer a healthcare plan through the Trust referred to in this amended Article. The City will make Trust Contributions in accordance with the terms of the Healthcare Contract, and any successor Healthcare Contracts.

ii. The City agrees to provide a health insurance coverage plan for every Medicare-eligible Future Retiree. The City agrees to provide a health insurance plan for every Medicare-eligible spouse of a Future Retiree. The plan shall be at the same subsidized cost as approved by the City Council for other City employees cost to the Future Retiree as that offered at that time to other similarly-situated non-fire fighter retirees of the City who have reached the minimum age for Medicare eligibility, so long as the benefit continues to be offered to other retirees of the City. At any point in the future that the City contracts with the Association to expand the Trust to provide a health insurance plan for Retirees who have reached the age at which they are eligible for Medicare, the Future Retiree will be required to transition to the Trust plan coverage.

iii. This amended Article is binding on an annual basis. The City commits to not diminish the City's annual contribution to the health fund below FY2015 budgeted levels Future Retirees, eligible spouses and dependents for as long as this Agreement is in effect, and the provisions of the attached Healthcare Contract are binding on Fire Fighters, Future Retirees, eligible spouses and dependents for the period of time set out in the Healthcare Contract, and that term may extend beyond the term of this Collective Bargaining Agreement.

iv. The Parties agree that the City has no liability for any services rendered or claims paid or not paid by or through coverage provided by the Trust with respect to any claim incurred during the term of this Agreement. Every Future Retiree waives his or her right to sue the City regarding the level of coverage or subsidy, if any, to be provided by the City through its contributions to the Trust. The Parties agree that every Future Retiree also waives the right to sue the City regarding the

subsidy, if any, to be provided by the City, if the Trust plan discontinues, and the Future Retiree resumes coverage with the City. However, this provision does not preclude the Future Retiree benefitting from a court ruling in favor of non-fire fighter retirees participating in the City's plan regarding such subsidy. The Parties further agree that the resumption of coverage for every Future Retiree shall be subject to the payment of the applicable premium, provided such premium and the City's subsidy of the coverage is provided on substantially the same terms as that which the City provides to similarly-situated City employees or retirees.

Section 3. Trust Contributions.

The Parties agree that the amount of City Contributions will be determined by the calculations and terms set out in the Healthcare Contract between the City and the Association.

Section 4. Wellness Payments

The City will pay Fire Fighters that elected to participate in the City's Wellness Program during 2017 at or about the same time that such payments are made to all other City employees. However, the amount of such payments will be deducted from the City's Contributions paid to the Trust in as the manner agreed to in the Healthcare Contract.

Commented [AS1]: Moot with January 1, 2019 start date. Section to be removed during the negotiations for the next CBA.

Section 5. This commitment does not include future contributions to the City's. Transition.

a. The transition to the Trust plan will be made only after all of the following events have occurred: (1) the City has received all required Retiree approvals; (2) the Collective Bargaining Agreement has been amended accordingly, after Association members' ratification and City Council approval; (3) the City and the Association have entered into a Healthcare Contract; (4) the tax-exempt Trust has been created in compliance with all State and Federal laws and with provisions acceptable to the City; and (5) the City and the Association agree to a written plan for an orderly transition from existing coverage under the City's Healthcare Plan to coverage under the Local 440 Benefit Plan.

b. The City and the Association will work together to determine how best to ensure a smooth and orderly transition.

Section 6. Employee Assistance Program and Other Post-Employment Benefits Trust Insurance.

This Article does not prevent changes in plan design, pricing, the City Wellness Program or any other program that the City implements designed to improve employee health and/or decrease medical costs.

The City shall continue to provide an Employee Assistance Program and basic and supplemental life and AD&D insurance, at employee expense, for all active fire fighters similar to that provided to all other City employees and subject to change at any time in the future.

Section 7. Incorporation into Successor Collective Bargaining Agreement

a. The parties hereby agree that the terms of this amended article and Appendix Healthcare Contract will be incorporated without substantive change into the successor Collective Bargaining Agreement that is currently being negotiated between the parties.

b. This Article will remain in full force and effect until the 30th day of September, 2023, unless, before that date, it is superseded by a new Collective Bargaining Agreement between the parties. If the Current Collective Bargaining Agreement between the parties expires, including the evergreen year, on September 30, 2019, the parties specifically and purposefully agree that the terms of this Article will survive the expiration of that Collective Bargaining Agreement.

Section 8

~~a. **Section 2. Right to Reopen.**~~

~~The City reserves the right to make changes in the plan or coverage that is reasonably required for implementation of the Affordable Care Act, or any other state or federal law or regulation.~~

~~**Section 3. Definitions.**~~

~~In this Article, “employee” or “City employee” does not include members of the City Council and their direct staff; persons who are appointed or elected by the City Council pursuant to the City Charter; the city manager and assistant city managers; and department directors.~~

~~**Section 4. Programs Described.**~~

~~The health benefits program currently in effect for fire fighters and their dependents is described in the Summary Plan Description in effect as of January 1, 2014, and as amended from time to time thereafter in the Summary of Material Modifications. These benefits are summarized in the City of Fort Worth Summary of Plan Benefits chart which is attached hereto and incorporated herein in Appendix B.~~

~~**Section 5. Preemption.**~~

~~This Article shall preempt any contrary provisions set forth in Ch. 2, Art. V, Sec. 2-190 of the Fort Worth Code— and Chapter 175 of the Texas Local Government Code provided however that nothing herein shall be construed or interpreted to preempt Section 2-190(c) or (d) or otherwise require the City to subsidize health care coverage for any individual who is not otherwise eligible for a subsidy.~~