ARTICLE VII

HEALTH AND WELFARE

Section 1 – Coverage

1.1 The District agrees to provide eligible unit members with the full premium cost for district-provided Health Maintenance Organization (HMO) group health benefits, prorated for part-time unit members, for single, two-party, or family coverage as applicable.

1.2 The District agrees to provide eligible unit members with full premium cost for district-provided group dental benefits, prorated for part-time unit members, for single, two-party or family coverage as applicable. The plan will provide no less than $4,000 yearly maximum reimbursement for covered dental expense. The Association agrees that the District may change carriers during the term of the contract with the concurrence of the Association.

1.3 The District agrees to provide eligible unit members with full premium cost for district-provided group vision benefits, prorated for part-time units members, for single, two-party, or family coverage as applicable. The Association agrees that the District may change carriers during the term of the contract with the concurrence of the Association.

1.4 The District will provide health care coverage through the Self-Insured Schools of California (SISC), a public schools insurance pool. The Association agrees that the District may change carriers during the term of the contract with the concurrence of the Association.

1.5 Unit members and their domestic partner meeting the criteria in Section 2.6 shall be eligible for coverage provided in this section.

1.6 Health and Welfare benefits will be provided through a cafeteria fund. The fund shall provide eligible employees with single, two-party, or family premiums to enable the employee to select any available SISC HMO health plans. The fund amounts will be set at the highest SISC HMO premium, plus the vision premium, plus the dental premium, for single, two-party, or family coverage as applicable and prorated for part-time unit members.

1.6.1 The cafeteria fund will be sufficient to provide each active employee with health, dental, and vision coverage with premiums paid through the District-provided cafeteria fund. The employee may select a health plan from any of the HMO or PPO plans included in the list of SISC providers.

If the premiums for the health, dental and vision plans chosen by the employee exceed the cafeteria fund amount allocated for qualifying coverage, the employee authorizes the District to deduct the additional premium amount from the employee's monthly pay warrant.

1.7 Employees hired on or after January 1, 2023, will not have the option to receive cash-in- lieu of benefits due to SISC regulations. If the employee can provide proof of health coverage through a spouse or eligible domestic partner, the employee may decline the

district provided health coverage and then will participate in the Cash Back Option Program**.**

(a) Unit members who were employed with the District on December 31, 2022, and who have shown proof of other comparable medical benefit coverage consistent with the federal Affordable Care Act prior to the transition to SISC, may elect to continue to receive cash-in-lieu of benefits, if eligible, consistent with the following:

(b) Unit members employed with the District on December 31, 2022, provide proof of health coverage through a spouse, eligible domestic partner, or parent, and who decline the district provided health coverage, will participate in the cash-in-lieu program.

1.7.1 Employees participating in the cash-in-lieu Option Program prior to the transition to SISC, and who were employed as a unit member by the District on December 31, 2022, will receive cash back equal to fifty percent of the single premium amount for Kaiser. This payment shall be allocated to the employee on a monthly basis, prorated for part-time unit members. For employees participating in the cash-in-lieu option program,, the cafeteria fund defined in Section 1.6 of this Article shall be reduced by the amount of the highest two-party or family HMO premium, as applicable.

1.7.2 For employees, who were employed with the District on December 31, 2022, and who were approved for participation in the cash-in-lieu option program at that time, the cash-in-lieu dollars may be utilized by the employee as pre-tax dollars to participate in the Section 125 Pre-Tax Benefit Plan, or

1.7.3 For employees, who were employed with the District on December 31, 2022, and who were approved for the participation in the cash-in-lieu option program only at the time the cash-in-lieu option payment may be paid to the employee directly. In this circumstance, the cash-in-lieu payment received by the employee shall be considered as taxable income. Both the District and the employee are liable for applicable taxes as with any other salary disbursement.

1.7.4 If a unit member and his/her spouse or eligible domestic partner are both employees of the District and one unit member is employed full-time and the other unit member is employed part-time, then the part-time unit member may participate in the cash-in-lieu Program defined in this section above. If eligible and approved for cash-in-lieu prior to December 31, 2022.

1.8 If an employee can provide proof of dental coverage through a spouse or eligible domestic partner, or parent, the employee may decline dental coverage and then will receive cash back equal to fifty percent of the current District's dental premium provided for active employees, prorated for part-time unit members. This cash-in-lieu payment may be utilized by the employee as pre-tax dollars to participate in the Section 125 Pre-Tax Benefit Plan or may be paid to the employee directly as taxable income. For employees choosing this option, the cafeteria fund amount defined in Section 1.6 of this Article shall be reduced by the amount of the full dental premium.

1.9 If an employee has declined health coverage and desires to maintain district-paid dental coverage and/or vision coverage, the District will continue to pay the cost of either or both premium(s) while still providing the employee with fifty percent of the highest single active health premium as a cash back payment, prorated for part-time unit members.

1.9.1 As a condition of SISC membership, employees who are .90 FTE or greater and who have not been legacied into the cash-in-lieu program, must accept health and welfare benefits. Employees who are less than .90 FTE may decline health benefits coverage if they can provide adequate proof of health coverage from another source. Employees described in this Section 1.9.1 who opt out of receiving health and welfare benefits, shall not be entitled to participate in the cash-in-lieu program, except as expressly permitted in other Sections of this agreement.1.10 A Joint Benefits Committee shall be created as a standing committee with representation from the District, all labor groups, and all other stakeholders. This group shall be consulted regarding any information requested from SISC in terms of plan design, changes in health plans, or other issues related to health and welfare benefits. The group shall meet at least quarterly or as needed to review and discuss communication from SISC. The committee will discuss other items related to health, dental, and vision benefits.

Section 2 – Eligibility

2.1 Full-time unit members shall be considered as eligible to receive the full district health, dental and vision benefit program. Unit members employed for less than full time shall be eligible to receive said benefits with the district contribution prorated in proportion to the percentage of full-time assignment worked by the unit members. The District is authorized to deduct the amount in excess of the part-time unit member's prorated district paid share of premiums from the unit member's paycheck in order that said unit member's full premium may be met.

2.2 A unit member may continue health and dental benefits while on district approved, full-time, unpaid leave by paying the full premiums, including the District's contribution, for the duration of the leave.

2.3 Unit members on extended disability leave provided by Section 3, Article VIII, of this Agreement shall be eligible to receive the same district paid health, dental, and vision group insurance they were receiving immediately prior to taking such leave.

2.4 Unit members shall become eligible for health, dental and vision benefits the first day of the first full month of employment. Coverage shall terminate on the last day of the month in which the unit member is terminated, except as provided below:

2.4.1 For unit members who terminate employment in June after having completed a full school year of service, the District shall continue to pay full premiums during July and August for district-provided health, dental, and vision coverage as defined in Sections 1.1, 1.2, and 1.3 through COBRA. The intent of this section is to provide twelve (12) full months of benefits. Provided that the District continues to participate in SISC group medical insurance and that SISC does not permit the payment of premiums for terminated employees, the District shall pay

unit members the costs of COBRA premiums for those months not covered through SISC.. In order to ensure twelve (12) months of uninterrupted coverage, the unit member will need to enroll in COBRA coverage with the benefits specialist in the Human Resources department. If eligible for July and August COBRA coverage provided under this Section 2.4.1, such COBRA coverage shall not be provided if the former employee has health and welfare benefit coverage for the months of July and August through another public sector employer.

2.4.2 Health insurance for the family of deceased unit members shall continue for three (3) full months beyond the month in which the unit member's death occurred.

2.5 Unit members with a temporary, one semester contract shall be eligible for district paid health insurance within the eligibility provisions of Section 2.1 above.

2.6 Domestic Partners Eligibility

2.6.1 Unit member and partner are not related by blood or marriage.

2.6.2 Neither unit member nor partner are married to or in a domestic partnership with another person.

2.6.3 Both partners are at least 18 years of age, except as specified by Family Code Section 297.1.

2.6.4 Both partners have registered the domestic partnership with the Secretary of State.

2.6.5 Unit members must report to the benefits office a dissolution of domestic partnership. This report is to be made in a timely manner and no later than the end of the month following the dissolution of the partnership. A dissolution will be treated as equivalent to divorce for benefits purposes.

2.6.6 All necessary forms and affidavits will be available in the District Human Resources office.

Section 3 – Health Insurance for Retirees

Upon the shift from CalPERS to SISC, and for those retirees who do not qualify for lifetime benefits under 3.1 of Article VII of the collective bargaining agreement, the Parties agree that the District will contribute the following dollar values toward retiree health and welfare benefit premiums in subsequent calendar years:

(a) Beginning on January 1, 2023, retirees who do not qualify for lifetime benefits under Section 3.1 of Article VII of this collective bargaining agreement and who were enrolled in CalPERS Medicare Kaiser or Medicare Anthem Blue Cross plan in December 2022, shall receive a maximum District contribution toward their retiree SISC Medicare Kaiser or Anthem Blue Cross premium cost of two hundred dollars ($200) per month in subsequent calendar years. This same two hundred dollars ($200) per month maximum District contribution

toward retiree benefits shall be applied to future retirees who do not qualify for lifetime benefits under Section 3.1 of Article VII of this collective bargaining agreement.

(b) Beginning on January 1, 2023, retirees who do not qualify for lifetime benefits under Section 3.1 of Article VII of this collective bargaining agreement and who were enrolled in the CalPERS United Health Care plan in December 2022, shall receive a maximum District contribution toward their retiree SISC Medicare Anthem Blue Cross premium cost of two hundred and fifty-seven dollars ($257) per month in subsequent years.

(c) The Joint Benefits Committee will continue to review retiree benefit contributions and make recommendations in subsequent years for purposes of subsequent negotiations.

3.1 Through SISC the District agrees to provide qualifying unit members upon retirement at age sixty-five (65) with eligibility to participate in the SISC benefits program at SISC Retiree Supplement Rates. Said retirees will receive the district-paid minimum benefit provided for health insurance for all employees, active and retired. The minimum amount shall be the maximum dollar value amounts included in section 3 above of this Agreement, titled “Health Insurance for Retirees”.

In addition, a retiree whose eligibility status qualifies them for district-paid, lifetime retiree benefits shall receive a taxable service credit equal to the highest single active premium for HMO coverage minus the minimum benefit amount established by SISC. The total dollar obligation of the District, each year, to provide the benefits specified in the paragraph immediately above shall not exceed 0.88% (0.0088) of the prior year’s total revenue limit sources income. In any year in which the cost of the health benefits for retirees age sixty-five (65) and older as specified in the paragraph immediately above exceeds 0.88% (0.0088) of the prior year’s total revenue limit sources income, retirees sixty-five and older as specified in the paragraph immediately above shall contribute a pro-rata amount based upon the level of premiums paid on their behalf by the District, in order to make up the difference between cost and income. The 0.88% (0.0088) revenue limit cap on post-65 lifetime retiree benefits shall only be applied to those individuals receiving a Sequoia District retirement service credit.

Eligible retirees who retire between the ages of fifty-five (55) and sixty-five (65) will be eligible to receive the district-paid group health insurance plans and participate in SISC at the active employee rates until they reach age sixty- five (65).

At age sixty-five (65), if the retired eligible unit member is not eligible for Medicare A, at no cost to the retiree, the District agrees to reimburse the retiree an amount up to the cost of the premiums for Medicare B and the Medicare supplement offered by the District’s health carriers for verifiable expenditures for the retiree’s health insurance premiums.

3.1.1 Eligibility for retiree benefits is determined to be five years of fully paid health and welfare benefit premium contributions as an employee of Sequoia Union High School District. All retirees past or present who meet these minimum eligibility qualifications from Sequoia District through STRS or

PERS shall be eligible to receive retiree benefits as described in paragraphs one and two of Section 3.1 above.

3.1.2 If a retiree over age sixty-five (65) moves outside of the SISC provider service area and does not wish to rely only on Medicare Part A and Medicare Part B, the District will continue to reimburse Medicare Part B. In addition, the District will reimburse the retiree for the cost of an available managed care program. This reimbursement shall not exceed the average cost of a single active retiree HMO premium. In the event that no managed care program is available, the District will reimburse the retiree's costs. The reimbursement will be limited to the average premium of the District's current year managed care program. For retirees under age sixty-five (65), the District will reimburse the retiree up to the average cost of a single active HMO premium. This reimbursement benefit is eligible only if the employee relocates to an area where there is no SISC health provider within a 30 mile radius.

3.2 Unit members employed before February 26, 1985, and who meet the following conditions shall be eligible for district-paid health insurance pursuant to Section 3.1 and shall be entitled to receive the service credit denoting district fully-paid lifetime retiree benefits:

3.2.1 Employed by the District continuously for a period of ten (10) years immediately prior to retirement if retiring at age sixty-five (65) or older.

3.2.2 If retiring at less than age sixty-five (65), employed continuously by the District for a period of ten (10) years immediately prior to retirement, and

A. Have accumulated a total of thirty (30) years in public education, including the ten years with the District, or

B. Have accumulated one additional year in the district for each year under age sixty-five (65) at the time of retirement up to a total of ten (10) additional years (minimum age for eligibility is age 55).

3.2.3 Actually drawing retirement benefits from either State Teachers' Retirement System or the Public Employees Retirement System, or be a participant in the Early Retirement Incentive Program.

3.2.4 Have been eligible for district paid health insurance while an active employee.

3.3 Unit members employed after February 26, 1985, shall have been employed by this district continuously for a period of fifteen (15) years immediately prior to retirement instead of the ten (10) years required in Section 3.2 above.

3.3.1 If a unit member satisfies the requirements in Sections 3.2 and 3.3 and has served at least fifteen years of full-time service in district (at least 15.0 FTE years over any 15-year period or comparable amount if retiring before age 65) in the district, they shall be considered eligible for full retiree benefits.

3.3.2 If a part-time unit member satisfies the requirements in Sections 3.2 and 3.3, they shall be considered eligible for retiree benefits on a pro rata basis equivalent to their average percent of FTE.

3.3.3 If a unit member satisfies the requirements in Sections 3.2 or 3.3 and has completed enough part-time service totaling at least 15.0 full time service in the district (at least 15.0 FTE years over any 15-year period or comparable amount if retiring before age 65) during their entire time in the District, they shall be considered eligible for full retiree benefits.

3.3.4 Retirees who are eligible for district-paid retiree benefits (as described in sections 3.2 and 3.3) who retire before age sixty-five (65) will be eligible to purchase, at the eligible retiree's sole expense, the district-paid group health insurance plans and participate in SISC at the active employee rates until they draw retirement benefits from either the State Teachers' Retirements System or Public Employes Retirement System. In order to maintain eligibility, these retirees may not do any STRS- or PERS-creditable work or another school district, county office of education, or other California public agency which participates in CalSTRS and CalPERS during the period between their retirement from the District and drawing pension benefits.

3.4 For the purposes of continuous employment referenced in Sections 3.2.1 and 3.3, approved leaves of as defined in this Agreement shall not constitute a break in employment. Approved unpaid leaves shall not count toward the retiree benefits eligibility requirement.

3.5 Unit members who retire and are receiving the district-paid health insurance coverage available to actively employed unit members may retain health insurance coverage for the retiree's spouse/domestic partner, provided the retiree remits to SISC the full cost of the spouse/domestic partner's participation in the health insurance program.

3.6 For those unit members who have been laid off and subsequently rehired on a permanent basis, the break in service caused by that layoff will be treated as a leave of absence without pay for purposes of calculating eligibility for retiree health benefits.

Section 4 – Reduced Assignment with Full Retirement Credit

It is within the discretion of the District to grant half-time teaching with full retirement credit to eligible unit members pursuant to Education Code Section 44922.

No more than five (5) unit members may participate at any one time, unless the District and SDTA agree to an exception on a case by case basis in writing.

Applications from eligible unit members must be on file in the Human Resources Office no later than April 15 of the year prior to the first year of participation. Should all five (5) slots be taken, a waiting list will be established and ranked on a first-come basis. In accordance with Education Code section 44922, unit members shall be able to participate in this program for up to ten (10) school years.

Section 5—Flexible Spending Account Plan

The District will offer a flexible spending, dependent care/excess medical cost reimbursement account plan under Section 125 of the Internal Revenue Code (IRC). (A Flexible Spending Account (FSA) allows unit members to designate a certain amount of taxable income on a pre-tax basis to pay for out-of-pocket medical and dependent care expenses.)