

# MEMORANDUM OF AGREEMENT

Between  
**THE CITY OF SAINT PAUL**  
and  
**AFSCME TECHNICAL, LOCAL 1842**

This Memorandum of Agreement (hereinafter "MOA") is entered into by the City of Saint Paul (hereinafter "City") and AFSCME Technical, Local 1842 (hereinafter "Union") for the purposes of establishing new options for pre-65 Retiree Health Insurance (hereinafter "RHI").

The parties agree to the following:

- A. The City's contribution for RHI for eligible employees is capped per Article 10 of the CBA.
- B. A result of the Affordable Care Act, new health insurance options are available to retirees in addition to the health insurance plan offered by the City.
- C. Effective January 1, 2023, the following three (3) health insurance options will be available to eligible retirees:
  1. The City offered retiree health plan.
  2. ACA compliant insurance plans (not sponsored by The City)
    - i. A \$350/month contribution (per Article 10 of the CBA) deposited to a Post-Employment Health Plan Account (PEHP): For an eligible retiree who provides proof of coverage under the Affordable Care Act (ACA) compliant health plan from a carrier of their choice. An eligible retiree may request reimbursement from their PEHP account for "qualified medical expenses" as defined by the Tax Code and applicable regulations.
    - ii. The \$350/\$300 per month contribution to the PEHP will be deposited through the month in which the eligible retiree turns 65. Thereafter, no further contributions will be made to the PEHP. During the 90-day period prior to the eligible retiree's 65<sup>th</sup> birthday, the retiree may enroll in a Medicare supplement plan sponsored by the City. Upon making a timely enrollment in a City-sponsored Medicare supplement plan, the retiree will be eligible for a monthly contribution (Per Article 10 of the CBA) to be applied toward the monthly premium for the supplement plan.
    - iii. Eligible retirees who select option "2", and in subsequent year choose to return to option "1", may do so at Open Enrollment provided they have maintained continuous participation in an ACA compliant health insurance plan. However, such election to return to option 1 after participating in option 2 may only be made once per lifetime.
  3. Federal/State Market place (pre-65 Eligible retirees)
    - i. Waiver of coverage: An eligible retiree may waive the City's contribution to allow that non-Medicare eligible retiree the opportunity to qualify for a Federal premium subsidy based on the ACA regulations.
    - ii. Eligible retirees who select option "3", will be considered non-participating and never be eligible for any future participation or for any City contribution.

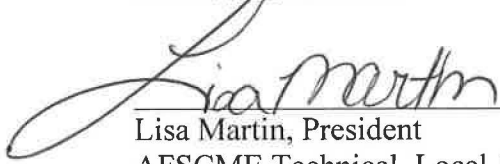
The terms of this MOA shall run concurrently with the 2023-2025 collective bargaining agreement and shall renew annually thereafter unless one party provides written notice of the desire to end the MOA prior to its renewal for a subsequent year.

**FOR THE CITY:**


  
Toni Newborn  
Human Resources Director

7/26/23  
Date

**FOR THE UNION:**

  
Lisa Martin, President  
AFSCME Technical, Local 1842

7/26/23  
Date

  
Dane Ryan, Field Representative  
AFSCME Council 5

7/26/23  
Date