

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

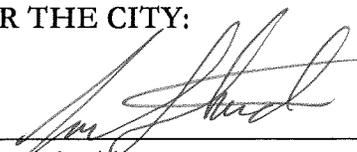
This Memorandum of Agreement (hereinafter "MOA"), is entered into by the City of Saint Paul (hereinafter "City") and AFSCME Technical, Local 1842 (hereinafter "Union") for the purposes of establishing new options for pre-65 Retiree Health Insurance (hereinafter "RHI"). This MOA is the result of discussions during the negotiation of the 2016 - 2017 Collective Bargaining Agreement (hereinafter "CBA") and subsequent meetings between the parties.

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, 2017, the following three (3) health insurance options will be available to eligible retirees:
  - 1. The City offered retiree health plan.
  - 2. Individual 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: Eligible retirees will request reimbursement from this account after providing proof of having paid for their own individual health insurance coverage from the carrier of their choice.
    - ii. 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 a health insurance plan.
  - 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 will be incorporated into the CBA following the current 2016 - 2017 agreement.

**FOR THE CITY:**

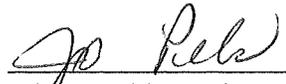
  
\_\_\_\_\_  
Jason Schmidt  
Labor Relations Manager

10/9/16  
Date

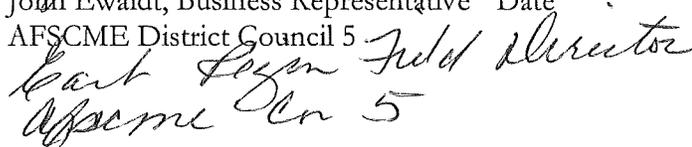
**FOR THE UNION:**

  
\_\_\_\_\_  
Koami DaCruz, President  
AFSCME Technical, Local 1842

9-29-16  
Date

  
\_\_\_\_\_  
John Ewaldt, Business Representative  
AFSCME District Council 5

10-3-16  
Date

  
Earl Lyon, Field Director  
AFSCME Local 5