

IRREVOCABLE ELECTION AGREEMENT FOR RETIREE MEDICAL BENEFITS

Name: _____

Tier: _____ - _____ % \$ _____

RECITALS

- A. It is the intent of the City of Roseville to extend a benefits election to (1) all current City employees, upon retirement, and (2) all former retired City employees. Any such current or former employees who are eligible for Tier 1 or Tier 2 Retiree medical contributions, as defined in the applicable Memoranda of Understanding/Terms, Conditions, and Understandings (hereinafter referred to as MOU) under which they retire/retired, will be permitted to waive participation in the Retiree medical benefit described in the applicable MOU and opt in to the benefit described in Section 3.09.030 of the Roseville Municipal Code, effective the 2017 Plan Year.
- B. Effective January 1, 2017, and pursuant to Chapter 3.09 of the Roseville Municipal Code (Chapter 3.09), which enacted an option for Retirees concerning the payment of the City's Retiree medical contributions, Retiree identified above has the option to elect, by marking the appropriate box below, one of the following:
1. Remain covered by Retiree's applicable MOU, with any future adjustments to City contributions based on the terms negotiated; **OR**
 2. Choose an irrevocable election of one of the following schedules based on eligibility:
 - a. **Schedule 1** – For employees whose hire date places them in Tier 1, the City will contribute up to \$1,296 per month toward their post-retirement CalPERS medical insurance benefit premiums. The precise monthly amount the City will contribute will be determined by adding (1) the minimum monthly amount the City contributes to CalPERS on behalf of Retiree for CalPERS medical insurance premiums under the Public Employment Medical and Hospital Care Act (PEMHCA), plus (2) the remaining additional amount necessary to cover the actual monthly premium Retiree is required to pay for CalPERS medical insurance benefits up to a total of \$1,296 per month which will be paid directly to Retiree. The City does not pay any Medicare costs. Effective January 1 of each subsequent year, the City's contribution shall be increased by two percent (2%).
 - b. **Schedule 2** – For employees whose hire date places them in Tier 2, the City will contribute up to \$1,296 toward their post-retirement CalPERS medical insurance benefit, based on the vesting schedule (proportionate amount up to \$1,296 pursuant to Section 3.09.030(B) of the Roseville Municipal Code). The precise amount the City will contribute will be determined by adding (1) the minimum monthly amount the City contributes to CalPERS on behalf of Retiree for CalPERS medical insurance premiums under the PEMHCA, plus (2) the remaining additional amount necessary to cover the actual monthly premium Retiree is required to pay for CalPERS medical insurance benefits up to the amount identified in the vesting schedule, but not to exceed \$1,296 per month, which the City will pay directly to Retiree. The City does not pay any Medicare costs. Effective January 1 of each subsequent year, the City's contribution shall be increased by two percent (2%).
- C. To receive the optional benefit provided in Paragraph B.2, current eligible Retirees must file this Irrevocable Election on or before September 30, 2016. Future Retirees must elect to be subject to the optional benefit prior to the City's first Retiree medical payment. **Any current eligible Retiree who fails to timely file this Irrevocable Election on or before September 30, 2016, will receive the benefits as reflected in their respective MOU.**
- D. The foregoing Recitals are intended to summarize the terms of the benefits provided for in the MOU and Chapter 3.09. To the extent that the recitals differ in any way from the terms of the MOU or Chapter 3.09, the terms of the MOU or Chapter 3.09 shall control.

TERMS AND CONDITIONS OF AGREEMENT

Applicable only if the election in Paragraph B.2 (by checking that box above) is made

1. Fixed Monthly Benefit.

(a) By signing below and marking the Paragraph B.2 election above, the undersigned Retiree elects to receive the fixed monthly benefit described in Paragraph B.2. By signing below, Retiree understands that by making this election he/she will no

longer qualify for benefits Retiree currently receives or would have received under Tier 1 or Tier 2 of the MOU and cannot elect to receive those benefits at any time in the future, except as provided herein.

(b) If Chapter 3.09 is amended so as to materially and substantially alter the benefit described therein, by state or federal legislative, judicial, or quasi-judicial action, Retiree will have the option of maintaining benefits under Chapter 3.09 or reverting to the terms and conditions provided for in the applicable MOU in effect at that time.

(c) If Chapter 3.09 is repealed by City Council action, medical benefits will automatically revert to the terms and conditions provided for in the applicable MOU in effect at the time of repeal. If Chapter 3.09 is amended by action of the City Council (pursuant to section 3.09.040 of the Roseville Municipal Code), it shall not result in Retiree's medical benefits reverting to the terms and conditions provided for in an MOU, and the parties will remain subject to the provisions of Paragraph B.2, above. If, however, Chapter 3.09 is amended by action of the City Council (pursuant to section 3.09.040 of the Roseville Municipal Code), so as to materially and substantially reduce the benefit described therein to a level that is less than the benefit provided by the applicable MOU in effect at that time, Retiree will have the option of maintaining benefits under Chapter 3.09 or reverting to the terms and conditions provided for in the applicable MOU in effect at that time.

2. **Medicare Premiums.** By executing and electing the option in Paragraph B.2 of this Irrevocable Election, Retiree understands and hereby acknowledges that, consistent with current practices, the City does not make any payments on behalf of Retiree to cover any premiums or costs associated with Medicare Part B. Retiree understands and hereby acknowledges that Retiree is solely responsible for making any and all necessary payments required for Medicare Part B.

3. **Release of Claims.** In exchange for the valuable consideration set forth in this Agreement, Retiree, on behalf of him/herself, his/her heirs, estate, executor, administrator, successors and assigns, does fully release and forever discharge the City and each of its officers, employees, consultants, attorneys, successors and/or assigns, both past and present and both officially and individually from any claims regarding the right to Tier 1 and Tier 2 Retiree medical benefits under any MOU.

The parties understand and agree that this Agreement shall operate as a complete bar against any and all litigation, charges, complaints, or grievances now pending or contemplated or which might at any time be filed, arising out of or in any manner whatsoever connected with the Tier 1 and Tier 2 Retiree medical benefits, other than those that may arise from a breach of this Agreement. If any such claim is prosecuted in Retiree's name, on Retiree's behalf or for Retiree's benefit before any court or administrative agency, Retiree waives any right to any award of money or other damages and agrees not to take any award of money or other damages from such action.

4. **Consultation with Legal Counsel.** Retiree is advised to consult an attorney before executing this Agreement.

5. **Irrevocable Election.** Retiree understands and agrees that this election is irrevocable and that by signing and making the Paragraph B.2 election above, Retiree will receive the fixed monthly benefit described in Chapter 3.09 and will not have any right to receive Tier 1 or Tier 2 benefits pursuant to the applicable MOU.

6. **Voluntary Election.** Retiree represents that Retiree has entered into this Agreement voluntarily and of Retiree's own free will without coercion, threat of adverse consequences, or any representations except as set forth herein. Retiree understands that Retiree has the right to consult an attorney prior to signing this Agreement, and acknowledges Retiree's signature below signifies that Retiree has fully reviewed and understands all of the terms of this Agreement and that Retiree agrees to those terms.

7. **Severability.** If any of the provisions contained in this document are for any reason held invalid or unenforceable, such holding shall not affect the remaining provisions or the validity and enforceability of the document as a whole.

8. **Execution of Agreement.** Retiree acknowledges this Agreement by signing below. City acknowledges that its assent shall be indicated, without signature, upon receipt of this Agreement and payment of benefits in accordance with the election herein by Retiree.

Based on these recitals, and as indicated by my signature below, I, _____ (Retiree), voluntarily and knowingly make the election indicated by the box marked above in Paragraph B:

Retiree Signature

Date