

ATTACHMENT – IAFF Medical Expense Reimbursement Plan Terms

MEDICAL INSURANCE - RETIRED EMPLOYEES

A. Retiree Health Savings Plan (RHSP) (All Managers)

1. Purpose

- a. The Retiree Health Savings Plan (RHSP) enables retiring unit employees the opportunity to convert unused accumulated sick leave hours to pre-tax monies to be used for the retirees' medical insurance costs during their retirement.
- b. Retiring unit employees may also participate in the PERS Sick Leave Credit program for unused sick leave, as set forth in Govt. Code 20965. Said retiring employees who choose the option of converting unused sick leave to service credit may not receive double credit for the same allotment of unused sick leave hours at retirement.

For Example:

If a unit employee has 2,000 hours upon retirement, he or she may choose any one of these three options:

1. Convert up to 2,000 hours to the RHSP program (for sworn fire the MERP or RHSP, at the employee's option);
 2. Convert up to 2,000 hours to the PERS Sick Leave Credit program; or
 3. A combination of the above two options with the understanding that hours may only be used once.
- c. Upon implementation of the Retiree Medical Trust set forth in Section C, below, the City shall instead of the RHSP program, contribute accumulated sick leave to Sworn Fire Managers Retiree Medical Trust account for employees electing this option.

2. Eligibility Limitations

- a. Managers who retire from the City of Glendale (regardless of length of service) or terminate employment after fifteen (15) years or more of service shall be eligible to participate in the Retiree Health Savings Plan (RHSP) and have their sick leave hour conversion amounts deposited into said RHSP account.
 - i. Sworn Fire Managers who retire from the City of Glendale (regardless of length of service) or terminate employment after fifteen (15) years or more of service shall be eligible to participate in the RHSP and/or Retiree Medical Trust.

- b. Managers must have their unused accumulated vacation leave paid at the current base rate of pay to the employee's RHSP account upon retirement subject to IRS regulations. Any accumulated compensatory leave shall be paid at the current hourly regular rate of pay including extra pays to the employee's RHSP account upon retirement subject to IRS regulations.
 - i. Sworn Fire Managers who retire from the City of Glendale or terminate employment after fifteen (15) years or more of service must have their unused accumulated vacation leave paid at the current hourly base rate of pay to the employee's Retiree Medical Trust account (or RHSP if specifically elected by the employee) upon retirement or separation subject to procedures that comply with IRS regulations. Any accumulated compensatory leave shall be paid at the current hourly regular rate of pay including extra pays to the employee's RHSP account upon retirement subject to IRS regulations.
- c. Active Managers must transfer unused accumulated compensatory time in excess of the limit set forth in this agreement at the current regular rate of pay, including extra pays that are normally subject to overtime, to the employee's RHSP account, subject to IRS regulations. The transfer will be made the pay period following the pay period in which accrual exceeds the maximum hours, per this agreement.
- d. The employee is responsible for paying any post retirement RHSP service fees and holds the City harmless for any taxes incurred from their utilization of the RHSP or Retiree Medical Trust.

3. Sick Leave Conversion Rate

(Sworn Police)

Retiring City employees (regardless of the years of service) and employees who separate for any reason and who have 15 or more years of City service, may have each eligible hour of accrued unused sick leave hours converted at the rate of thirty-three dollars (\$33.00) per hour, which will be placed in each employee's individual Retired Health Savings Plan (RHSP) effective the employee's official date of retirement. Employees who separate from the City for reasons other than retirement prior to fifteen years of service are not eligible for this benefit.

(Sworn Fire Managers)

Retiring City employees (with less than 15 years of service) and employees who separate for any reason and who have 15 or more years of City service, shall have each eligible hour of accrued unused sick leave converted at the rate of thirty-three dollars (\$33.00) per hour, which will be paid to the employee's individual Retiree Medical Trust (or Retiree Health Saving Plan (RHSP) if specifically elected by the employee) effective upon the employee's official date of retirement or separation. Employees who retire from the City with 15-19 years of service, shall receive seventy-five percent (75%) of their regular hourly rate of pay, but not less

than \$33.00 per hour; Employees who retire from the City with 20 or more years of service shall receive one hundred percent (100%) of their hourly rate of pay, but not less than \$33.00 per hour.

The regular hourly rate of pay for Sworn Fire Managers shall be based upon the assignment (40 or 56-hour) at the time of the employee's official date of retirement.

(General Managers)

Retiring City employees (regardless of the years of service) and employees who separate for any reason and who have 15 or more years of City service, may have each eligible hour of accrued unused sick leave hours converted at the rate of thirty-three dollars (\$33.00) per hour, which will be placed in each employee's individual Retired Health Savings Plan (RHSP) effective the employee's official date of retirement. **Employees who retire from the City with 15-19 years of service**, shall receive seventy-five percent (75%) of their regular hourly rate of pay, but not less than \$33.00 per hour; **Employees who retire from the City with 20 or more years of service** shall receive one hundred percent (100%) of their hourly rate of pay, but not less than \$33.00 per hour.

4. Future Increases in Sick Leave Conversion Rate

The City shall pay a sick leave conversion rate equal to three dollars (\$3.00) per hour more than the highest retiree hourly conversion rate paid to any other recognized employee organization.

5. All RHSP Exhausted – May Choose to Personally Maintain Medical Plan

When all RHSP funds have been exhausted, retired eligible employees may elect to pay personally the full monthly medical premium to continue on the City's medical plan or terminate the medical plan coverage.

B. RHSP Seniority Contributions (General Managers)

At the commencement of their fifth (5th) year of full time salaried service with the City of Glendale, the City shall contribute to all General Managers' RHSP account. The City contribution shall be one-hundred fifty dollars (\$150) per month. Effective with the pay period which includes July 1, 2025, the City contribution shall increase by fifty dollars (\$50) for a total contribution of two hundred dollars (\$200) per month. Effective with the pay period which includes July 1, 2026, the City contribution shall increase by fifty dollars (\$50) for a total contribution of two hundred fifty dollars (\$250) per month.

C. RHSP and Retiree Medical Trust Contributions – (Sworn Fire Managers)

At the commencement of their fifth (5th) year of full time salaried service with the City of Glendale, the City shall contribute to all sworn Fire Managers in the classifications of Assistant Fire Chief, Deputy Fire Chief, and Fire Battalion Chief, the following amounts

toward their RHSP account on a pre-tax basis, or as required by law and/or IRS regulations:

- a. 56-Hour Schedule: three-hundred fifty dollars (\$350) per month
- b. 40-Hour Schedule: four-hundred fifty dollars (\$450) per month

Upon implementation of the Retiree Medical Trust set forth herein, the City shall contribute \$75/month to each unit employee's Retiree Medical Trust account, with the balance continuing to be contributed to each unit employee's RHSP account (\$275 per month for 56-Hour Schedule, and \$375 per month for 40-Hour Schedule).

1. City Acknowledgment. The City acknowledges that, pursuant to a majority vote of the Sworn Fire Management Association membership, the Sworn Fire Managers of the Association have entered into an agreement with the IAFF Medical Expense Reimbursement Plan of the Washington State Council of Fire Fighters Employee Benefit Trust (hereafter, the "Trust"). The Trust, which qualifies as a "voluntary employees' beneficiary association" within the meaning of Internal Revenue Code Section 501(c)(9). The Trust will provide for the reimbursement of post-retirement medical expenses incurred by City retirees who were covered by this Agreement.
2. Association Acknowledgment. The Association acknowledges that:
 - a. The City is not a party to the Trust.
 - b. The City is not subject to the terms of the Trust or any employee welfare benefit plan or other arrangement funded by the Trust, and has no responsibility or authority whatsoever for providing or overseeing any benefits offered under any such plan or arrangement.
 - c. The preceding City acknowledgements will continue to apply on and after the City's adoption of this agreement.
 - d. The City's sole obligation under this Article IV, Section C of the agreement is to make contributions to the Trust in accordance with the terms specified herein. No person will have any vested right to continue receiving such contributions after the expiration of this agreement.
3. Defined Class of Employees Receiving Contributions. Employees receiving contributions to the Trust consist of all employees of the City represented by the Sworn Fire Management Association ("Defined Class").
4. Employee Contribution Amount. The City and the Association agree that the City shall withhold a mandatory contribution in the amount of \$150/month over twenty-six pay periods per year.

Employee contributions shall be on a pre-tax basis from the pay of every employee of the Defined Class and the City shall transmit such contributions to the Trust pursuant to the requirements of section 6 below. No Employee shall be permitted to opt-out of the mandatory contributions or receive any portion of the contribution in cash.

5. Employer Contribution Amount. For every employee in the Defined Class, upon implementation of the Retiree Medical Trust set forth herein, the City shall contribute \$75/month to each unit employee's Retiree Medical Trust account on a pre-tax basis, with the balance continuing to be contributed to each unit employee's RHSP account (\$275 per month for 56-Hour Schedule, and \$375 per month for 40-Hour Schedule). No Employee will be permitted to opt-out of the mandatory employer contribution or receive any portion of the contributions in cash or other form.
6. Remittance of Contributions. The City shall remit all contributions to the Trust in one aggregate payment, either per pay period or per calendar month at the City's discretion. The contributions will be transmitted, via ACH transfer or wire, directly to the custodian of the Trust within 30 days after the last day of the calendar month that the contributions relate to.

The City hereby acknowledges receipt of the Trust Agreement governing the Trust and will follow the Trust Office's guidelines for reporting and depositing the required contributions set forth herein.

7. Reporting to the Trust Office. The City shall electronically submit to the Trust Office a report of contributing employees for each contribution sent to the Trust, in the format requested by the Trust, and received by the Trust Office within five (5) days of receipt of the contribution funds.

The City shall also provide an initial report of identifying information (i.e., name, address, date of hire, DOB, SSN, etc.) for all contributing employees, as reasonably requested by the Trust; and shall send updates to this information to the Trust Office whenever the City has notice of changes to the information.

8. Limitations. The City is not a party to the Trust and shall not incur or be liable for any fees associated with the Trust. The City will only administer and report contributions toward a qualifying employee benefit plan under the Internal Revenue Code. The City may cease payroll deductions toward the Trust if the City incurs a fee, anticipates incurring a fee, or believes the payroll deductions will expose the City to legal claims or liabilities; provided however, that the City shall provide advance notice to the Association of its intent to cease contributions and allow the Association a reasonable opportunity to discuss and/or absorb any costs to the City. Responsibility for the maintenance and investment of the Trust funds rests solely with the Trust's Board of Trustees.

