

Summary of Agreement Between SJREA and City San Jose

Sec. 1:
Definitions of Retiree, Qualified Beneficiaries, and Surviving Spouses/Domestic Partners

Sec. 2:
Restores the COLA to its status prior to the passage of Measure B, including annual increase of 3% a year.

Sec. 3:
SRBR replaced by the Guaranteed Purchasing Power program. Once a year the City will calculate if the benefit level falls below 75% of the CPI and make a supplemental payment to Retirees whose benefit has fallen below the 75% floor.

Sec. 4:
Health Benefit:

a) Lowest cost plan (LCP) will continue to be the current Kaiser DHMO 1500 deductible plan and shall be permanently. If such a plan is no longer offered by Kaiser or the lowest cost plan provider, then a substitute plan shall qualify as a "Silver" plan as specified by the ACA in effect in July, 2015.

b) The City shall continue to use best efforts to procure additional health plan providers and will consider a change to the Municipal Code to allow proposals from providers not offering non-Medicare plans to City employees.

c (i) The City and SJREA will enter into discussions to develop a health care portability program (HCPP) which would permit Retirees to access up to the LCP premium towards a private plan if a City negotiated non-LCP plan exceeds an agreed upon amount.

c (ii) Retirees can choose to receive a 25% credit of the monthly premium of the LCP in lieu of receiving health care coverage from a City sponsored plan.

d) Cost reimbursement for lower pension pre-Medicare Retirees shall be made to each Retiree whose benefit is less than \$54,000 annually. The total cost to the City shall not exceed. \$1.25M.

Sec. 5:
This agreement does not include any claims related to IRS Code Sec. 415(b).

Sec. 6:
Litigation arising against SJREA challenging this agreement may be defended by the Office of the City Attorney.

Sec. 7:
The City will reimburse SJREA in the amount of \$500,000 for attorney's fees.

Sec. 8:
SJREA and the City withdraw their appeals of the Measure B lawsuit.

Sec.9 & 10:
SJREA releases the City from future legal challenges related to Measure B."

Sec.11-19:
Statement of legal Stipulations (perhaps it is unnecessary to include this final part?)