

11.2.1 Health Coverage

The City will remain in the medical coverage program offered by the Public Employees' Retirement System of the State of California (CalPERS). Each employee may choose any one of the plans offered by CalPERS.

11.2.2 Dental Coverage

Dental coverage will be provided as an option through the Section 125 Cafeteria Plan.

- a. Active coverage. The parties agree that issues such as administration of benefits, eligibility, and level of benefits are a matter of coverage between the insured and the carrier and are not subject to the dispute resolution machinery of the Grievance Procedure.
- b. Policies and benefits therein are subject to change by the carrier, by the marketplace, by CalPERS Regulations, or other intervening regulations or laws. In the event of such change, the City shall not be required to maintain any benefit or benefit level other than that contained in mutually agreed to carrier policies.

11.2.3 Vision Coverage

Vision coverage will be provided as an option through the Section 125 Cafeteria Plan.

11.2.4 Flexible Benefits Program

The City will continue to offer, as long as lawfully permitted, a Flexible Benefits Program during the term of this agreement per applicable IRS statutes to provide employees the greatest possible tax benefit.

Included in the Flexible Benefits Program are reimbursement accounts for medical, dental, and vision plan deductibles and co-payments; and other health care expenses not covered by existing medical, dental, and vision coverage. An additional element of the program includes reimbursement of child/dependent care.

11.2.5 Life Insurance Coverage

The first day of the month following the date of hire a regular employee, upon proper application and acceptance by the insurance carrier, employees shall be covered under a group life insurance plan for the amount of \$50,000.

Voluntary Life Insurance will be available to regular employees (outside the City's Section 125 Cafeteria Plan) at no cost to the City.

11.2.6 Cafeteria Contribution Amounts

Employees will receive the PEMCHA minimum defined as the statutory medical insurance contribution under Government Code Section 22892 (\$143 for 2021). The City will contribute an additional allowance towards the employee's monthly cafeteria allotment for the employee and their dependents.

- Effective July 1, 2020, the medical contribution will be \$1,350 per month.
- Effective January 1, 2022, the cafeteria contribution will be \$1,500 per month, less the PEMCHA minimum.

- Effective January 1, 2023, the cafeteria contribution will be \$1,600 per month, less the PEMCHA minimum.
- Effective January 1, 2024, the cafeteria contribution will be \$1,700 per month, less the PEMCHA minimum.
- Effective January 1, 2025, the cafeteria contribution will be \$1,800 per month, less the PEMCHA minimum.
- Effective January 1, 2026, the cafeteria contribution will be \$1,900 per month, less the PEMCHA minimum.

Any employee eligible for Medicare coverage shall designate Medicare as his/her primary insurance coverage.

If an employee elects not to participate in the City's health and cafeteria program, and upon meeting the Eligible Opt-Out Arrangement requirements below, the City will provide \$350 per month cash-back to the employee.

Pursuant to the Affordable Care Act (ACA) Employer Mandate "affordability" determination, an Eligible Opt-Out Arrangement requires the following for employees who opt-out of employer-provided health coverage and receive cash in lieu:

- A. Employee must provide reasonable evidence that the employee and each member of the employee's expected tax family (individuals the employee expects to claim personal exemption deduction) have or will have minimum essential coverage (other than coverage in the individual market, whether or not obtained through Covered California) during the period of coverage to which the opt-out arrangement applies;
- B. The opt-out payment may not be made if the employer knows or has reason to know that the employee or any other member of the employee's expected tax family does not have or will not have the alternative coverage;
- C. The evidence of alternative coverage must be provided every plan year to which the eligible opt-out arrangement applies; and
- D. The reasonable evidence will be an attestation signed by the employee, attesting to the above, and must be provided no earlier than a reasonable period of time before each plan year begins.

11.3 RETIREMENT

The City has established a multi-tiered retirement benefit.

The City shall pay the appropriate employer's contribution toward retirement benefits per the provisions of the contract between the City of Lake Elsinore and the Public Employee's Retirement System.

The City is recognized by the Social Security Administration as an eligible employer and as such the City and its employees must make appropriate contributions as determined by the Social Security Administration.

a) Tier 1

The City's first-tier PERS retirement formula of 2.5% @ age 55 applies to employees hired before July 1, 2011. The retirement formula provided by CalPERS is calculated at the single highest year of final compensation.