

(O-2001-169) (CORRECTED COPY)  
(06/13/01)

ORDINANCE NUMBER O- 18962 (NEW SERIES)

ADOPTED ON JUL 23 2001

**AN ORDINANCE AMENDING CHAPTER II, ARTICLE 4,  
DIVISION 12, OF THE SAN DIEGO MUNICIPAL CODE BY  
AMENDING SECTION 24.1202, RELATING TO THE  
RETIREMENT SYSTEM**

WHEREAS, under Division 12 of the Municipal Code, the City provides two separate Post Retirement Health Benefits, one to Health Eligible Retirees and one to Non Health Eligible Retirees; and

WHEREAS, Post Retirement Health Benefits are paid pursuant to the payment provisions contained in Municipal Code section 24.1204; and

WHEREAS, Non Health Eligible Retirees are currently reimbursed for the cost of their health insurance expenses up to \$600 per fiscal year; and

WHEREAS, the City Manager and the City's employee organizations have agreed to increase the reimbursement level for Non Health Eligible Retirees to \$1,200 per year beginning in fiscal year 2002; and

WHEREAS, with two exceptions, Health Eligible Retirees are currently reimbursed for the cost of their health insurance premiums up to the level of the highest cost Non-Medicare Eligible or Medicare Eligible City-sponsored Health Maintenance Organization ("HMO") plan for retirees; and

WHEREAS, Health Eligible Retirees continuously enrolled in a Preferred Provider Organization ("PPO") plan since January 1, 1997, are currently reimbursed up to the level of the highest cost Non-Medicare Eligible or Medicare Eligible City-sponsored PPO plan for retirees; and

WHEREAS, Health Eligible Retirees who live outside the service area of the City-sponsored retiree HMO are currently reimbursed up to the level of the highest cost Non-Medicare Eligible or Medicare Eligible City-sponsored PPO plan for retirees; and

WHEREAS, the current reimbursement levels do not allow Health Eligible Retirees enrolled in the retiree health plan sponsored by the Police Officers' Association ("POA") to be reimbursed for the full cost of their premiums; and

WHEREAS, the current reimbursement levels also do not allow Health Eligible Retirees enrolled in the retiree health plan sponsored by the Fireman's Relief Association ("FRA") to be reimbursed for the full cost of their premiums; and

WHEREAS, the City Manager and the City's employee organizations have agreed that for fiscal years 2001 and 2002 only, Health Eligible Retirees enrolled in the POA-sponsored health plan for retirees will be reimbursed up to the Medicare or Non-Medicare eligible retiree-only premium for those plans; and

WHEREAS, the City Manager and the City's employee organizations have also agreed that for fiscal years 2001 and 2002 only, Health Eligible Retirees enrolled in the FRA-sponsored health plan for retirees will be reimbursed up to the Medicare or Non-Medicare eligible retiree-only premium for those plans; and

WHEREAS, it is now necessary and appropriate to amend section 24.1202 of the Municipal Code to reflect the terms of the agreement between the City Manager and the City's employee organizations; and

WHEREAS, the ordinance was prepared by the Retirement Board's Assistant General Counsel and provided to the City Attorney to review and finalize; and

WHEREAS, a vote of retirement system members is not required because the proposed amendment will not affect the benefits of any employee or the vested defined benefits of any retiree under the retirement system; and

WHEREAS, the City Manager, after consulting with the Retirement Administrator, recommends the City Council approve the amendment contained in this ordinance; NOW THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That Chapter II, Article 4, Division 12 of the San Diego Municipal Code be amended by amending Section 24.1202 to read as follows:

**SEC. 24.1202 Post Retirement Health Benefits Defined**

- (a) Beginning in fiscal year 2002, each Non Health Eligible Retiree will be paid or reimbursed up to \$1,200 per year for health insurance expenses.
- (b) Health Eligible Retirees are entitled to participate in and obtain health coverage under any currently available City-sponsored health insurance plan or any other health insurance plan of their choice. The Health Eligible Retirees will be paid or reimbursed their premiums subject to the limitations set forth in this Division.
- (c) Regardless of which health insurance plan the Health Eligible Retiree selects, the Health Eligible Retiree will be paid or reimbursed for health insurance premiums as follows:
  - (I) For a Health Eligible Retiree who was enrolled in a Preferred

Provider Organization (PPO) on January 1, 1997, and who has remained continuously enrolled in that PPO since that time, payment or reimbursement will be up to the cost of the Medicare eligible or Non-Medicare eligible retiree-only premium for the City-sponsored PPO plan available to Health Eligible Retirees.

- (2) For a Health Eligible Retiree whose primary residence is outside the service area of the City-sponsored Health Maintenance Organization (HMO) plans available to retirees, payment or reimbursement will be up to the cost of the Medicare eligible or Non-Medicare eligible retiree-only premium for the City-sponsored PPO plan available to Health Eligible Retirees.
- (3) For all other Health Eligible Retirees, payment or reimbursement will be up to the cost of the Medicare eligible or Non-Medicare eligible retiree-only premium for the highest cost HMO plan sponsored by the City.
- (d) For fiscal years 2001 and 2002 only, a Health Eligible Retiree enrolled in the health plan sponsored by the Police Officers' Association (POA) will not be subject to the limits set forth in subparagraph (c) of this section. Instead, payment or reimbursement will be up to the cost of the Medicare eligible or Non-Medicare eligible retiree-only premium

for the POA-sponsored plan.

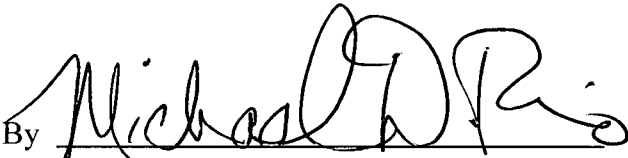
- (e) For fiscal years 2001 and 2002 only, a Health Eligible Retiree enrolled in the health plan sponsored by the Fireman's Relief Association (FRA) will not be subject to the limits set forth in subparagraph (c) of this section. Instead, payment or reimbursement will be up to the cost of the Medicare eligible or Non-Medicare eligible retiree-only premium for the FRA-sponsored plan.
- (f) A Health Eligible Retiree will not be paid or reimbursed any more than the actual premium cost he or she incurs.
- (g) A Health Eligible Retiree timely enrolled in Medicare is also entitled to reimbursement of the cost of the part B supplemental medical expense premium.
- (h) Effective December 31, 1998, the surviving spouse of a City employee Member killed in the line of duty, as described in Section 24.1201 subsection (c), is entitled to post retirement health benefits as a Health Eligible Retiree, in the amount of the annual Flexible Benefits Allotment, for the payment of health premiums only, as defined in the Annual Salary Ordinance adopted by the City Council. The deceased employee's minor dependent children will be covered by the surviving spouse's insurance. If there is no surviving spouse, the minor dependent children will receive health insurance coverage until each reaches the age of 21. The surviving spouse may not use the benefits

provided by this section to pay for health insurance for anyone who  
was not a dependent of the deceased employee.

Section 2. A full reading of this ordinance before its final passage is dispensed with, as a  
written or printed copy was available to the City Council and the public a day before its final  
passage.

Section 3. This Ordinance will take effect and be in force on the thirtieth day from and after  
its passage.

APPROVED: CASEY GWINN, City Attorney

By   
Michael D. Rivo  
Deputy City Attorney

MDR:RSP:ms  
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Or.Dept: Manager  
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