

RESOLUTION NUMBER R- 300439

ADOPTED ON MAY 17 2005

WHEREAS, pursuant to Ordinance No. O- 19384 (NEW SERIES), adopted on MAY 31 2005

_____, the City Council of The City of San Diego formally adopted a Salary Ordinance for Fiscal Year 2006; and

WHEREAS, section 16 of that ordinance provides that additional benefit programs may be established upon recommendation of the City Manager; and

WHEREAS, the City Manager has recommended and the City Council has approved a Cafeteria Benefits Plan for designated eligible unrepresented classifications as enumerated in the Table of Eligible Classes, attached hereto as Attachment A; and

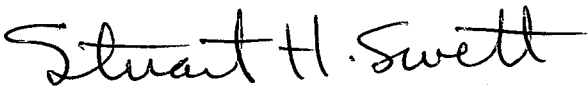
WHEREAS, the City Manager has further recommended and the City Council has approved a Cafeteria Benefits Plan for all half-time, three-quarter-time or full-time benefit status employees; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that pursuant to section 16 of the Annual Salary Ordinance No. O- 19384 (NEW SERIES), and upon the recommendation of the City Manager, there is hereby established and adopted a Cafeteria Benefits Plan for all designated eligible employees for Fiscal Year 2006, attached hereto as Attachment B, providing therein dollar sums certain for each eligible employee, to be allocated to benefits as are designated in the Plan.

BE IT FURTHER RESOLVED, that the City Manager is authorized to execute agreements with the appropriate organizations providing the benefits designated in the Plan.

BE IT FURTHER RESOLVED, that the funds appropriated for this Plan shall be as set forth in the annual appropriation ordinance.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 

Stuart H. Swett
Senior Deputy City Attorney

SHS:jab
05/12/2005
Or.Dept:Mgr./Pers.
R-2005-1159

UNCLASSIFIED OR UNREPRESENTED JULY 1, 2005
CLASSIFICATIONS ELIGIBLE FOR ADDITIONAL \$3000 ALLOTMENT TO
PURCHASE FLEXIBLE BENEFITS

CLASS NO.

1183	ACCOUNTANT IV
1182	ADMINISTRATIVE SERVICES MANAGER
1240	APPLICATIONS PROGRAMMER I
1241	APPLICATIONS PROGRAMMER II
1242	APPLICATIONS PROGRAMMER III
1253	ARJIS ADMINISTRATOR
2259	ASSISTANT BINATIONAL AFFAIRS OFFICER
2106	ASSISTANT CITY ATTORNEY
2107	ASSISTANT CITY AUDITOR & COMPTROLLER
2108	ASSISTANT CITY CLERK
2110	ASSISTANT CITY LIBRARIAN
2111	ASSISTANT CITY MANAGER
2181	ASSISTANT DEPARTMENT DIRECTOR
2250	ASSISTANT DEPUTY DIRECTOR
2123	ASSISTANT ENVIRONMENTAL SERVICES DIRECTOR
2128	ASSISTANT EXECUTIVE SERVICES DIRECTOR
2115	ASSISTANT FINANCIAL MANAGEMENT DIRECTOR
2154	ASSISTANT FIRE CHIEF
2200	ASSISTANT FOR COMMUNITY OUTREACH
2283	ASSISTANT GOLF OPERATIONS MANAGER
2183	ASSISTANT GOVERNMENTAL RELATIONS DIRECTOR
2256	ASSISTANT INVESTMENT OFFICER
2276	ASSISTANT METROPOLITAN WASTEWATER DIRECTOR
1170	ASSISTANT PERSONNEL ANALYST
2113	ASSISTANT PERSONNEL DIRECTOR
2105	ASSISTANT DEVELOPMENT SERVICES DIRECTOR
2114	ASSISTANT PLANNING DIRECTOR
2238	ASSISTANT POLICE CHIEF
2116	ASSISTANT PURCHASING AGENT
2124	ASSISTANT REAL ESTATE ASSETS DIRECTOR
2119	ASSISTANT RETIREMENT ADMINISTRATOR
2196	ASSISTANT RETIREMENT GENERAL COUNSEL
2126	ASSISTANT RISK MANAGEMENT DIRECTOR
2245	ASSISTANT STADIUM MANAGER
2120	ASSISTANT TO MAYOR
2127	ASSISTANT TO THE CITY MANAGER
2278	ASSISTANT TO THE DEVELOPMENT SERVICES DIRECTOR
2281	ASSISTANT TO THE DIRECTOR
2117	ASSISTANT TO THE ENGINEERING AND CAPITAL PROJECTS DIR
2279	ASSISTANT TO THE ENVIRONMENTAL SERVICES DIRECTOR
2266	ASSISTANT TO THE EXECUTIVE DIRECTOR HUMAN RELATIONS COMMISSION
2236	ASSISTANT TO THE FIRE CHIEF


ATTACHMENT "A"

R- 300439

UNCLASSIFIED OR UNREPRESENTED JULY 1, 2005
CLASSIFICATIONS ELIGIBLE FOR ADDITIONAL \$3000 ALLOTMENT TO
PURCHASE FLEXIBLE BENEFITS

CLASS NO.

2150	ASSISTANT TO THE NEIGHBORHOOD CODE COMPLIANCE DIRECTOR
2125	ASSISTANT TO THE PARK & RECREATION DIRECTOR
2201	ASSISTANT TO THE PLANNING DIRECTOR
2264	ASSISTANT TO THE POLICE CHIEF
2122	ASSISTANT TO THE WATER DEPARTMENT DIRECTOR
2118	ASSISTANT TRANSPORTATION DIRECTOR
2121	ASSISTANT TREASURER
2224	ASSOCIATE COUNSEL
1226	ASSOCIATE PERSONNEL ANALYST
2258	BINATIONAL AFFAIRS OFFICER
1139	BUDGET SERVICES ADMINISTRATOR
2247	BUDGET SERVICES MANAGER
1278	BUILDING CODE AND NOISE ABATEMENT SUPERVISOR
2202	BUILDING INSPECTION SUPERVISOR
2112	BUSINESS CENTER MANAGER
2265	CENTRAL STORES PROGRAM MANAGER
2260	CHILD CARE COORDINATOR
2255	CITY ARCHITECT
2001	CITY ATTORNEY
2137	CITY AUDITOR & COMPTROLLER
2138	CITY CLERK
2140	CITY LIBRARIAN
2141	CITY MANAGER
2218	CITY PLANNER
1816	CLAIMS AND INSURANCE MANAGER
1344	COLLECTIONS MANAGER
2251	COMMITTEE CONSULTANTS SECRETARY
2203	COMMUNITY DEVELOPMENT ADMINISTRATOR
1350	COMMUNITY DEVELOPMENT COORDINATOR
1354	COMMUNITY DEVELOPMENT SPECIALIST IV
2205	CONFIDENTIAL SECRETARY TO CITY ATTORNEY
2206	CONFIDENTIAL SECRETARY TO CITY COUNCIL
2207	CONFIDENTIAL SECRETARY TO CITY MANAGER
2208	CONFIDENTIAL SECRETARY TO MAYOR
2209	CONFIDENTIAL SECRETARY TO POLICE CHIEF
2133	COUNCIL ASSISTANT
2210	COUNCIL COMMITTEE CONSULTANT
2003	COUNCILMEMBER
2211	COUNCIL REPRESENTATIVE I
2212 and 2213	COUNCIL REPRESENTATIVE II
2220	CRIME LABORATORY MANAGER

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UNCLASSIFIED OR UNREPRESENTED JULY 1, 2005
CLASSIFICATIONS ELIGIBLE FOR ADDITIONAL \$3000 ALLOTMENT TO
PURCHASE FLEXIBLE BENEFITS

CLASS NO.

2132	DEPARTMENT DIRECTOR
2151	DEPUTY CITY ATTORNEY
2153	DEPUTY CITY MANAGER
2214	DEPUTY DIRECTOR
2252	DEPUTY DIRECTOR, LEGISLATIVE SERVICES
2253	DEPUTY DIRECTOR, ELECTIONS AND RECORDS MANAGEMENT
2237	DEPUTY FIRE CHIEF
2219	DEPUTY LIBRARY DIRECTOR
2230	DEPUTY PERSONNEL DIRECTOR
2225	DEPUTY PLANNING DIRECTOR
2262	DISABILITY SERVICES COORDINATOR
1406	EMPLOYEE ASSISTANCE COUNSELOR
1429	EMPLOYEE ASSISTANCE PROGRAM MANAGER
1416	EMPLOYEE BENEFITS ADMINISTRATOR
1417	EMPLOYEE BENEFITS SPECIALIST I
1407	EMPLOYEE BENEFITS SPECIALIST II
2215	ENDOWMENT OFFICER
2147	ENGINEERING AND CAPITAL PROJECTS DIRECTOR
2192	ENVIRONMENTAL SERVICES DIRECTOR
2158	EQUAL EMPLOYMENT INVESTIGATIONS MANAGER
2261	EQUAL OPPORTUNITY CONTRACTING MANAGER
2155	EXECUTIVE ASSISTANT POLICE CHIEF
2268	EXECUTIVE DIRECTOR
2156	EXECUTIVE SERVICES DIRECTOR
2216	FACILITY MANAGER
1762	FLEET MANAGER
2130	FINANCIAL MANAGEMENT DIRECTOR
2217	FINANCIAL OPERATIONS MANAGER
2160	FIRE CHIEF
2239	FIRE SHIFT COMMANDER
2197	GENERAL COUNSEL
2273	GOLF COURSE OPERATIONS MANAGER
2277	GRAFFITI PROGRAM MANAGER
2257	GRANTS COORDINATOR
2272	HOMELESS SERVICES COORDINATOR
1151	INFORMATION SYSTEMS ANALYST I
1348	INFORMATION SYSTEMS ANALYST II
1349	INFORMATION SYSTEMS ANALYST III

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UNCLASSIFIED OR UNREPRESENTED JULY 1, 2005
CLASSIFICATIONS ELIGIBLE FOR ADDITIONAL \$3000 ALLOTMENT TO
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CLASS NO.

1926	INFORMATION SYSTEMS ANALYST IV
1243	INFORMATION SYSTEMS ADMINISTRATOR
1244	INFORMATION SYSTEMS MANAGER
2167	GOVERNMENTAL RELATIONS DIRECTOR
2241	INVESTMENT OFFICER
2269	LABOR RELATIONS MANAGER
2280	LIFEGUARD CHIEF
1757	LITERACY PROGRAM ADMINISTRATOR
2164	MANAGEMENT ASSISTANT TO THE CITY MANAGER
1587	MARINE SAFETY CAPTAIN
2007	MAYOR
2274	MEDICAL REVIEW OFFICER
2267	METROPOLITAN WASTEWATER DIRECTOR
2134	NEIGHBORHOOD CODE COMPLIANCE DIRECTOR
2275	NEIGHBORHOOD SERVICES COORDINATOR
2248	ORGANIZATION EFFECTIVENESS PROGRAM MANAGER
1613	ORGANIZATION EFFECTIVENESS SPECIALIST I
1614	ORGANIZATION EFFECTIVENESS SPECIALIST II
1612	ORGANIZATION EFFECTIVENESS SPECIALIST III
1615	ORGANIZATION EFFECTIVENESS SUPERVISOR
2244	PARAMEDIC COORDINATOR
2179	PARK & RECREATION DIRECTOR
2171	PERSONNEL DIRECTOR
2131	DEVELOPMENT SERVICES DIRECTOR
2172	PLANNING DIRECTOR
1680	POLICE CAPTAIN
2173	POLICE CHIEF
2240	POLICE COMMANDER
*1683	POLICE LIEUTENANT
2246	POLICE ADMINISTRATIVE SERVICES DIRECTOR
1698	POLICE PROPERTY AND RECORDS ADMINISTRATOR
1754	POLICE SPECIAL PROJECTS MANAGER
2228	PRINCIPAL ACCOUNTANT
2182	PRINCIPAL ASSISTANT TO CITY ATTORNEY
2174	PRINCIPAL ASSISTANT TO MAYOR

*(Represented by POA, but ineligible for overtime)

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CLASSIFICATIONS ELIGIBLE FOR ADDITIONAL \$3000 ALLOTMENT TO
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CLASS NO.

2234	PRINCIPAL PLANNER
2221	PRINT SHOP MANAGER
2282	PROGRAM COORDINATOR
2270	PROGRAM MANAGER
1769	PUBLIC ART PROGRAM ADMINISTRATOR
2176	PURCHASING AGENT
2162	QUALITY MANAGEMENT COORDINATOR
2177	REAL ESTATE ASSETS DIRECTOR
1556	RECYCLING PROGRAM MANAGER
2232	REGIONAL URBAN INFORMATION SYSTEM ADMINISTRATOR
1811	REHABILITATION COORDINATOR
2243	RESOURCE DEVELOPMENT OFFICER
2180	RETIREMENT ADMINISTRATOR
2195	RETIREMENT GENERAL COUNSEL
2271	REVENUE PROGRAMS MANAGER
2157	RISK MANAGEMENT DIRECTOR
2223	SENIOR COUNCIL COMMITTEE CONSULTANT
1650	SENIOR PERSONNEL ANALYST
1391	SUPERVISING CLAIMS REPRESENTATIVE
1923	SUPERVISING ECONOMIST
1917	SUPERVISING MANAGEMENT ANALYST
1927	SUPERVISING PERSONNEL ANALYST
1557	SUPERVISING RECYCLING SPECIALIST
2159	TRANSPORTATION DIRECTOR
2190	TREASURER
2194	WATER DEPARTMENT DIRECTOR
2249	YOUTH SERVICES DIRECTOR
2226	ZONING ADMINISTRATOR

CITY OF SAN DIEGO
CAFETERIA BENEFITS PLAN

JULY, 2005

R - 300439

ATTACHMENT "B"

CITY OF SAN DIEGO

CAFETERIA BENEFITS PLAN

This is a "Cafeteria Plan" of benefits for City of San Diego employees and is intended to qualify under Section 125 of the Internal Revenue Code.

ELIGIBILITY FOR PARTICIPATION

This Plan is for the exclusive benefit of employees of the City of San Diego.

Eligible employees are defined as individuals who are:

1. Directly employed by the City of San Diego, and
2. Working in a half time, three quarter time or full time benefit status. Hourly employees are not eligible for this plan.

Eligible employees who go into a Leave Without Pay status or have less than 40 hours of paid status in a payperiod are in a non-benefited status. The City of San Diego does not pay for an employee's benefits if the employee does not work (or receive paid leave) for a minimum of 40 hours each pay period. The employee may choose to continue their health, life and certain optional benefits coverage at their own cost until they return to work, or receive the minimum amount of compensatory hours per pay period or for the designated length of time as determined by the City. If the premiums are not paid, the coverage will be short-term canceled. The coverage will be reinstated the first of the month after the employee returns to a benefited status, or the month after if premiums were not paid during the employee's non-benefited status.

PLAN YEAR

The Plan Year is from July 1 to June 30 of each year.

ELECTIONS

Elections of benefits must occur during the open enrollment period prior to the start of each Plan Year or, in the case of a newly hired employee, as soon after commencement of employment as administratively practical. Elections must be made using the telephone enrollment system unless other arrangements have been approved by Risk Management. In such cases, elections must be made in writing on forms/worksheets provided by the Risk Management Department. An authorization form must be signed by employees to allow for necessary deductions from their paychecks to provide the benefit coverage selected. In addition to the benefit election form (if applicable), the employee must also complete and sign all appropriate applications and enrollment forms for the specific benefits selected. If an employee fails to complete the election of benefits prior to the start of the

Plan Year, that employee will automatically be enrolled for the previous year benefits. If not available, Risk Management will enroll the employee in a comparable plan. Should there not be sufficient flexible benefits allotment to pay for the benefits a payroll deduction will be taken to fully fund the cost of the previous year's benefits. Should the cost be less than the flexible benefits allotment the remainder will be placed in the cash payment.

The elections are effective for the period of July 1 to June 30 of each year or, for employees hired after July 1 of a Plan Year, for the remainder of the Plan Year following the first of the month after enrollment. Benefits are prorated for employees hired after July 1 of each Plan Year with eligibility beginning the first day of the pay period following date of hire or classification change (in the event of newly eligible unrepresented/unclassified employees). Insurance coverage begins the first day of the month following date of hire. Benefits terminate at the time an employee terminates employment. Insurance coverage ends the last day of the month in which employment terminates.

Eligible employees who terminate and are reinstated or rehired within the same Plan Year will have their previous benefit elections reactivated. No new selections will be allowed until the new Plan Year commences.

Elections are irrevocable except to accommodate changes in family status as defined in the Income Tax Regulations, 26 CFR Part 1, or to accommodate any significant curtailment or reduction of coverage under any given benefit plan, or in the case of any significant premium increase or decrease imposed by a third-party insurer.

Participants who experience a change in family status may be allowed to change or revoke elections. Several examples of the types of events that constitute a change in family status are as follows:

- The marriage or divorce of the employee.
- The death of the employee's spouse or dependent.
- Birth or adoption of a child.
- Termination or commencement of employment by the employee's spouse.
- Unpaid leave of absence by the employee or the employee's spouse.

Changes are also permitted in the event of significant changes in health coverage of the employee or the employee's spouse that are related to the spouse's employment or are subject to the Special Enrollment Period as described in the Health Insurance and Portability and Accountability Act (HIPAA).

Changes to benefit elections will be permitted only to the extent that they are consistent with and appropriate to the reason the change is requested.



Changes to Dental/Medical/Vision Reimbursement allotments will not be allowed, even in the event of a qualifying event, if the monies have already been claimed for the plan year.

CONTRIBUTIONS

Employer contributions are a fixed amount provided by the City to each eligible employee on a non-elective basis.

Salary reduction agreements are provided for in this Plan for health insurance, including dental and vision, for the employee and/or dependents; cancer and/or intensive care coverage; and Dental/Medical/Vision Reimbursement and Dependent Care Reimbursement Supplement Flexible Spending Accounts.

In the event payroll deductions for reimbursement accounts are selected and subsequently stopped due to an eligible family status change, the reactivation of the account will not be permitted until the next plan year if elected during open enrollment.

MAXIMUM CONTRIBUTIONS

The City, in its discretion, shall allot each eligible employee \$5,575 worth of credits to purchase Flexible Benefits. Eligible unclassified or unrepresented employees receive an additional allotment of \$3,000 to purchase Flexible Benefits. This additional amount is prorated for non-fulltime unclassified or unrepresented employees. Eligible unclassified or unrepresented employees not participating in the City Employees Retirement System (CERS) receive an additional allotment equivalent to what the City would have contributed to CERS on their behalf.

Eligible employees may elect the cost of their health (including dental, vision, cancer/intensive care) insurance to be paid on a pre-tax (salary reduction) basis. In addition, an eligible employee may elect up to \$5,000 (from all sources) for a Dental/Medical/Vision Reimbursement Supplement account. Single or married (filing a joint return) eligible employees may also set aside up to \$5,000 per plan year for a Dependent Care Reimbursement Supplement Account. A married employee filing returns separately may set aside up to \$2,500 per plan year.

BENEFITS

All eligible employees participate in the Flexible Benefits Plan. Each employee **must select** one **health insurance** plan, unless covered by another health insurance effective 8/1, and one of three available **life insurance** policies.

The options in this plan are as follows:

1. Health Insurance

- a. WAIVER (NO HEALTH)
- b. PACIFICARE HMO
- c. PACIFICARE \$250 DEDUCTIBLE PPO
- d. KAISER
- e. POA GROUP HEALTH (1)
- f. LOCAL 145 HEALTH (2)
- g. MEA HEALTH (3)
- h. LOCAL 127 HEALTH (4)

NOTE:

- (1) For classifications represented by POA only.
- (2) For classifications represented by Local 145 only.
- (3) For classifications represented by MEA and Unrepresented employees only.
- (4) For classifications represented by Local 127 and Unrepresented only.

2. Life Insurance

- a. \$10,000
- b. \$25,000
- c. \$50,000

Remaining money may be used for:

- 1. DEPENDENT HEALTH INSURANCE
- 2. CASH PAYMENT (TAXABLE)
- 3. 401(k)
- 4. DENTAL/MEDICAL/VISION REIMBURSEMENT
- 5. DEPENDENT/CHILD CARE (DAYCARE) REIMBURSEMENT
- 6. EMPLOYEE GROUP DENTAL
- 7. EMPLOYEE GROUP VISION
- 8. DENTAL: UNITED CONCORDIA DMO(1)
- 9. DENTAL: UNITED CONCORDIA DPO (1)
- 10. VISION: PACIFICARE (1)
- 11. CANCER/INTENSIVE CARE EXPENSE PROTECTION

NOTE: (1) Eligible employees in a classification represented by MEA are not eligible for the City's United Concordia Dental plans and PacificCare Vision plan. Employees in classifications represented by Local 127 and not currently enrolled in the City's dental plans are not eligible.

Each of these benefits is described in more detail in the Flexible Benefits Plan Summary for the Plan Year and in the respective plan documents or insurance contracts which are incorporated here by

reference.

CONSTRUCTION

If the plan contains contradictory provisions or if there appears to be a conflict between its provisions, the following rules apply:

- (a) The interpretation that favors the Plan as a tax-free plan over any interpretation that might render the Plan taxable.
- (b) Subject to paragraph (a), the rules established by the Supreme Court of California for the construction of like instruments will apply.

PLAN PARTICIPANTS' RIGHTS

As a participant in the plan, you are entitled to examine, without charge, at the Plan Administrator's office all plan documents including insurance contracts; obtain copies of all Plan Documents (at a reasonable cost) and other Plan information upon request to the Administrator.

PERMITTED USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION

The Plan Administrator may only use and disclose protected health information it receives from the Flexible Benefits Plan as permitted and/or required by, and consistent with the HIPAA Privacy regulations found at 45 CFR Part 164, Subpart A. This includes, but is not limited to, the right to use and disclose participant's protected health information in connection with payment, treatment and health care operations.

The Flexible Benefits Plan will disclose protected health information to the Plan Administrator only upon receipt of a certification by the City that the plan documents have been amended to incorporate all the required provisions as described below.

The Plan Administrator agrees to:

- Not use or further disclose the information other than as permitted or required by the plan documents or as required by law;
- Ensure that any agents, including a subcontractor, to whom it gives protected health information received from the Flexible Benefits Plan, agrees to the same restrictions and conditions that apply to the Plan Administrator with respect to such information;
- Not use or disclose the information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the City;

- Report to the Flexible Benefits Plan any use or disclosure of the information that is inconsistent with the uses or disclosures provided for of which the City or Plan Administrator becomes aware;
- Make available protected health information in accordance with individuals' rights to review their protected health information;
- Make available protected health information for amendment and incorporate any amendments to protected health information consistent with the HIPAA rules;
- Make available the information required to provide an accounting of disclosures in accordance with the HIPAA rules;
- Make its internal practices, books, and records relating to the use and disclosure of protected health information received from the Flexible Benefits Plan available to the Secretary of HHS for purposes of determining compliance by the Flexible Benefits Plan;
- If feasible, return or destroy all protected health information received from the Flexible Benefits Plan that the City or Plan Administrator still maintains in any form. The Plan Administrator will retain no copies of protected health information when no longer needed for the purpose for which disclosure was made. An exception may apply if such return or destruction is not feasible, but the Flexible Benefits Plan must limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

Separation of the Plan Administrator and the Flexible Benefits Plan

The Risk Management and Auditors under the control of the Plan Administrator shall be given access to protected health information:

The Plan Administrator shall restrict the access to and use of protected health information by such employees and other persons described above to the Plan administration functions that the Plan Administrator performs for the Flexible Benefits Plan, including payment and health care operations.

The Plan Administrator shall provide an effective mechanism for resolving any issues of noncompliance by such employees or persons. This includes notifying either Risk Management or the Privacy Officer, who have authority to resolve issues of noncompliance.

PLAN IS NOT AN EMPLOYMENT CONTRACT

This plan document is not a contract of employment. Neither the creation of the Plan nor any amendment to it gives any legal or equitable right to any person against the employer. Participation in the Plan does not give any member any right to continued employment.



PLAN ADMINISTRATOR

The Plan Administrator is the Director of the Risk Management Department or his designees. The address of the Plan Administrator is:

1200 Third Avenue, Suite 1000
San Diego, CA 92101
Telephone: (619) 236-5924

PLAN AMENDMENT OR TERMINATION

The City of San Diego reserves the right to amend the Plan from time to time if deemed necessary or appropriate to meet the requirements of the Internal Revenue Code and any similar provision of subsequent revenue or other laws or pursuant to negotiations with the Employee Groups; provided that no such modification or amendment shall make it possible for any benefit contributions or payment to be used for, or directed to, purposes other than for the exclusive benefit of participating employees and their beneficiaries under the Plan.

The City reserves the right to discontinue or terminate the Plan at the end of any Plan Year or in accordance with negotiations with the Employee Groups. Any such amendment, discontinuance or termination shall be effective on July 1 of any given year or such date that is agreed upon by the City and Employee Groups. No amendment, discontinuance or termination shall allow the return of funds to the City nor the use of any funds for any purpose other than for the exclusive benefit of participating employees and their beneficiaries.