

Article 4: City Employees' Retirement System

Division 12: Retiree Health Benefits for Employees Who Retire Before April 1, 2012

(“Health Insurance” added 5-26-1992 by O-17770 N.S.)

(Retitled to “Retiree Health Benefit” 2-25-1997 by O-18383 N.S.)

(Retitled to “Post Retirement Health Benefits” 3-3-1997 by O-18392 N.S.)

(Retitled to “Retiree Health Benefits” 11-18-2002 by O-19121 N.S.)

(Retitled to “Retiree Health Benefits for Employees Who Retire Before April 1, 2012” and amended 10-18-2011 by O-20105 N.S.)

§24.1201 Eligibility for *Health Eligible Retiree* Benefit

- (a) This Division describes the retiree health benefits for eligible *General Members* and *Safety Members* who retire before April 1, 2012, and eligible *Elected Officers*. This Division does not apply to *General Members* or *Safety Members* who retire on or after April 1, 2012, including Members who retire out of DROP on or after April 1, 2012. Post-employment health benefits for *General Members* and *Safety Members* who retire on or after April 1, 2012, including Members who retire out of DROP on or after April 1, 2012, are set forth in Chapter 2, Article 9, Division 1 of this Code.
- (b) A *Health Eligible Retiree* benefit is available to any *General Member*, *Safety Member*, or *Elected Officer* who:
 - (1) was on the active City payroll on or after October 5, 1980;
 - (2) was hired by the City before July 1, 2005;
 - (3) retires after October 5, 1980;
 - (4) is eligible for and is receiving a retirement allowance from the *Retirement System*; and
 - (5) if the *Member* is a *General Member* or *Safety Member*, retires before April 1, 2012.

- (c) *General Members and Safety Members* who retire with a service retirement on or after July 1, 2009, but before April 1, 2012, must have at least ten years of *Creditable Service* to be eligible for the *Health Eligible Retiree* benefit, and are subject to the following limitations:
- (1) If the *Member* has ten years of *Creditable Service* at retirement, the *Member* is eligible for fifty percent of the health insurance premium, as described and limited in section 24.1202.
 - (2) If the *Member* has twenty years of *Creditable Service*, the *Member* is eligible for one hundred percent of the health insurance premium, as described and limited in section 24.1202.
 - (3) If the *Member* has between ten and twenty years of *Creditable Service*, the percentage of the health insurance premium that the *Member* is entitled to increases by five percent for each year of *Creditable Service* beyond ten years until the benefit reaches one hundred percent at twenty years of *Creditable Service*.
 - (4) For *General Members* and *Safety Members* who are not represented by any of the City's recognized employee organizations, *Creditable Service* for purposes of these limitations on the *Health Eligible Retiree* benefit includes all actual years employed by the City, and *Creditable Service* purchased by a *Member* for periods of leave during employment including family or medical leave, temporary disability leave, or military leave, but does not include any years of *Creditable Service* purchased pursuant to section 24.1312, which authorizes eligible *Members* to purchase up to five years of *Creditable Service* unrelated to City employment.
- (d) The limitations set forth above in subsection (c) do not apply to *Members* who are granted a nonindustrial or industrial disability retirement. These *Members* are entitled to one hundred percent of the health insurance premium, as described and limited in section 24.1202.

(Amended 11-18-2002 by O-19121 N.S.)

(Retitled from "Eligible Retirees" to "Designation of Benefit Classes and Eligibility" and amended 6-25-2009 by O-19874 N.S.; effective 7-25-2009.)

(Amended 1-5-2010 by O-19921 N.S.; effective 2-21-2010.)

(Retitled to "Eligibility for Health Eligible Retiree Benefit and amended 10-18-2011 by O-20105 N.S.; effective 11-17-2011.)

(Amended 11-27-2012 by O-20226 N.S.; effective 12-27-2012.)

§24.1202 *Health Eligible Retiree Benefit Defined*

- (a) *Health Eligible Retirees* are entitled to obtain health coverage under any available City-sponsored health insurance plan or any other health insurance plan of their choice, and will be paid or reimbursed their premiums subject to the limitations set forth in this Division.
- (b) Benefit Amounts.
- (1) For Fiscal Year 2003, a *Health Eligible Retiree* will be paid or reimbursed for health insurance premiums up to the cost of the Medicare-eligible or non-Medicare-eligible retiree premium for the City-sponsored Preferred Provider Organization (PPO) plan available to *Health Eligible Retirees*, regardless of which health insurance plan the *Health Eligible Retiree* selects.
- (2) After Fiscal Year 2003, the maximum payment or reimbursement level for *Health Eligible Retirees* will be adjusted annually based upon the projected increase for National Health Expenditures by the Centers for Medicare and Medicaid Services, Office of the Actuary, for the full-year period ending January 1 before each plan year. No adjustment may exceed ten percent for any plan year.
- The City will notify the *Retirement System* in writing of the amount of the adjustment at least sixty days before the beginning of each plan year.
- (3) A *Health Eligible Retiree* will not be paid or reimbursed any more than the actual premium cost he or she incurs.
- (4) A *Health Eligible Retiree* timely enrolled in Medicare is also entitled to reimbursement of the cost of the Part B Supplemental Medical Expense Premium.

- (5) Notwithstanding the provisions of section 24.1202(b)(2), effective July 1, 2011, the maximum payment or reimbursement level for *Health Eligible Retirees*, who retire on or after July 1, 2009 but before July 1, 2011, is established at the Fiscal Year 2009 level of \$740.27 per month for *Health Eligible Retirees* before they are eligible for Medicare and \$697.16 per month once they become eligible for Medicare, for the following *Members*: (i) *General Members* represented by the San Diego Municipal Employees' Association or the Deputy City Attorneys Association; (ii) *Safety Members* represented by the San Diego City Firefighters, International Association of Firefighters, Local 145, or California Teamsters, Local 911; and (iii) unclassified and classified *General* and *Safety Members* unrepresented by any of the City's recognized employee organizations. The annual adjustment described in section 24.1202(b)(2), which was suspended for the two-year period from July 1, 2009 through June 30, 2011, will resume on July 1, 2011, for *Members* under this subsection who retire before July 1, 2011; however, there will be no retroactive adjustment for the two-year period in which the annual adjustment was suspended. For Fiscal Year 2012, the maximum payment or reimbursement level is \$771.36 per month for *Members* under this subsection before they are eligible for Medicare and \$726.44 per month for *Members* once they become eligible for Medicare.
- (6) Notwithstanding the provisions of section 24.1202(b)(2), the maximum payment or reimbursement level for *Health Eligible Retirees* who retire on or after July 1, 2011 but before April 1, 2012, is established at the Fiscal Year 2009 level of \$740.27 per month for *Health Eligible Retirees* before they are eligible for Medicare and \$697.16 per month for *Health Eligible Retirees* once they become eligible for Medicare for the following *Members*: (i) *General Members* represented by the San Diego Municipal Employees' Association or the Deputy City Attorneys Association; (ii) *Safety Members* represented by the San Diego City Firefighters, International Association of Firefighters, Local 145, or California Teamsters, Local 911; and (iii) unclassified and classified *General* and *Safety Members* unrepresented by any of the City's recognized employee organizations. The annual adjustment described in section 24.1202(b)(2), which was suspended for a three-year period from July 1, 2009 through June 30, 2012, will resume on July 1, 2012.

- (7) Notwithstanding the provisions of section 24.1202(b)(2), the maximum payment or reimbursement level for *Health Eligible Retirees* is frozen, with no annual adjustment, at the Fiscal Year 2009 level of \$740.27 per month for *Health Eligible Retirees* before they are eligible for Medicare and \$697.16 per month for *Health Eligible Retirees* once they become eligible for Medicare for the following *Health Eligible Retirees*, who retire on or after July 1, 2009 and before April 1, 2012: (i) *General Members* represented by Local 127, American Federation of State, County and Municipal Employees; and (ii) *Safety Members* represented by the San Diego Police Officers Association. The freezing of the *Health Eligible Retiree* benefit at the Fiscal Year 2009 level may be subject to modification by the City pursuant to procedures governed by the Meyers-Milias-Brown Act or any other legal requirements governing labor relations that are binding upon the City.

(Retitled from "Post Retirement Health Benefits Defined" to "Retiree Health Benefits Defined" and amended 11-18-2002 by O-19121 N.S.)

(Amended 6-25-2009 by O-19874 N.S.; effective 7-25-2009.)

(Amended 1-5-2010 by O-19921 N.S.; effective 2-21-2010.)

(Amended 6-6-2011 by O-20062 N.S.; effective 7-6-2011.)

(Retitled to "Health Eligible Retiree Benefit Defined" and amended 10-18-2011 by O-20105 N.S.; effective 11-17-2011.)

§ 24.1203 Limited Retiree Health Benefit

- (a) A limited retiree health benefit is available to any retired *Member* who:
- (1) terminated City employment as a vested *Member* or retired before October 6, 1980; and
 - (2) is eligible for and is receiving a retirement allowance from the *Retirement System*.
- (b) Beginning July 1, 2001, retired *Members* who are eligible for a limited retiree health benefit will be paid or reimbursed up to \$1,200 per year for health insurance expenses. The retired *Members* will not be paid or reimbursed any more than the actual health premium or medical costs he or she incurs.

("Limited Retiree Health Benefit" added 10-18-2011 by O-20105 N.S.; effective 11-17-2011.)

§24.1204 Funding of Retiree Health Benefits

The retiree health benefits described in this Division will be paid by the City, directly, from any source available to it other than the Plan.

(Retitled from “Funding” and amended 11–18–2002 by O–19121 N.S.)

(Amended 4-28-2008 by O-19740 N.S; effective 5-28-2008.)