

## 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.)*