

# MEMORANDUM OF AGREEMENT

Between

The City of Saint Paul

And

**AFSCME Council 5 (Locals 1842, 2508, 3757), CCEA, FIRE FIGHTERS Local 21,  
FSA Local 3939, MACHINISTS, MANUAL & MAINTENANCE SUPERVISORS  
ASSOCIATION, OPERATING ENGINEERS Local 70,  
POLICE FEDERATION, PEA, SPSO, & TRI-COUNCIL (Locals 49, 120, 363)  
FOR 2020**

This MOA is entered into by the City of Saint Paul and the above listed Unions for the purpose of establishing Health Insurance contribution rates and VEBA contribution rates for 2020. The previous MOA which was signed by the parties below was based on the expectation that health insurance premiums would increase by the maximum 6% cap as negotiated with Medica. As of August 2019, the Federal government had not deferred the Health Insurance Tax (HIT). As a result, this tax is added to the premium percentage increase for 2020. However, negotiations with Medica resulted in a 2020 premium increase of 3.7%. This MOA establishes the premium with the HIT tax included (3.7% premium + 2.3% HIT = 6%), and as an alternative, the 2020 premium without the HIT tax (3.7%) should the Federal government defer the tax for 2020. Based on these facts, the parties agree to the following:

- 1) The City agrees to continue to pay the administrative costs for FSA and the HRA and the premium for the preventive dental portion of the dental options. The employee will continue to pay the buy-up premiums for any elective dental insurance coverage. Note: the cost of the preventive dental was removed from the calculation in 2019 since the City is now responsible for the full cost of preventive dental.
- 2) The provisions of the August 1, 2017, MOA for Health Insurance for 2018 - 2020 (the "2017 MOA") and the language of the respective collective bargaining agreements incorporating the provisions of the 2017 MOA are amended with regard to 2020 as provided in the attached Appendix A. Except as expressly amended as provided in Appendix A, all other provisions of the 2017 MOU and the collective bargaining agreements remain in full force and effect.
- 3) This language does not alter or change the City's commitment to make pro-rata contributions for part-time employees as stated in applicable contracts.
- 4) The parties agree to accept the wellness program components approved by the LMCHI.

**FOR THE CITY:**


  
\_\_\_\_\_  
Jason Schmidt,  
Labor Relations Manager

10/8/19  
\_\_\_\_\_  
Date

**UNION:**

**NAME:**

AFSCME Clerical, Local 2508

  
\_\_\_\_\_  
Matt Hieber

AFSCME Technical, Local 1842

  
\_\_\_\_\_  
Lisa Math

AFSCME Legal, Local 3757

  
\_\_\_\_\_  
Ward Z. Pale

Classified Confidential Employees Assn (CCEA)

  
\_\_\_\_\_  
Jane Wateland

Memorandum of Agreement  
2020 Health Insurance & VEBA Contribution Rates  
Page Two

Fire Fighters, Local 21

  
\_\_\_\_\_


Fire Supervisory Association, Local 3939

  
\_\_\_\_\_

Machinists, District Lodge No. 77

  
\_\_\_\_\_

Manual & Maintenance Supervisors Assn

  
\_\_\_\_\_

Operating Engineers, Local 70

  
\_\_\_\_\_

Saint Paul Police Federation

  
\_\_\_\_\_

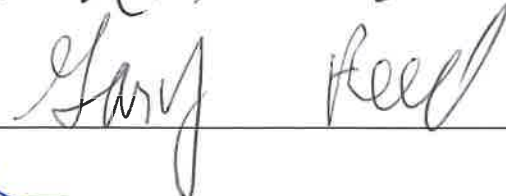
Professional Employees Association (PEA)

  
\_\_\_\_\_

Saint Paul Supervisor's Organization (SPSO)

  
\_\_\_\_\_

Tri-Council LIUNA Laborers Local 363

  
\_\_\_\_\_

Tri-Council General Drivers Local 120

  
\_\_\_\_\_

Tri-Council Operating Engineers Local 49

  
\_\_\_\_\_

## APPENDIX A

(2020 Premium 3.7% + 2.3% HIT)

Effective **January 2020**, for each eligible employee covered by this Agreement who is employed full-time and who selects City-provided employee health insurance coverage, the Employer agrees to contribute the following amounts per month:

### **Choice Passport Plan:**

2019 contributions plus eighty-two and one-half percent (82.5%) of the premium increase for 2020, after any plan design changes; employees shall be responsible for the 2019 employee contribution, plus seventeen and one-half percent (17.5%) of the premium increase for 2020, after any plan design changes.

Based on a 6.0% (3.7% + 2.3% HIT) premium increase, this results in the following Employer contributions:

Single: \$652.44, plus \$225 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$12.82/month.

Family: \$1,530.64, plus \$135 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$206.10/month.

### **Elect Plan:**

The lesser of the Employer's contribution for the Choice Passport Plan for 2020; or the actual cost of the Elect Plan premium. Employees shall be responsible for the difference between the monthly premium and the Employer's monthly contribution.

Based on a 6.0% (3.7% + 2.3% HIT) premium increase for the Choice Passport Plan, this results in the following Employer contributions:

Single: \$619.18, plus \$225 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$0.00/month.

Family: \$1,530.64 plus \$135 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$86.46/month.

### **ACO Plan:**

The lesser of the Employer's contribution for the Choice Passport Plan for 2020; or the actual cost of the ACO Plan premium. Employees shall be responsible for the difference between the monthly premium and the Employer's monthly contribution.

Based on a 6.0% (3.7% + 2.3% HIT) premium increase for the Choice Passport Plan, this results in the following Employer contributions:

Single: \$599.56, plus \$225 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$0.00/month.

Family: \$1,530.64, plus \$135 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$35.20/month.

### **Passport Copay Plan:**

Single: \$398.88 (Employee share: \$451.34/month)  
Family: \$748.22 (Employee share: \$1,481.98/month)

## ***APPENDIX A – If HIT is not implemented – Alternative Rates***

Effective **January 2020**, for each eligible employee covered by this Agreement who is employed full-time and who selects City-provided employee health insurance coverage, the Employer agrees to contribute the following amounts per month:

### **Choice Passport Plan:**

2019 contributions plus eighty-two and one-half percent (82.5%) of the premium increase for 2020, after any plan design changes; employees shall be responsible for the 2019 employee contribution, plus seventeen and one-half percent (17.5%) of the premium increase for 2020, after any plan design changes.

Based on a 3.7% premium increase, this results in the following Employer contributions:

- Single: \$640.54, plus \$225 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$10.30/month.
- Family: \$1,499.56, plus \$135 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$199.50/month.

### **Elect Plan:**

The lesser of the Employer's contribution for the Choice Passport Plan for 2020; or the actual cost of the Elect Plan premium. Employees shall be responsible for the difference between the monthly premium and the Employer's monthly contribution.

Based on a 3.7% premium increase for the Choice Passport Plan, this results in the following Employer contributions:

- Single: \$605.76, plus \$225 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$0.00/month.
- Family: \$1,499.56 plus \$135 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$82.46/month.

### **ACO Plan:**

The lesser of the Employer's contribution for the Choice Passport Plan for 2020; or the actual cost of the ACO Plan premium. Employees shall be responsible for the difference between the monthly premium and the Employer's monthly contribution.

Based on a 3.7% premium increase for the Choice Passport Plan, this results in the following Employer contributions:

- Single: \$586.56, plus \$225 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$0.00/month.
- Family: \$1,499.56, plus \$135 per quarter to be deposited in a VEBA account (plus an additional \$225 per quarter in a VEBA for completion of 2019 Wellness Program).  
Employee share: \$32.30/month.

### **Passport Copay Plan:**

- Single: \$398.88 (Employee share: \$432.90/month)  
Family: \$748.22 (Employee share: \$1,433.60/month)