



CITY OF KLAMATH FALLS

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Memorandum of Understanding Between the City of Klamath Falls and AFSCME Local 2451

On January 7, 2020 the Joint Management Labor Committee of the City of Klamath Falls and AFSCME Local 2451 met to discuss the Health Reimbursement Account (HRA) provisions in current Collective Bargaining Agreement between The City of Klamath Falls and AFSCME Local 2451, effective date of July 1, 2019 – June 30, 2023.



History: Section 15.7, Insurance Opt-Out states, “If an employee wishes to opt out of City health insurance coverage due to having qualifying coverage from another family member, the City will pay that employee \$200 per month to be added to an HRA account.” It was discovered that the City is only allowed to contribute a maximum of \$100 per month to an HRA account. In addition, only employer-sponsored health coverage qualifies for this benefit. If employees have state or federal sponsored health insurances, they do not qualify for \$100 per month HRA contributions. However, they do qualify to receive post-separation HRA contributions and may waive City health insurance coverage to receive this benefit. Employees who opt-out or waive City health insurance, must provide proof of other qualified health insurance coverage to be eligible for either HRA.



Agreement: After a discussion about the discovered Health Reimbursement Account (HRA) provisions, The City and AFSCME Local 2451 agree to change Section 15.7 in accordance with discovered provisions and add Section 15.8 to include the “Waive” option. Agreed changes listed below supersedes 15.7 and adds 15.8 to Collective Bargaining Agreement between The City of Klamath Falls and AFSCME Local 2451, effective date of July 1, 2019 – June 30, 2023.

15.7 Insurance Opt-Out: If an employee wishes to opt-out of City health insurance coverage due to having qualifying employer-sponsored coverage from another family member, the City will pay that employee \$100 per month to be added to a Health Reimbursement Account (HRA). Employee must provide proof of employer-sponsored health insurance coverage from another family member to qualify.

15.8 Insurance Waive: If an employee wishes to waive City health insurance coverage due to having qualifying state or federal sponsored health insurance coverage such as Medicaid, Oregon Health Plan, TRICARE or Tribal Health, the City will annually contribute \$250 to a post-separation Health Reimbursement Account (HRA) that the employee may use once separated from service or retired from the City. Employee must provide proof of federal or state health insurance coverage to qualify.

This Memorandum of Understanding will expire on June 30, 2023. Agreed, Signed, and Dated:

 3/10/20  3/10/20
Nathan Cherpeski, City Manager Date Jared Kollen, AFSCME District Representative Date

 3/10/2020  3/10/2020
Michael Swanson, City Attorney Date Kurt Wall, President AFSCME Local 2451 Date