

ARTICLE 22: RETIREE HEALTH BENEFIT TRUST

- 22.1 A trust fund to help pay toward medical, dental and/or vision benefits shall be established and maintained on behalf of eligible retirees. Eligible retirees shall be those employees represented by the LEA bargaining unit who retire from District employment after August 31, 1989 and meet the qualification requirements of Article XXII.
- 22.2 Each year the District shall deposit into the trust fund \$250.00 for each full time equivalent represented by the LEA bargaining unit. This amount is to be jointly funded by the District and all employees represented by the LEA bargaining unit. The amount of funding by the employees represented by the LEA bargaining unit was achieved by reducing the 90/91 salary schedule by \$125 (one hundred twenty-five dollars) per cell and that dollar amount became the contribution to the trust by all employees represented by the LEA bargaining unit. No employee shall have a vested right in or have any entitlement to the amounts contributed into the trust fund in the form of a cash distribution.
- 22.3 The District shall deposit said funds by August 1st of each fiscal year based on the projected number of full time equivalents of all employees represented by the LEA bargaining unit.
- 22.4 The actual number of full time equivalents referred to in Section 22.3 shall be the number of employees represented by the LEA bargaining unit who are employed on October 31st of each year. Adjustments in the amount deposited into the trust fund shall be made, if necessary.
- 22.5 A Board of Directors of the trust fund shall be established to administer the trust fund pursuant to the trust agreement and declaration of trust.
- 22.6 The trust agreement and declaration of trust document shall become a part of this contract. After the execution of the trust agreement and declaration of trust by the District and LEA, any dispute resulting in a deadlock or failure to take an action by the members of the Board of Directors of the trust fund shall be subject to the arbitration provisions of Article IX of such trust agreement and declaration of trust. Further, after said execution, any disputes regarding retiree medical, dental and/or vision benefits or actions of the Board of Directors shall not be subject to the grievance/arbitration procedures of any collective bargaining agreement between the District and LEA.
- 22.7 To be eligible to qualify for benefits, retirees must have been employed for the minimum or equivalent of ten years of full time service, retire under STRS or PERS and maintain medical, dental and/or vision coverage under any plan which is available to District employees in the LEA unit subject to restrictions placed by insurance carriers. Benefits shall continue for the life of the retiree. Benefits shall commence at age 65. The initial benefit provided by the trust fund was \$110.00 per month. The Retiree Health Benefit Trust Board of Directors determines the amount of the benefit on a yearly basis and notifies the eligible retirees of the current amount.
- 22.7.1 Upon the retiree's death, the retiree's surviving spouse or registered domestic partner shall become entitled to receive the current benefit if such surviving spouse or registered domestic partner:
- 22.7.1.1 Is the legal spouse or registered domestic partner of the retiree at the time of his or her death.

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- 22.7.1.2 Has been married or registered as domestic partner to the retiree at least one full year before his or her death.
- 22.7.1.3 Has attained age 65.
- 22.7.1.4 Maintains medical, dental and/or vision coverage under any plan which is available to District employees in the LEA unit subject to restrictions placed by insurance carriers.
- 22.7.2 All rules relating to the governance of the trust, the management and dispersion of the trust funds shall be subject to the Trust Document.
- 22.8 The retiree or eligible surviving spouse or registered domestic partner must choose coverage under a medical, dental and/or vision plan available to employees active in the LEA bargaining unit subject to the restrictions placed by insurance carriers. A retired employee or eligible spouse or registered domestic partner may request the Board of Directors of the trust fund as established under Section 16.5, to approve a medical, dental and/or vision plan which is not available to members of the LEA bargaining unit for the payment from the Fund. Subject to the approval of said Board of Directors, the Fund may provide payments to a non-District plan based on the following requirements:
 - 22.8.1 The retired employee or eligible surviving spouse or registered domestic partner is covered under a spouse's or registered domestic partner's medical, dental and/or vision plan which requires the retired employee or eligible spouse or registered domestic partner to self-pay for a portion or all of such coverage.
 - 22.8.2 The retired employee or eligible surviving spouse or registered domestic partner provides the Board of Directors with satisfactory proof, as determined by the Board of Directors, that medical, dental and/or vision coverage by a spouse's or registered domestic partner's plan is provided to the retired employee.
 - 22.8.3 If approved, the Fund shall provide the Board determined amount per month for such retired Employee or eligible spouse or registered domestic partner for direct payment to the non-District medical, dental and/or vision plan and such amount shall not exceed the actual cost of the retired Employee's coverage.
- 22.9 If a retired employee moves to a geographical area which is not covered by the District's medical, dental and/or vision plan(s) covering employees represented by the LEA bargaining unit, the retired employee may elect to be covered by a medical, dental and/or vision plan available in such an area subject to approval by the Board of Directors. If such plan(s) are approved, the Fund shall provide the Board determined amount per month for each eligible employee directly to the insurance carrier. In no case, however, shall the Fund provide an amount in excess of the actual cost of the medical, dental and/or vision coverage.

A surviving spouse or registered domestic partner of a deceased retiree may request the Board of Directors to provide payment to a non-District plan provided the following conditions are met. Such surviving spouse or registered domestic partner must be eligible to receive retiree medical, dental and/or vision benefits from the District under Section 16.7, and reside in a geographical area which is not covered by any of the District's plans covering active employees represented by the LEA bargaining unit. If such plan(s) are approved, the Fund shall provide the Board determined amount per month for each eligible surviving spouse or registered domestic partner directly to the insurance carrier which shall not exceed the actual cost of the medical, dental and/or vision coverage.

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- 22.10 Unit members shall not be vested in retiree medical, dental or vision benefits provided by the trust until retirement from the Livermore Valley Joint Unified School District and the eligibility requirements for benefits are met. Unit members leaving the employ of the District before retirement shall not be entitled to receive any benefit or remuneration from the trust fund. Under no circumstances shall cash payment be distributed to individuals.
- 22.11 Implementation of the LEA Contribution to the Trust Fund
- 22.11.1 The District shall deposit the amount of the LEA's contribution (\$125 per FTE) with the Trust fund from the appropriate 1000 series account.
- 22.11.2 The LEA contribution to the retirement trust was achieved by reducing each cell of the 1990-1991 salary schedule by \$125. This reduction took place at the end of the 1990-1991 school year.
- 22.12 Further District Contribution to the Trust
- 22.12.1 Beginning with the 1997/98 school year the District agrees to set aside \$70,000 which shall be utilized to increase the monthly health benefit trust payment, pending an actuarial study and pending the approval of the trust board.