



## City of Pasadena & PPSA

The purpose of this side letter is to establish Employee Option Benefit Fund (EOBF) rates effective January 1, 2015. The parties agree to the following to modify their Memorandum of Understanding:

### Health Insurance/Employee Option Benefit Fund

The City of Pasadena participates in the CalPERS Medical program (per the Public Employee Medical and Hospital Care Act – “PEMHCA”). For employees enrolled in a CalPERS medical plan, the City contributes the required statutory minimum (per Government Code section 22892) toward the medical premium which is part of the EOBF allowance.

The Employee Option Benefit Fund (EOBF) allowance is used to offset health premium costs and includes the PEMHCA minimum.

Effective January 1, 2015, the EOBF allowance for employees enrolled in a medical plan offered through the City is:

Tier 1:	Employee Only	\$1,329.64
Tier 2:	Employee +1	\$1,329.64
Tier 3:	Employee +2	\$1,346.46

Increases to each tier (employee only, EE+1, EE+2) will only occur when the premium for the CalPERS LA Region for Blue Shield Access+ or Kaiser exceed the current allowance. The allowance in each tier will equal the lower of the LA Region Blue Shield Access+ or Kaiser premium but shall not be lowered below the 2014 allowance. The allowance includes the PEMHCA minimum.

New employees hired by the City on or after January 1, 2015, will receive an EOBF allowance (including the statutory minimum) that equals the premium of Blue Shield Access+ or Kaiser (LA Region) whichever is lower for the tier in which they enroll (employee only, employee+1 employee+2).

Employees in the unit as of July 1, 2013 who elect to opt out of medical coverage offered by the City because they have provided proof of medical coverage will receive an EOBF opt out allowance of \$1,210.64 per month which will be designated to the employee’s deferred compensation account. Employees may elect to have 65% of the EOBF Opt Out allowance paid

as cash in lieu of depositing the total allowance to a deferred compensation account offered by the City.

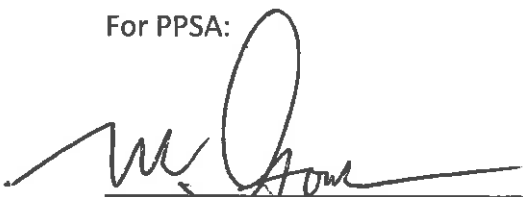
Effective July 1, 2013, new employees electing to opt out of medical coverage offered by the City because they have provided proof of medical coverage will receive an EOBf opt out allowance of \$400 per month which will be designated to the employee's deferred compensation account. New employees may elect to have 65% of the EOBf Opt Out allowance paid as cash in lieu of depositing the total allowance to a deferred compensation account offered by the City.

For the City:

  
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Michael J. Beck, City Manager

  
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Kristi Recchia, Director of Human Resources

For PPSA:

  
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Mark Goodman, PPSA President

  
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Michael Bugh, Negotiating Team Member

  
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Bobby Crees, Negotiating Team Member

  
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David Reavis, Negotiating Team Member

  
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Chris Kirby, Negotiating Team Member

Approved by City Council:

August 11, 2014