

Modesto Teachers Association Medical Benefit Fund Trust

**MEDICAL BENEFITS FUND RULES**

This fund has been created pursuant to the 1986-87 Collective Bargaining Agreement between the Modesto City Schools and the Modesto Teachers Association. Attached is the language of the Collective Bargaining Agreement and Letter of Understanding.

In administering this fund the Modesto Teachers Association membership has voted to establish a medical benefits fund. Further, the membership of the Modesto Teachers Association has adopted the following rules for this Medical Benefits Fund.

1. Only members of the MTA bargaining unit who retire after June 1, 1985, shall be eligible. In addition, the MTA bargaining unit member must be insured by a carrier in the Modesto City and High School District Health Benefit Plans.
2. In order to be enrolled in this medical fund plan, a retiree must submit an application each year to the MTA office at least thirty (30) days prior to retirement. Failure to submit an application will cause the retiree to lose coverage of this plan until such application is filed, approved by MTA, and premiums accepted for coverage by a carrier for the Modesto City or High School District Health Benefit Plans.
3. Only the retiree (not dependents) will be eligible for participation in the Medical Benefits Fund.
4. Years of service eligible persons must have -
  - A. 15 years of full-time equivalent service (FTE) for 100% of the benefit level in the Modesto City and/or High School District.
  - B. The initial benefit level per month and effective date shall be set by the Medical Benefits Board and may be adjusted without notice thereafter at any time by the Medical Benefits Board without notice. The maximum amount transmitted on behalf of the retiree shall never be greater than the actual cost of that single subscriber premium for that carrier selected by the retiree from the carriers which are in the Modesto City and High School District Health Benefit Plans (i.e. if a retiree selects a single subscriber coverage which has a premium cost less than the maximum benefit level, then the total amount to be transmitted for that retiree is the lower premium cost). This, however, is not a vested right and may be reduced by action of the Medical Benefits Board. Persons otherwise eligible are only entitled to these benefits under this trust agreement so long as District contributions permit. This program can be reduced or terminated depending on future funding.

5. Credit years

FTE service (Full Time Equivalent service) shall be based on the STRS method of FTE service calculation. In the event that an employee's service is not calculated by STRS, the calculation would be determined by dividing the annual gross salary by the Step 1, Column 1 salary on the MCS Certificated Salary Schedule for that year. For hourly employees, they must have 15 years of FTE as calculated by MCS. FTE service would not be reduced by the following: work stoppages and leaves such as Association Leave, Sabbatical, Long Term Illness, Sick Leave, and other paid leaves, which will not otherwise disqualify a full school year of service for purposes of this Medical Benefits Plan. No person shall be able to accumulate more than 1.0 FTE credit during any one school year. No person shall be able to include purchased service credit which is not based on service performed.

- A. Time spent on disability leave does not count toward accumulated years of service for this plan.
  - B. Type of Work—Time worked for years of service must be as an employee of the Modesto City Schools in the MTA bargaining unit. Years of service as a Modesto City Schools manager or classified employee shall not be counted as part of said 15 years.
6. Benefits will start at age fifty-five years of age and continue until sixty-five years of age. The duration of benefits shall be to age sixty-five, or death, whichever occurs earlier, and may be modified by the Medical Benefits Board.
- A. An eligible person must retire in a MTA Bargaining Unit position or be on an approved MTA Bargaining Unit Leave of Absence.
  - B. Payments of insurance premiums will not be made to a retiree prior to age 55.
  - C. An eligible person must have been an MTA bargaining unit member during his/her last three years prior to retirement.
  - D. Any retiree returning to active employment (60% or greater) with MCS suspends these fringe benefits until the retiree's subsequent retirement, at which time the retiree will be reinstated in the plan.
  - E. Bargaining unit members who choose to take a Willie Brown Leave will be given credit for a full year FTE.
  - F. Bargaining unit members must have received salaries from a District salary schedule that has made contributions to the MTA Medical Benefits Trust Fund.
  - G. Should an individual who is otherwise qualified through sections 6A and 6C through 6F elect to retire prior to age 55, they qualify for benefits beginning at age 55 only if they have 30 years of full time equivalent service (FTE) in Modesto City and/or High

School District. It is the responsibility of the retiree to contact the MTA office 30 days prior to the retiree's 55<sup>th</sup> birthday in order to activate benefits.

7. Current MTA Bargaining Unit Positions

- A. Anyone in the MTA Bargaining Unit must meet the conditions set forth above as express requirements for eligibility for benefits from the Medical Benefit Fund.
- B. Should MTA add new positions to the bargaining unit, those positions shall likewise be subject to all the conditions set forth above as express requirements for eligibility for benefits from the Medical Benefits Fund. FTE service shall accrue from the date of the new position coming into the bargaining unit.

8. Medical Benefits Board - In order to administer the Medical Benefits Fund, the MTA general membership establishes the Medical Benefits Board. This board shall consist of seven voting members. The seven positions shall be filled as follows:

- A. Two of the positions shall be filled by the MTA President, and the MTA Second Vice President. Election to this board shall be by virtue of election to those respective elected positions in the Modesto Teachers Association. The terms for these two positions shall be the same as the terms for the same elected offices in the Modesto Teachers Association. These terms of office for 1988 are as follows: (two-year terms)

MTA President—Term expires June 30, even years

MTA 2nd Vice President—Term expires June 30, odd years

- B. The MTA President shall appoint these five remaining members of the Medical Benefits Board. This appointment shall be subject to the concurrence of a majority of the MTA Representative Assembly. In the event that the MTA Representative Assembly does not concur with a given appointment, the MTA President will then proceed to present another appointment for that position.
- C. The five members shall have two-year terms with three on even years and two on odd years. There will be a minimum of two teachers retired from the MTA bargaining unit and a minimum of two actively employed MTA bargaining unit members.
- D. The terms of office for the five appointed members of the Medical Benefits Board shall be two-year terms, two of which shall expire on August 31 of the odd numbered years; three of which shall expire on August 31 of even numbered years.

If one of the Medical Benefits Board members is related to another MBB member either by marriage or blood (brother, sister, parent, grandparent, child), one of these members will recuse themselves from the board and that position will be open, appointed by the MTA President, and ratified by the Representative Assembly.

E. The Medical Benefits Fund Board shall have the following officers:

- 1) Chairperson
- 2) Vice Chairperson
- 3) Treasurer
- 4) Recording Secretary

The MTA President by virtue of his/her office shall be the Chairperson of the Medical Benefits Fund Board. The chairperson will not be able to recuse him/herself. If the position becomes open mid-term, the position will be filled by the MTA 1<sup>st</sup> Vice President. The other officers' positions, Vice Chairperson, Treasurer, and Recording Secretary shall be by election among the members of the Medical Benefits Fund Board. The duties and responsibilities of these positions shall be those usual and customary with such positions.

F. Signatories to Checks—Any checks or vouchers for payment from the Medical Benefits Fund shall be signed by at least two signatures. Those positions who shall be authorized signatories shall be the Treasurer, Vice Chairperson, Recording Secretary, MTA Executive Director, and Medical Benefits Executive Director.

G. The MTA Executive Director shall serve as an ex-officio member of the Medical Benefits Board and shall act as a consultant to the Medical Benefits Board.

9. Contributions to the Medical Benefits Fund from the Modesto City and High School District shall not constitute or be deemed wages due to any employee, and no employee shall be entitled to receive any part of the contributions made or required to be made to the fund in lieu of benefits provided by the Medical Benefits Plan. Such benefits shall not be a vested right and may be modified by a majority vote of the Medical Benefits Board.
10. Adoption and Modification of These Rules - This original set of rules is adopted by the MTA General Membership by a majority vote of MTA members present and voting. Modification of these rules except as contained in paragraph 11 below shall be as follows:

Any proposed changes to the Medical Benefits Rules, except those specified in Rule 6, shall be referred to the Medical Benefits Fund Board. The Medical Benefits Fund Board shall also be able to propose changes to the current rules. Any proposed changes to the Medical Benefits Fund Rules, except those specified in Rule 6, will be sent for a vote of the MTA general membership if a majority of the Medical Benefits Fund Board acts to refer these proposed changes for a MTA general membership vote. The Chairperson of the Medical Benefits Fund Board shall designate whether the MTA general membership vote shall be at a general meeting or by building vote. Modifications to the rules must be passed by majority of MTA members present and voting in a MTA general membership meeting, or by a majority of those MTA members voting in the case of a building vote.

11. A majority of the Medical Benefits Fund Board may adopt additional editorial language or other clauses not in conflict with the foregoing to these rules, if in their judgment such additions or changes are needed after the rules and overall implementation of the Medical Benefits Fund Plan is reviewed by legal counsel, and as such these changes are authorized for this one time start up of the plan by the MTA general membership to expedite getting the plan operational.