

**SECOND AMENDMENT TO WOONSOCKET BUDGET COMMISSION
RESOLUTION TO REFORM PENSION AND POST-RETIREMENT BENEFITS**
(Second Amended Retiree Resolution)

WHEREAS, on March 19, 2013, the Woonsocket Budget Commission ("Budget Commission") enacted the Resolution To Reform Pension And Post-Retirement Benefits ("*Retiree Resolution*");

WHEREAS, the fiscal conditions described in the preamble to that Retiree Resolution, hereby incorporated by reference, continue to require that taxpayers, employees, retirees, and the state make financial concessions and contributions to ensure the City's fiscal stability and overall welfare, and to avert insolvency proceedings;

WHEREAS the Budget Commission amended the Retiree Resolution on June 28, 2013 to reflect, *inter alia*, a Tentative Agreement with Participating WED and City Retirees, as defined in that amended resolution, which is hereby incorporated by reference ("*First Amended Retiree Resolution*");

WHEREAS the Budget Commission seeks further to amend and clarify the *First Amended Retiree Resolution*;

WHEREAS the Budget Commission has reached a negotiated settlement with WED and City Retirees, through a Memorandum of Agreement, soon to be executed between and among the Budget Commission, the City, and the WED, on the one hand, and the WED and City Retirees, on the other; and

WHEREAS, the Budget Commission seeks to continue to negotiate with Participating Fire and Police Retirees, after enactment of this *Second Amended Retiree Resolution*, in an effort to reach a settlement that is mutually acceptable to all parties;

NOW, THEREFORE, BE IT RESOLVED BY THE WOONSOCKET BUDGET COMMISSION THAT THE FIRST AMENDED RETIREE RESOLUTION BE FURTHER AMENDED TO READ AS FOLLOWS:

1. Definitions:

- a. "WED Retirees" refers to all former employees retired from the Woonsocket Education Department as of June 30, 2013, or their beneficiaries (to include spouses, survivors, and dependents), specifically: (i) administrators who were not members of a collective bargaining unit; (ii) employees who were members of the Woonsocket Teachers Guild, Local 951 AFT (teachers and paraprofessionals); and (iii) employees who were members of Rhode Island Council 94, AFSCME, AFL-CIO, Local 1137 (clerks and custodians).
- b. "City Retirees" refers to all former employees retired from the City as of June 30, 2013, or their beneficiaries (to include spouses, survivors and dependents), specifically (i) non-union classified and non-union non-classified employees; (ii) employees who were members of Rhode Island Council 94, AFSCME, AFL-CIO, Professional and Technical Employees, Local 3851; and (iii) employees who were members of Rhode Island Council 94, AFSCME, AFL-CIO, Local 670.
- c. "Fire Retirees" refers to all former employees retired from the Woonsocket Fire Department as of June 30, 2013, or their beneficiaries (to include spouses, survivors and dependents), both non-union and employees who were members of International Association of Firefighters, Local 732.

d. "Police Retirees" refers to all former employees retired from the Woonsocket Police Department as of June 30, 2013, or their beneficiaries (to include spouses, survivors and dependents), both non-union employees and employees who were members of the International Brotherhood of Police Officers, Local 404.

2. Early Retirees (WED, City, Fire and Police Retirees): Effective July 1, 2013, and subject to the exceptions set forth in paragraphs 5 and 6 below, the existing health care coverage provided by the WED and the City to all retirees who have retired by no later than June 30, 2013, but who have not reached sixty-five (65) years of age (hereafter "Early Retirees"), shall be replaced, at the election of the Early Retiree, with one of two forms of coverage: (a) 100/80 coinsurance plan with deductible of \$500/\$1,000 (summary plan description attached as Exhibit 1) (hereafter "Option 1"); or (b) 100/80 coinsurance plan with deductible of \$2,000/\$4,000 (summary plan description attached as Exhibit 2) (hereafter "Option 2"). The new coverage shall be one individual plan, two individual plans, or a family plan provided in accordance with the terms of the applicable eligibility provisions of the collective bargaining agreement under which the Early Retiree retired. The WED or the City shall pay eighty percent (80%) of the applicable and current working rate of Option 1, and the Early Retiree, twenty percent (20%) of that same working rate. The WED or City shall pay ninety percent (90%) of the applicable and current working rate of Option 2, and the Early Retiree, ten percent (10%) of that same working rate.
3. Medicare (Police Retirees): Effective July 1, 2013, the health care coverage provided to Police Retirees who are Medicare-eligible because they have reached sixty-five

(65) years of age shall end; the new coverage shall be provided through Medicare Parts A and B, with a (i) Medicare supplement or (ii) an alternative health insurance plan that provides additional coverage to Medicare Parts A and B, at the same or lesser cost of the Medicare supplement (“Medicare Supplement”).

- a. The Retiree shall be responsible for making full payment of the monthly premium for Medicare Part B.
- b. The City shall pay 80% of the cost of the Medicare Supplement, and the Retiree shall pay 20% of the cost of the Medicare Supplement.
- c. The Retiree shall be responsible for making full payment for any prescription coverage if the Medicare Supplement does not include such coverage.
- d. The City shall pay any penalties imposed for enrollment in Medicare by Police Retirees as of April 1, 2013, provided that the Retiree enrolled in Medicare Part B on or before July 1, 2013.

4. Medicare (Fire Retirees): Effective July 1, 2013, the health care coverage provided to Fire Retirees who are Medicare-eligible because they have reached sixty-five (65) years of age shall be provided through Medicare Parts A and B, with a Medicare Supplement (as defined in paragraph 3).

- a. The Retiree shall be responsible for making full payment of the monthly premium for Medicare Part B.
- b. The City shall pay 80% of the cost of the Medicare Supplement, and the Retiree shall pay 20% of the cost of the Medicare Supplement.
- c. The Retiree shall be responsible for making full payment for any prescription coverage if the Medicare Supplement does not include such coverage.

5. Medicare: SSDI (WED and City Retirees): Effective July 1, 2013, the health care coverage provided to WED and City Retirees who are Medicare-eligible because they are receiving Social Security Disability Insurance (“SSDI”) shall end; the new coverage shall be provided through Medicare Parts A and B, with a (i) Medicare supplement and (ii) Medicare Part D prescription coverage at a maximum cost of \$212.00 per month (“Medicare Supplement + Prescription”), or (iii) an alternative health insurance plan that provides additional coverage to Medicare Parts A and B, at the same or lesser cost of the Medicare Supplement + Prescription (“Additional Medicare Coverage”).
- a. The Retiree shall be responsible for making full payment of the monthly premium for Medicare Part B.
 - b. The WED or City shall pay 100% of the cost of Medicare Supplement + Prescription or the Additional Medicare Coverage until the Retiree reaches sixty-five (65) years of age, at which time the Medicare Supplement + Prescription or the Additional Medicare Coverage provided by the WED or City shall end, unless the Retiree is otherwise entitled under the collective bargaining agreement to specified Medicare supplemental coverage, in which case the terms of that agreement shall control.
 - c. The WED or the City shall pay any penalties imposed for enrollment in Medicare by Retirees on SSDI as of April 1, 2013, provided that the Retiree enrolled in Medicare Part B on or before July 1, 2013.
6. Medicare: SSDI (Fire and Police Retirees): Effective July 1, 2013, the health care coverage provided to Fire and Police Retirees who are Medicare-eligible because they

are receiving SSDI shall end; the new coverage shall be provided through Medicare Parts A and B, with a Medicare Supplement (as defined in paragraph 3).

- a. The Retiree shall be responsible for making full payment of the monthly premium for Medicare Part B.
- b. The City shall pay 80% of the cost of the Medicare Supplement, and the Retiree shall pay 20% of the cost of the Medicare Supplement, except that, during the pendency of negotiations between the Budget Commission and the City, on the one hand, and the Participating Fire Retirees, on the other, the City shall pay 100% of the cost of the Medicare Supplement on behalf of Fire Retirees who are Medicare-eligible because they are receiving SSDI.
- c. The Retiree shall be responsible for making full payment for any prescription coverage if the Medicare Supplement does not include such coverage.
- d. The City shall pay any penalties imposed for enrollment in Medicare by Fire and Police Retirees on SSDI as of April 1, 2013, provided that the Retiree enrolled in Medicare Part B on or before July 1, 2013.

7. Medicare: Early Retiree Spouses (WED Retirees): Effective July 1, 2013, the health care coverage provided to the spouses of WED Early Retirees covered through the Early Retiree on an individual or family plan who are Medicare-eligible because they have reached sixty-five (65) years of age ("Medicare Spouses") shall end; their new coverage shall be under Medicare Parts A and B with either (i) the Medicare Supplement + Prescription or (ii) Additional Medicare Coverage (as defined in paragraph 5).

- a. The Retiree or Medicare Spouse shall be responsible for making full payment of the monthly premium for Medicare Part B.
 - b. The WED shall pay 100% of the cost of the Medicare Supplement + Prescription or the Additional Medicare Coverage until the Retiree reaches sixty-five (65) years of age, at which time this benefit for the Medicare Spouse shall end.
 - c. The WED shall pay any penalties imposed for enrollment by Medicare Spouses as of April 1, 2013, provided that the Medicare Spouse enrolled in Medicare Part B on or before July 1, 2013.
8. Medicare: (WED Retirees): Effective July 1, 2013, the health care coverage provided by the WED to Retirees who are enrolled in Medicare and who have satisfied the eligibility requirements under the applicable collective bargaining agreement to receive the specified Medicare supplement, i.e., Plan 65: Medicare Supplement ("Plan 65"), with the Plan 65 Rx Rider offered by Blue Cross Blue Shield of Rhode Island ("Rider"), the total of which is subject to the contribution set forth in the collective bargaining agreement under which they retired, shall instead receive Plan 65 and a prescription drug plan, attached as Exhibit 3, with prescription co-pays of \$5/\$15/\$30, and with the prescription drug plan not to exceed a current monthly cost of two-hundred-and-twelve-dollars-and-no-cents (\$212.00) ("Plan 65/Part D"), the total of which shall remain subject to the contribution set forth in the collective bargaining agreement or contract under which they retired.
9. Medicare Retirees (City and Fire Retirees): Effective July 1, 2013, the health care coverage known as "Blue Chip Preferred" that is currently provided to City and Fire

Retirees who are enrolled in Medicare Parts A and B shall be replaced by Plan 65 or another plan with the same or lesser cost, in accordance with the terms of the collective bargaining agreement under which the retiree retired.

10. Dental Coverage (WED and City Retirees): The existing dental coverage provided to WED and City Early Retirees ("Dental Benefit Retirees"), shall continue without change until August 1, 2013, at which time the Dental Benefit Retiree shall commence sharing the cost of that coverage with the City or the WED, as follows: the City or WED shall pay eight percent (80%), and the Dental Benefit Retiree, twenty percent (20%), of the cost of that dental coverage, for an individual or family plan, until the Dental Benefit Retiree reaches sixty-five (65) years of age, at which time dental coverage through the City or the WED shall end; provided that if City or WED employees agree through negotiations after the effective date of the Memorandum of Agreement to make changes in plan design or contribution rates to their dental coverage, those changes shall apply in full to the applicable Retiree Parties.

11. Dental Coverage (Police Retirees): The existing dental coverage provided to Police Retirees shall continue without change during the pendency of negotiations between the Budget Commission and the City, on the one hand, and the Participating Police Retirees, on the other.

These amendments shall become effective upon approval.

By: 
For the Woonsocket Budget Commission