

MEMORANDUM OF UNDERSTANDING
Between
THE CITY OF BOSTON
And
THE BOSTON PUBLIC EMPLOYEE COMMITTEE

WHEREAS, it has become necessary for the City of Boston to upgrade its Administrative Information Systems Human Capital Management (BAIS HCM) system;

WHEREAS, the upgraded system will not support the City's current practice of deducting health benefit premium contributions from employees one month in advance;

WHEREAS, the City will therefore have to transition employees from a system that deducts employee health benefits premium contributions one month in advance to a pay as you go system;

WHEREAS, employees hereafter will only receive health benefits through the end of the payroll cycle in which they separate with the exception of those identified in Paragraph 5;

WHEREAS, this transition will take effect on June 13, 2016;

NOW THEREFORE, the parties agree as follows:

1. Employees will continue to have sixty (60) days from the date of hire to enroll in health benefits. During the first thirty (30) days employees will be able to self-enroll. Thereafter, they may need the assistance of a Health Benefits Representative. Benefits will begin on the first day of the month following hire.
2. Employees on the payroll as of May 13, 2016, who are currently enrolled in one of the City's health benefits plan and have made employee premium contributions to said plan through payroll deductions shall receive a health benefits premium contribution holiday to transition from paying in advance to paying as you go, meaning:
 - a. Weekly City employees will not see a deduction in the following paychecks: May 20, May 27, June 3, June 10 and June 17.
 - b. Biweekly City employees and BPS employees paid on a calendar year basis will not see a deduction in the following paychecks: May 20, June 3, and June 17.
 - c. BPS employees paid on a school year basis will not see a deduction in the May 20, 2016 paycheck. In addition, the June 3 paycheck will have the regular bi-weekly deduction rather than the double deduction paid in years past for summer coverage.

In the event this transition results in an overpayment of premium contributions by one of the three above-referenced groups of employees, the PEC shall notify the City within thirty (30) days of discovering such overpayment but in no event after October 31, 2016 of said overpayment. If the parties are unable to come to mutual resolution concerning such alleged overpayment, the

PEC shall have the right to seek resolution on behalf of the impacted group(s) of employees through arbitration.

3. Appendix A of the parties' current Agreement made pursuant to M.G.L. c. 32B, § 19, shall be amended to modify the text following the asterisk so that said text shall read as follows:

"Retirees will continue to see the above contribution deducted from their pension checks one month prior to the effective date of the contribution split. Employees, however, will see the deductions in the month in which they occur."

This first premium split change referenced in Appendix A shall be seen in the July 8, 2016 paycheck for weekly employees and July 15, 2016 paycheck for biweekly employees.

4. The rate setting methodology will transition from annual rate/12 months to annual rate/the number pay periods in a year, however, BPS employees will continue to have double deductions during the last two (2) months of the school year.
5. In order to limit potential impacts of this transition, employees who are involuntarily separated from employment with the City following the conclusion of the health benefits premium contribution holiday, including those who are laid off or resign in lieu of termination, who are enrolled in a City health plan at the time of separation and have been making health insurance premium contributions to said health plan may elect to continue their health benefits coverage for one month following separation.

In order to continue coverage, eligible employees must:

- a. notify the Health Benefits Office in writing no later than 5 p.m. on the last day of the payroll cycle in which they separate that they wish to continue such coverage;¹
and
- b. provide payment in full for the outstanding employee premium contributions for the final month of coverage as well as any arrears owed to the Health Benefits Office along with the above-reference form no later than 5 p.m. on the last day of the payroll cycle in which they separate.

This agreement will expire with the current PEC Agreement on June 30, 2020. Said expiration does not restrict or limit the parties' rights to negotiate over the subject matter contained herein when negotiating a successor PEC agreement.

¹ The City will create a form that is provided to potentially eligible employees upon separation notifying them of this right and their obligations. This same form will be made available on the City's website.

6. The signatories are authorized to bind their principals.

FOR THE CITY:

[Signature]

[Signature]

David Sweeney

Alexis Pacheco

Vivian Leonard

FOR THE PUBLIC EMPLOYEE COMMITTEE:

[Signature]

Charles R. Johnson

[Signature]

Mark J. Gorkin

[Signature] BPPA

[Signature] Retired

Dave J. Kelly LFS2 Cuyahoga

[Signature] Sena 9158

Mally Maloney AFSCME C.93

[Signature] BPD/BS
