

**MEMORANDUM OF AGREEMENT (MOA)  
RELATED TO PPACA STATUTORY CHANGES TO HRA VEBA PLANS**

**I. Parties to the Agreement**

The parties to this MOA are Multnomah County, Oregon, hereinafter referred to as the County and Multnomah County Prosecuting Attorney's Association, hereinafter referred to as the Association.

**II. Background**

A. During PECBA bargaining for a successor collective bargaining agreement (CBA) in calendar year 2013 the County provided information to the Association that the VEBA option benefit for employees who opt out of medical coverage as set forth in Article 8, Section A.6. (Opt-Out – Waiver of Benefits) would be needed to be modified as of January 1, 2014, in order to comply with the Affordable Care Act.

B. The current language for the applicable 2013-2017 CBA, related to Article 8, Section A.6 states:

**6. Opt-Out – Waiver of Benefits.**

a. Employees may elect to Opt Out of coverage (waive participation) in the County's medical/vision/prescription insurance plans by making that election on their Benefit Enrollment form. Employees making such election must provide proof of other group medical/vision/prescription insurance in order to make the Opt-Out election. Employees will not be eligible to change their election until the County's official open enrollment period, unless the employee experiences an IRS recognized family status change event that would allow a mid-year health plan election change.

**b. Full-time Employees who Opt Out.**

Employees who opt out of medical/vision/prescription coverage will have the County contribute two hundred fifty dollars (\$250) (gross) per month into the employee's individual VEBA account.

**c. Part-time Employees who Opt Out.**

Employees who opt out of medical/vision/prescription coverage will have the County contribute one hundred twenty-five dollars (\$125) (gross) per month into the employee's individual VEBA account.

C. Beginning January 1, 2014, the County HRA VEBA administrator cannot continue to offer employees represented by the Association the VEBA plan design that was in effect for the 2013 plan year.

D. Beginning January 1, 2014, the County HRA VEBA cannot allow subsequent contributions by employees who are enrolled in non-integrated health plans to be used for reimbursement toward expenses.

As a result of this required PPACA change as of January 1, 2014, the County and the Association mutually agree to the following alternative VEBA plan design and modify the language of Article 8, Section A.6. as is set forth below.

### III. Terms of Agreement

A. Effective and retroactive to January 1, 2014, the following language will be added to Article 8, Section A.6 of the CBA:

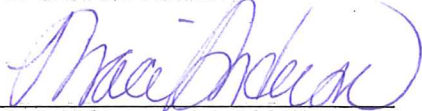
"d. Employees who opt-out of benefits per Article 8, Section A.6., will have a VEBA plan that contains two (2) plan structures; the "standard plan" applicable to employees who are enrolled in integrated health insurance plans (as defined by the PPACA) and a non-standard plan applicable to employees who have opted out of County-offered health insurance and enrolled in a non-integrated plan (as defined by the PPACA).

e. The "standard plan" structure will allow "in-service" access to accrued funds and the non-standard plan will only allow post-separation access to accrued funds.

f. In no event will an employee be denied access to their HRA VEBA funds, so long as the employee complies with state and/or federal laws and IRS regulations related to access, including the payment of any applicable penalty or taxes when funds are accessed by an employee."

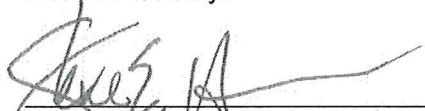
It is agreed to this 12<sup>th</sup> day of February, 2014.

For the Association:



Traci Anderson  
President

For the County:



Steve Herron  
Labor Relations Director