

ARTICLE 25 — LIFE AND HEALTH INSURANCE PROVISIONS

Section 25.1 — Life Insurance.

The Employer agrees to provide a **\$75,000** life insurance benefit at no cost to the officer; and AD&D to be increased to \$5,000. Officers must complete a City of Chicago Group Term Life Insurance enrollment formset including the employee beneficiary section of the formset in order to qualify for coverage in the Basic Group Term Life Plan. The failure of the officer to complete the enrollment formset will result in termination of the officer's Basic Group Term Life Insurance coverage.

The Employer agrees to provide procedures for officers to purchase optional Group Term Life Insurance and Universal Life Insurance in addition to basic Group Term Life Insurance coverage provided above at nominal additional cost to the officer. Officers will be permitted to purchase any amount of optional insurance coverage in \$1,000 multiples up to an amount equal to their annual salary rounded up to next multiple of \$1,000. The optional Group Term Life Insurance shall continue to be provided officers at the Employer's then current cost.

Section 25.2 — Medical and Dental Plans.

The Employer's medical, dental, and prescription drug plans are incorporated by reference into this Agreement. All newly hired employees shall be required to participate in the PPO plan for the first eighteen (18) months of their employment. These employees shall be eligible to participate in the first open enrollment period following the eighteen (18) month anniversary of their dates of hire.

The Employer shall provide officers with the opportunity to enroll in a Flexible Spending Account ("FSA") plan, which will permit officers to fund, on a pre-tax basis, an individual account that the officer may use to pay for qualified unreimbursed medical expenses, as provided under Section 213 of the Internal Revenue Code. Subject to IRS regulations, the FSA will allow participants to pay the following qualified expenses on a pre-tax basis: dental expenses; vision expenses; health plan contributions, deductibles, and co-payments; prescription drug co-payments **and payments for over-the-counter drugs;** and other unreimbursed medical expenses. Participation is voluntary and participants may contribute up to \$5,000 annually on a pre-tax basis, which will be deducted pro-rata each payroll period. Officers may enroll in the FSA or change the amount of their election once per year during open enrollment or when they have a change in family status. As mandated by the Internal Revenue Code, a "use it or lose it" rule applies to Section 125 plans. Any amount that remains in the participant's account at the end of the year will be forfeited. **During open enrollment, the parties will engage in a joint educational campaign to inform officers of the benefits of the FSA plan and otherwise increase employee participation in such plan.**

The Employer shall make available to officers covered under this Agreement and their eligible dependents **summaries of the benefits provided by the Employer's health care plan either electronically or in print.** The cost of such coverage to be borne by the Employer.

The plans for medical, dental, and prescription drug benefits, including the provisions on eligibility and self-contribution rules in effect as of the date of this Agreement, may not be changed by the Employer without the agreement of the Lodge.

The medical plan (health insurance plan) shall consist of **two (2)** separate alternative coverages – a PPO plan ("PPO"); **and two (2) HMO plans ("HMO").** In the event that a new health care plan becomes available to the City during a Plan year, the Employer shall have the right to include that new plan in the Plan alternatives upon reasonable prior notice to and discussion with the Lodge.

The Employer agrees to make available to the following other persons the above-described hospitalization and medical program and the dental plan: officers covered by this Agreement who retire on or after age 60 and their eligible dependents; surviving spouse and children of officers covered by this Agreement killed in the line of duty; officers covered by this Agreement on a leave of absence for disability (both duty and occupational) and their eligible dependents; **and the** surviving spouse and children of deceased officers covered by this Agreement who were formerly on pension disability (both duty and occupational.) The Employer will contribute the full cost of coverage for any of the above-enumerated officers covered by this Agreement who elect coverage under any plan or plans. However, coverage under a plan for officers covered by this Agreement shall terminate when an officer covered by this Agreement either reaches the age for full Medicare eligibility under federal law or ceases to be a

dependent as defined in a plan, whichever occurs first. After an officer covered by this Agreement reaches the age for full Medicare eligibility, that officer shall be covered under the medical program for annuitants, provided the person pays the applicable contributions.

Section 25.3 — Ambulance Fees.

Officers and their eligible dependents will be exempt from fees for emergency medical services performed by the Chicago Fire Department.

Section 25.4 — Labor Management Committee on Health Care.

The City of Chicago and the Lodge hereby establish the "Labor Management Committee on Health Care." The Committee shall consist of four representatives selected by the Fraternal Order of Police, Chicago Lodge No. 7 and four representatives elected by the City, plus the City Comptroller or his or her designee, who shall serve as Committee Chair. The Committee shall meet not less than once each calendar quarter.

The purpose of the Committee shall be to monitor the performance of the City's health care plan and to discuss ways to improve plan operation and administration on an on-going basis, including such items as:

- the prescription drug plan, provider network and the mail order program,
- carve-outs for administrative efficiency and benefit efficiency,
- revisions to the list of providers participating in the hospital PPO,
- revision to the list of providers participating in the physician PPO.

This Committee is advisory only. It is intended to promote collaboration and discussion over the efficient and cost-effective operation of the benefit plan. It in no way diminishes the right regarding the benefit plan contained in any collective bargaining agreement nor does it in any way diminish the responsibilities, right and prerogatives of the City regarding the administration of the plan.

The size and composition of this Committee may be increased upon agreement of the parties.