

**SPECIAL AGREEMENT
BETWEEN
PORAC RETIREE MEDICAL TRUST
and
The City of San Luis Obispo**

WHEREAS, the Peace Officers Research Association of California (PORAC) has established an employee benefit trust called the PORAC Retiree Medical Trust (the "Trust"), governed by the "Trust Agreement Governing the PORAC Retiree Medical Trust" restated effective June 1, 2008, and as amended thereafter (hereafter, the "Trust Agreement"), which is administered by a Board of Trustees ("Trustees");

WHEREAS, the Trust provides medical expense reimbursement benefits for retired members of bargaining units represented by PORAC Associations, who are parties to a bargaining agreement that requires contributions to the Trust, pursuant to the Trust's "Medical Expense Reimbursement Plan," restated effective April 1, 2018, and as amended thereafter, (hereafter, the "Plan");

WHEREAS, the City of San Luis Obispo (hereafter, "Employer") makes contributions to the Trust on behalf of employees in the following Association: The International Firefighters Association, Local 3523 pursuant to a Memorandum of Understanding dated December 5, 2023 (hereafter, "MOU");

WHEREAS, there are fulltime employees of the Employer, who have previously had contributions made to the Trust on their behalf, but are not currently members of a bargaining unit due to the nature of their position, e.g., they have promoted out of a bargaining unit into a full-time management position or they were reassigned or hired into a non-bargaining unit ("NBU") position, and the Trust will allow said non-bargaining unit and fulltime employees (hereafter, "NBUs") to participate in the Trust if the Employer requests such participation;

WHEREAS, in order to comply with applicable federal tax rules, the Trust does not allow participation in the Trust by individual employee election, but allows participation only on a non-elective basis (see Section 4 hereof);

NOW THEREFORE, the parties hereto agree to the following:

- 1) **Receipt of Documents.** Employer acknowledges receipt of the Trust Agreement of the Trust.
- 2) **Definitions.**
 - (a) "Non-Bargaining Unit Employees" or "NBUs" means active employees of the Employer:
 - i. For whom contributions were previously made to the Trust on their behalf when they were represented by an Association; and
 - ii. Who are not currently in a bargaining unit due to the nature of their position, e.g., they have promoted out of a bargaining unit into management, or they were reassigned or hired into a non-bargaining unit position.
 - (b) "Association" means a labor organization allowed to participate in the Trust.
- 3) **Participation.**
 - (a) The Employer agrees to contribute to the Trust on behalf of all NBUs, by entering into this Special Agreement (referred to as a subscription agreement in the Trust

Agreement) with the Trust, pursuant to Article V, Section 3 of the Trust Agreement;

- (b) The Trust agrees to the participation of all NBUs of the Employer in the Plan, pursuant to the terms of this Agreement.

4) Contributions: Payroll and Transfer of Salary/Sick Leave.

- (a) The Employer shall transfer contributions to the Trust on each and every NBU, in the same amount and on the same schedule (including transfer of sick leave cashouts) that the Employer is paying for each employee in the bargaining unit represented by the Association pursuant to the MOU between the Employer and the Association (i.e., currently \$100 semi-monthly (24 pay periods per year).
- (b) If the rate or schedule changes for the Association members, the Employer will contribute the changed amount on the NBUs at the same time.
- (c) With each payment the Employer shall also submit employee data to identify the amounts paid on behalf of each covered employee, and any other information necessary for the administration of the Trust and Plan.

5) Certification of Mandate for all NBU Employees.

- (a) *No Individual Election.* The Employer hereby certifies that contributions will be made on all NBUs of the Employer, and that no such employee will be allowed to individually elect against participation in the Plan;
- (b) *Eligibility.* The Employer hereby certifies that all NBUs reported to the Trust meet the definition of "Employee" in Article I, Section 11 of the Plan, Article I, Section 11 defines Employee as follows:

"Employee means an individual employed by a Participating Employer on or after the Employee's Effective Date, who is a member of a bargaining unit of public safety employees represented by an Association, or a rational class of such Employees subject to a Special Agreement; and on whose behalf the required Contributions are made to the Trust Fund pursuant to an MOU or Special Agreement for all periods of Active Service after the Effective Date."

- 6) **Effective date.** This Agreement shall become effective on December 5, 2023. The applicable MOU requires that contributions commenced on the first full pay period of August 2020. If contributions are made retroactive to the effective date of the MOU, the Trust may charge for lost interest through loss of the appropriate number of Active Service Units.

- 7) **Notices.** Any notice related to this Agreement shall be sent to the Trust at: PORAC Retiree Medical Trust c/o Vimly Benefit Solutions Inc, PO Box 6, Mukilteo, WA 98275.

and to the Employer, c/o: Nickole Domini

at the following address: 990 Palm Street, San Luis Obispo, CA 93401

- 8) **Termination.** This Agreement shall remain in effect unless terminated by either party in accordance with the terms of this Agreement. The Employer may terminate this Agreement effective on the termination date of any Memorandum of Agreement between the Employer and the Association that terminates after the effective date of this Agreement. The Trust may terminate coverage effective the first of any month after two months of the Employer's failure to remit contributions when due. Written notice of

termination must be received by the other party at least 10 days prior to the first day of the month in which coverage is to be terminated, or contributions will be due for that month.

- 9) **Change of Law.** This Agreement will be modified as necessary in order to ensure that contributions will not be treated as taxable income, according to the Internal Revenue Code and guidance pursuant thereto (e.g., PLR 201345020) concerning participation in employee benefit plans.

Agreed to this _____ day of _____, 20__.

For Trust (Signature)

For Employer (Print Name)

For Trust (Signature)

By (Signature)

c/o

Vimly Benefit Solutions Inc.

12121 Harbour Reach Drive, Suite 105

Mukilteo WA 98275

Attn: Ms. Suzan Kolb

E-mail: skolb@vimly.com

Fax: (425) 771-1226

Phone: (425) 771-7359

c/o

City of San Luis Obispo

990 Palm Street

San Luis Obispo, CA 93401

Attn: Ms. Nickole Domini

E-mail: ndomini@slocity.org

Phone: (805) 781-7251