

**Letter of Agreement
By and Between
CITY OF TACOMA
And
TACOMA FIRE FIGHTERS UNION
IAFF LOCAL 31**

Unused Sick Leave Accruals upon Retirement

Effective Date: _____

The City of Tacoma (City) and the Tacoma Fire Fighters Union Local 31 (Union) (collectively, the Parties) enter into this Letter of Agreement (LOA).

The Parties agree to the following terms, effective as of the date the City Council approves this LOA:

1) The parties agree to modify Section 13.9 of the current 2015-2020 Collective Bargaining Agreement as follows:

Section 13.9 Health Reimbursement Arrangement

A. The City agrees to deduct from the paycheck of each LEOFF II officer and contribute one hundred and fifty dollars (\$150.00) per month, and will promptly transfer said amount to the WSCFF Employee Benefit Trust for the sole purpose of establishing a Retiree Medical Savings Plan account for each employee. This shall be part of compensation for pension calculations.

B. The Union will authorize and conduct an annual vote each calendar year of all Union members who may be eligible to retire from City employment in the following calendar year. The Union will notify the City with at least 30 days' written notice whether the contribution of unused sick leave accruals should be made to a qualified Health Reimbursement Arrangement or as a sick leave cash out under TMC 1.12.230 D.1.

If the Union's vote determines unused sick leave accruals should be made to a qualified Health Reimbursement Arrangement, upon retirement of an employee, the Employer shall make contributions into the WSCFF Employee Benefit Trust, or, upon individual employee request, into an individual Voluntary Employee Benefit Association (VEBA) plan. If no such individual request is made, the City will direct contributions to the WSCFF Employee Benefit Trust by default. The contribution value shall be in an amount equal to (100%) of the employee's sick leave cash out, as defined in Section 13.2 B. The Trust Fund is established in accordance with applicable federal and state laws, and the City shall contribute the monies on a pre-tax basis. The monies contributed to the trust fund shall only be used for retiree health insurance premiums or health service expenses. This contribution is made in lieu of a cash payment of the value of eligible sick leave accruals due to an employee upon retirement set forth in Tacoma Municipal Code (TMC) 1.12.230 and Section 13.2 B.

C. These contributions constitute the entire obligation of the City with respect to funding the WSCFF Employee Benefit Trust Fund. To the extent the Trust Fund should be insufficient to cover all retiree health insurance premiums, fund administration, or related costs, the Union acknowledges and agrees that the City is not responsible and the Trust will be solely responsible.

All employees covered by this Agreement shall participate in the above referenced Health Reimbursement Arrangement program. No employee may request, nor will any employee receive, exemption from participation. The Union recognizes the performance of this function as a service

