

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 **shall be** \$5,000.

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, **for which the cost to the Officer shall not exceed the current cost negotiated by the Employer**. **Officers** will be permitted to purchase any amount of optional insurance coverage in multiples of up to **ten times the Officer's annual salary, rounded up to the next \$1,000.00, not to exceed \$1,500,000**.

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 an HMO plan ("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 **and retirees and their spouses** 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.