

143 **ARTICLE XII – WAGES**

144 **Section 1 – Wages**

145 **Effective the start of the first pay period following October 1, 2016, the Employer will provide an across-the-board increase of four percent (4%).**

~~Three percent (3.0%) ATB effective as of the first pay period after October 1, 2012. The increase will be paid retroactive to that date. This increase is in place of and in lieu of any and all increases from any source whatsoever, including without limitation any provision of any agreement whether applicable or not.~~

146 **Effective the start of the first pay period following October 1, 2017, the Employer will provide an across-the-board increase of three percent (3%).**

~~October 1, 2013 — 2.5% ATB~~

~~October 1, 2014 — 2.5% ATB~~

**XXX Effective the start of the first pay period following October 1, 2018, the Employer will provide an across-the-board increase of three percent (3%).**

147 No salary rate herein provided shall be considered other than a minimum wage and no salary rate above the minimum provided herein shall be reduced by the signing of this Agreement.

148 **Section 2 – Classification Differentials**

149 A. **Lead Differential**

150 Optical Lab Foreperson (Lead), Optical Sales Lead Dispensers, Senior Prescription Stock Clerks and Optical Customer Service Lead Representatives whose duties relate to the supervision of optical technicians and prescription stock clerks shall receive a wage differential of ten percent (10%) of the contractual Journeyperson rate.

151 B. **Optical Equipment Maintenance Technician Differential**

152 Optical Equipment Maintenance Technicians shall receive a differential of seven percent (7%) of the contractual Benchperson Rate.

**### Skill Premium**

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**### Qualified Optical Dispensers that, upon the request of the Employer, conduct duties related to a Journey Contact Lens Fitter shall receive the rate of pay in effect for the Journey Contact Lens Fitter for the entire duration in which they are engaged in such duties.**

**### Mentor Stipend**

**### When a Contact Lens Fitting Apprentice Program is instituted, the Employer may request a Contact Lens Fitter to serve as a mentor to apprentices in the Contact Lens Fitter Apprentice Program.**

**### Contact Lens Fitters who agree to serve as a Mentor to apprentice(s) shall receive a stipend of \$300 within 30 (thirty) days following the conclusion of the Program.**

**Over the course of the Program, Mentors may be expected to cover the following modules with their Apprentice: Contact Lens Delivery appointments; Instrumentation; Contact Lenses; Fitting Appointment; and Pathology. These modules are subject to change at the discretion of the Employer.**

**153 Section 3 – Shift Premium**

154 Employees who work on an evening shift as defined below shall receive a premium of one dollar (\$1.00) per hour above their regular rate of pay.

155 Employees who work a night shift as defined below shall receive a premium of one dollar and twenty-five cents (\$1.25) per hour above their regular rate of pay.

156 An evening shift shall be defined as any shift of four (4) hours or more commencing at or after 12:00 noon and terminating after 6:00 p.m.

157 A night shift shall be defined as any shift of four (4) hours or more commencing at or after 10:00 p.m. but before 6:00 a.m.

**158 Section 4 – Float Differential**

159 Regular employees assigned to a permanent facility who are assigned by the Employer to another facility on a temporary basis shall receive a premium of ten cents (\$0.10) per hour for work performed in the facility to which he/she is reassigned if the assignment exceeds one (1) hour.

160 This premium shall not apply to:

161 A. Employees whose primary jobs are unassigned relief employees working within their regularly assigned locations as indicated on their postings or as otherwise notified with fifteen (15) days advance notice.

162 B. Casual, Short-Hour or Temporary employees.

163 C. Reassignment caused by acts of God or workload shifts that are beyond the control of the Employer.

164 Facility includes its environs and related medical offices that are part of a specific medical center. A listing of facilities and their environs is outlined herein in Appendix B.

165 The parties agree that the above referenced Side Letter may be amended during the term of this Agreement in recognition of new facilities, or additions, or changes thereto.

166 **Section 5 – Relief in Higher Classification**

167 An employee who is directed by management to assume the duties and responsibilities of an Optical Lab Foreperson (Lead), Optical Sales Lead Dispenser, Senior Prescription Stock Clerk or Optical Customer Service Lead Representative, shall receive the higher rate of pay for the contractual classification relieved provided the employee assumes the full responsibility of the higher position for a period of four (4) hours or more.

168 No employee shall be required to relieve in a non-bargaining unit managerial position.

~~169 During the term of this Agreement, the Employer may from time to time request to use Optical Dispensers for the purpose of relief or supplemental contact lens fitting.~~

~~170 Relief fitting of contact lenses shall be compensated at the Journey Contact Lens Fitter rate provided the employee assumes the full responsibility of the Contact Lens Fitter position including taking K readings and other measurements to fit and design contact lenses, slit lamp examinations, lens modifications and sizing, and refit examinations provided that the individual works at least four (4) hours daily as a fitter.~~

171 **Section 6 – Mileage**

172 Employees required to use their personal automobile for employer business will be reimbursed according to the Employer's current policy on mileage reimbursement.

173 **Section 7 – Effective Date Tenure and Across the Board Increases**

174 Tenure increases and across the board increases shall become effective at the beginning of the first full payroll period nearest the employee's date of eligibility for such increase.

175 **Section 8 – Payday and Paychecks**

176 Payday shall be every-other-Friday. When a payday falls on a holiday, employees shall be paid on the day immediately preceding the holiday.

177 Employees upon written request may direct automatic deposit of their paycheck to a bank or saving institution of their choice provided such bank or institution participates in the National Automatic Clearing House Association. Employees electing automatic deposit shall receive a check stub or equivalent information each pay period indicating all payments made.

178 Paycheck shortages shall be paid by no later than the end of the next business day upon request of the employee; otherwise, paycheck shortages shall be paid on the next pay period or per applicable law.

179 **Section 9 – Termination Pay**

180 When an employee is voluntarily or involuntarily separated from employment, the employee will be paid all monies owed pursuant to this collective bargaining agreement, state or federal laws.

181 **Section 10 – Placement into Tenure Steps**

182 Placement in the tenure steps for Optical Sales Dispenser Apprentice and Optical Laboratory Apprentice positions shall be as follows: Apprentices with less than six months of optical experience will be placed in Step 1; Apprentices with six (6) months but less than one (1) year of optical experience will be placed in Step 2; Apprentices with one (1) or more years of optical experience will be placed in Step 3.

183 **Section 11 – Optical Sales Dispensers – Higher Pay**

184 Optical Sales Dispensers working in a Contact Lens Fitter Apprentice or Contact Lens Fitter Assistant position will receive the higher Optical Sales Dispenser wage rate.

185 **Section 12 – Bilingual Differential**

186 **The bilingual differential for qualified employees shall be fifty-five cents (\$0.55) for all compensated hours.**

~~Employees who are current participants in the voluntary QBS bilingual program will continue as participants of that program until such time as the Employer creates an appropriate assessment tool to determine the necessary skill level required of an employee to provide Optical service and support in a foreign language. Employees who are currently certified as QBS Level 2 and/or who currently hold a “bilingual required” position shall be automatically considered qualified. Employees who are currently certified as QBS Level 1 or who wish in the future to qualify for a bilingual differential must first pass an~~ Provided the current participant in the bilingual program passes the assessment in a language required by the Employer in a given Optical Branch or the Customer Service Center (excluding the manufacturing lab), he/she shall continue to receive the bilingual differential.

The Employer, with input from the Union, will develop an appropriate assessment tool to determine the necessary skill level required of an employee to provide Optical service and support in a foreign language. Employees who are currently certified as QBS Level 1 will continue to receive the current Bilingual differential attributed to that level until such time that the Employer has determined eligibility for the fifty-five cents (\$0.55) differential through the new assessment tool.

187 ~~Incumbents in bilingual required or bilingual preferred positions as of the date of ratification of this Agreement, who are QBS certified, will continue with the requirements of these positions as they were posted.~~

188 Except for employees who have qualified for a bilingual differential for a bilingual differential in the current voluntary program or in positions posted as bilingual required or preferred as outlined above, neither the Employer nor its agents will direct any employee to use his/her language skills in any interaction with a plan member unless he/she has passed an assessment of language skills applicable to this bargaining unit. The assessment tool and skill level will be

determined and developed by the Employer with input from the Union.

189 The Employer, as needed, may prospectively designate new positions as bilingual positions in any language determined by the Employer, post these positions and fill them in accordance with the Agreement. Prior to posting a bilingual required position the Employer will notice the Union and, if requested, meet and confer to review the need for such designation.

190 ~~Upon implementation of the new bilingual test, 1) Grandfathered employees who successfully pass the test, 2) successful applicants who pass the test for bilingual required positions, and 3) volunteers who pass the test in a location where the Employer has indicated a need for a specific language will receive a differential of fifty five cents (\$0.55) for all compensated hours.~~

The Employer reserves the right to add, modify, delete, or otherwise change proposals during the course of negotiations.

351 **ARTICLE XVI – PENSION**

352 **Section 1 – Kaiser Permanente Employees Pension Plan (KPEPP)**

353 Effective January 1, 2015, a newly hired employee will not be eligible for, and will not become a participant in, the Kaiser Permanente Employees Pension Plan ("KPEPP"). A newly hired employee will be covered under the Kaiser Permanente Northern California Employees Defined Contribution (EDC) plan, as described below.

354 For employees hired prior to January 1, 2015, the Employer provides the Kaiser Permanente Employees Pension Plan (KPEPP). An Optical Worker becomes eligible to participate in the plan upon the first anniversary of hire date provided that the employee worked at least 1000 hours during that 12-month period.

355 A. Years of Service determines eligibility for participation, vesting and retirement. Any calendar year in which an eligible Optical Worker receives pay for 1,000 or more hours of employment is a year of Service.

356 B. Years of Credited Service determine the pension benefit amount. Any calendar year in which an eligible Employee receives pay for two thousand (2,000) or more hours of employment is a full year of Credited Service. For years in which an eligible Employee has fewer than two thousand (2,000) compensated hours, he/she shall receive partial Credited Service.

357 **Pension Offset Rules**

358 If an Employee is entitled to receive a benefit from another qualified defined benefit plan maintained by Kaiser Permanente, other entities related to Kaiser Permanente, or from a Joint Labor Management Trust, for hours which are considered credited service under KPEPP, the Normal Retirement benefit amount attributable to the overlapping credited service will be offset from the Normal Monthly Pension amount from KPEPP.

359 **When Eligible Employees Can Retire Under KPEPP**

360 **Normal Retirement**

361 An eligible Employee is entitled to Normal Monthly Pension if he/she retires on his/her sixty-fifth (65<sup>th</sup>) birthday and has completed at least one year of Service. The Normal Monthly Pension amount shall be 1.45% of Final Average Monthly Compensation (FAMC is the average of the employee's base monthly compensation rate for the highest sixty consecutive months with in the last 120

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months of employment) multiplied by years of Credited Service.

362 Postponed Retirement

363 An eligible Employee is entitled to a Postponed Pension if he/she retires after his/her sixty-fifth (65th) birthday.

364 Early Retirement

365 An eligible Employee is entitled to Early Pension if he/she retires after his/her fifty-fifth (55th) birthday and has ten (10) or more years of service. The Early Pension is computed in the same manner as a Normal Pension but is reduced for starting payments prior to age sixty-five (65).

366 Disability Retirement

367 An eligible Employee is entitled to a Disability Pension if he/she is eligible for and receives disability income benefits under Title II of the Social Security Act when he/she retires and has (10) or more years of service. Eligibility for a Disability Pension is subject to periodic review by the Administrative Committee of the Plan. The Disability Pension is computed in the same manner as a Normal Pension, but does not receive an Early Pension reduction for starting payments prior to age sixty-five (65).

368 Deferred Vested Pension

369 An eligible Employee is entitled to a Deferred Vested Pension if his/her employment terminates and he/she has completed five (5) or more years of service. If such Employee dies prior to receiving benefits and is survived by a spouse, the spouse will receive a monthly benefit equal to the amount that would have been payable if the Employee had retired the day before his/her death and elected the joint and survivor method of payment with a fifty percent (50%) continuation to the survivor. The Deferred Vested Pension is computed in the same manner as a Normal Pension. Payments commence at age sixty-five (65), subject to filing a retirement application.

370 Survivor Annuity

371 An eligible Employee who has attained five (5) or more years of service is entitled to survivor annuity coverage. If such an Employee dies while still employed, and is survived by a spouse or a designated domestic partner, the spouse or domestic partner will receive a monthly benefit equal to the amount that would have been payable if the Employee had retired the day before his/her death and elected the



joint and survivor annuity method of payment with a fifty percent (50%) continuation to the survivor.

372 Payment

373 Pensions are paid under a method of payment elected by the Employee. The Employee may elect a method of payment as provided by KPEPP. Details can be found in the Summary Plan Description.

374 Plan Terms

375 The KPEPP is governed by the plan documents as amended from time to time.

376 **Section 2 – Kaiser Permanente Northern California Employees Defined Contribution (EDC) Plan**

377 Eligibility

378 Effective January 1, 2015, a newly-hired employee shall become a participant in the Kaiser Permanente Northern California Employees Defined Contribution (EDC) plan.

379 An Employee hired on or after January 1, 2015 automatically participates in the EDC upon his or her first day of employment in an eligible status under the terms of the EDC. An employee hired on or after January 1, 2015 may participate in EDC regardless of scheduled hours.

380 Employer Contribution

381 An eligible participant in the EDC will receive an Employer contribution of five percent (5%) of base wages. **Effective the first pay period ending after January 1, 2017 or as soon as administratively possible thereafter, an eligible participant in the EDC will receive an Employer contribution of six percent (6%) of base wages.** —An employee will be provided with a variety of investment options. An employee who does not make investment selections will default into investment alternatives in accordance with DOL rules as specified in the EDC.

382 Employee Contribution

383 An eligible participant in the EDC may contribute up to ten percent (10%) of salary on an after-tax basis.

384 Vesting

385 An eligible participant in the EDC is immediately one hundred percent (100%) vested in the Employer and employee contributions.

386 Distributions and Withdrawals

387 An eligible participant in the EDC shall qualify for age 65 in-service distributions in accordance with the terms of the EDC and applicable IRS rules. Upon termination or retirement, the EDC account balance is distributed or deferred in accordance with applicable IRS rules.

388 Plan Terms

389 The EDC is governed by the plan documents as amended from time to time.

390 **Section 3 – Kaiser Permanente 401(k) Plan**

391 All Employees shall be eligible to participate in the Kaiser Permanente 401(k) Plan on date of hire. Employees may contribute to the Plan on a pre-tax basis and have a variety of investment options.

392 An employee with one (1) or more years of service, who contributes to the 401(k) Plan will be eligible for the Employer Contribution Match program. The Employer will make contributions to match 100% of the eligible employee's contribution, up to 1.25% of the employee's salary. The Employer contributions will vest in increments of 20% per year, with participants becoming fully vested in the Employer Contribution after five (5) years of service.

393 Plan Terms

394 The 401(k) Plan is governed by the plan documents as amended from time to time.

395 **Section 4 – Building Service Employees Pension Trust**

396 The provisions for computing pension under K-PEPP for employees who were covered by the Pension Trust before April 1, 2002 are contained in and governed by the Plan Document.

397 Contact Lens Assistants or Contact Lens Fitter Trainees (formerly called Contact Lens Technicians I and II) and Contact Lens Fitters who were hired on or after November 1, 1990 and before October 1, 2000 may be entitled to a benefit under

the Building Service Employees Pension Trust for years in which the Employees were covered under that Plan.

The Employer reserves the right to add, modify, delete, or otherwise change proposals during the course of negotiations.

290 **ARTICLE XV – INSURANCE BENEFITS**

291 **Section 1 – Health Insurance for Active Employees**

292 ~~Through December 31, 2014, the Employer agrees to provide Kaiser~~  
Foundation Health Plan benefits for employees regularly scheduled to work  
twenty (20) hours or more per week and eligible dependents, to include eligible  
domestic partners, or to pay the premium required to provide the Alternate  
Medical Plan as described in the plan document for employees regularly  
scheduled to work twenty (20) hours or more per week and eligible dependents,  
to include eligible domestic partners. Eligible dependents shall include children  
up to twenty-six (26) years of age. ~~Through December 31, 2014, the Employer~~  
~~agrees to provide the drug benefit currently described as Kaiser Foundation~~  
~~Health Plan Drug Program Benefit "N" (\$5 co-pay) or The Alternate Medical Plan~~  
~~to all Regular employees/retirees, their spouses/eligible domestic partner and~~  
~~their dependents. Effective January 1, 2015, the Employer agrees to provide~~  
the benefit currently described as Kaiser Foundation Health Plan "Mid Benefit"  
(e.g., \$20 DOV, \$50 ER, and \$10 generic drug and \$15 brand drug co-pays) to  
all Regular employees, their spouses/eligible domestic partner and their eligible  
dependents. A detailed list of co-payments for the "Mid Benefit" is in Appendix  
F. The Alternate Medical Plan remains available only through December 31,  
2017.

293 The Employer agrees to pay any additional premium payments required to  
provide the benefits described above during the term of this Agreement, except  
as otherwise stated.

294 Kaiser Foundation Health Plan or Alternate Medical Plan coverage for  
employees and dependents shall become effective the first day of the month  
following the date the employee is regularly scheduled to work twenty (20) hours  
or more per week.

295 Employees may change from one health insurance plan to another during the  
annual Open Enrollment period.

300296 **Section 2 – Health Insurance for Retired Employees**

297 ~~A. Retiree Health Plan Coverage for Current Retirees Prior to January 1,~~  
~~2015~~

298 ~~A "Current Retiree" means an employee who retires on or after the~~

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~~effective date of this Agreement, and before January 1, 2015.~~

299 ~~Through December 31, 2014, Retiree Medical Coverage remains unchanged for eligible Current Retirees.~~

300 ~~The Employer agrees to provide to those employees covered by the Kaiser Foundation Health Plan, Kaiser Foundation Hospital Surgical Medical benefits described as Senior Advantage integrated with Medicare, for employees retired under the normal and postponed provisions of the pension plan and who are eligible for and participating in Parts "A", "B" and "D" of Medicare. Employees retiring under the early or disability provisions of the pension plan shall become eligible for the Kaiser Foundation Health Plan Senior Advantage coverage at the Employer's expense upon becoming eligible for and participating in Parts "A", "B" and "D" of Medicare. Covered spouses, or eligible domestic partners, of such employees must also enroll in Parts "A", "B" and "D" of Medicare when eligible, and assign Medicare benefits to Kaiser Permanente. For employees hired after October 25, 1986, fifteen (15) years of service as a Regular employee with the Employer shall be required for eligibility for post retirement health care coverage as described above and such coverage shall not include optical benefits. For employees hired on or before October 25, 1986, ten (10) years of service as a Regular employee with the Employer shall be required for eligibility, and will include vision benefits. Medicare eligible retirees and dependents, to include eligible domestic partners, will be required to enroll in the Senior Advantage Plan. The medical benefits that retirees receive from the Senior Advantage program will be the same as those described in Section 1, paragraph 292. Retirees covered by Senior Advantage must receive all medical care at Kaiser Permanente facilities in order to receive benefits. If individuals covered under this plan move outside the Kaiser Permanente service area, Medicare eligible retirees and their dependents, to include eligible domestic partners, will be required to pay that amount of the Out of Area or Out of Region retiree group rate which is in excess of the Senior Advantage Health Plan retiree group rate in effect on January 1 of each year. Dependents, or eligible domestic partners, who are not yet Medicare eligible, must enroll in Kaiser Permanente's Senior Advantage Plan as soon as they become eligible in order to maintain health plan coverage.~~

301 B. Retiree Medical Program for Active Employees On or After January 1, 2015

302 Section 1 – Retiree Health Plan Coverage for Active Employees on and After January 1, 2015

303      Retiree Medical Program “Eligibility” For Active Employees

304      Category 1. Is an active employee who was hired before January 1, 2015, and who is age fifty-five (55) or older with fifteen (15) or more years of service upon termination. A year of service is defined as 1,000 compensated hours or, if more favorable, as otherwise defined under the rules existing prior to January 1, 2015. On or after January 1, 2015, a year of service is equal to two thousand (2,000) compensated hours, and pro rated for years in which the employee has at least 1,000 hours but fewer than 2,000 hours.

305      Category 2. An active employee hired on or after January 1, 2015 who is age fifty-five (55) years or older with twenty (20) or more years of service upon termination. A year of service is defined as two thousand (2,000) compensated hours, and pro rated for years in which the employee has at least 1,000 hours but fewer than 2,000 hours.

306      Retiree Medical Program “Medical Subsidy” For Category 1 and 2 Employees

307      Category 1. Upon attainment of age sixty-five (65) or older, or Medicare-eligibility if earlier, a Category 1 retiree shall receive a Medical Subsidy toward enrollment in the Northern California Region Kaiser Permanente Senior Advantage Plan (“KPSAP”) or as further described in the “Medical Subsidy” rules below. The Medical Subsidy for ~~2017~~ shall be equal to the greater of ~~\$186.75~~ per month or the monthly plan premium of the highest cost ~~basic~~ individual Northern California Region Kaiser Permanente Senior Advantage Plan or its successor as of January 1, ~~2017~~ (the maximum Medical Subsidy for 2015 was \$175 and for 2016 is \$180.25)~~5~~. After ~~2017~~, the Medical Subsidy shall increase by three percent (3%) each year. A Category 1 Retiree's spouse or eligible domestic partner shall receive a Medical Subsidy equal to one hundred percent (100%) of the retiree's Medical Subsidy. If the Category 1 retiree's spouse or domestic partner is not yet Medicare-eligible when the Retiree attains age 65, the spouse or domestic partner shall be covered under the active employee plan in effect, until attainment of age sixty-five (65), or Medicare-eligibility if earlier. A Category 1 retiree's eligible dependent child and disabled dependent child shall be covered under the active employee plan in effect at the time that the eligible dependent receives services. The Retiree Medical Program for a Category 1 retiree's eligible dependents (spouse, domestic partner, and/or eligible children) will not apply until the retiree attains age 65 or Medicare eligibility. Eligible spouse/domestic partner, or eligible disabled dependent children, who are not yet Medicare eligible, must enroll in Medicare and

Kaiser Permanente's Senior Advantage Plan as soon as they become eligible in order to maintain retiree medical coverage.

308 Category 2. A Category 2 retiree, his or her spouse or domestic partner, and his or her dependent child will not receive a Medical Subsidy.

309 Retiree Medical Program "Medical Subsidy" Rules of Application (Category 1 only)

310 If the Medical Subsidy amount exceeds the premium costs, then the excess amount will be forfeited. Any cost of medical coverage above the Medical Subsidy shall be borne by the retiree. A retiree who does not pay the retiree's share of KPSAP premiums shall lose coverage in accordance with KPSAP terms. If a retiree does not pay the retiree's share of KPSAP premiums for his or her Medicare-eligible spouse or domestic partner, the spouse or domestic partner shall lose coverage in accordance with KPSAP terms. Within the Northern California Region or another Kaiser Permanente Service Area, Medical Subsidy applies only for the amount of basic KPSAP coverage (and not for any non-Kaiser Permanente plan). A retiree must enroll in Medicare Parts A & B and any other relevant Parts of Medicare, assign his or her Medicare rights to the applicable Kaiser Permanente Plan, and take such other action as the applicable Kaiser Permanente Plan determines is necessary to assign/coordinate Medicare. The spouse or domestic partner must also take the same actions when eligible. If the retiree does not pay the balance of the premiums for the spouse or domestic partner, the spouse or domestic partner shall lose coverage in accordance with the plan terms. If a Category 1 retiree and/or his or her eligible dependents reside outside of a Kaiser Permanente service area, the Medical Subsidy can be used for any medical premiums permitted by the Internal Revenue Code.

311 The Medical Subsidy for a Category 1 retiree, for his or her spouse or eligible domestic partner, and coverage for the Category 1 retiree's eligible dependent children, shall not apply until the Category 1 retiree attains age 65 or is Medicare eligible unless the retiree meets the definition of Category 3: Disabled Employees as described in Section 2.

312 In the event of a Category 1 retiree's death, the Medical Subsidy for a surviving spouse or eligible domestic partner will continue for the survivor until remarriage/recommitment or death.

313      Retiree Medical Health Reimbursement Account ("HRA") For Category 1 and 2 Employees

314      A Category 1 employee will receive an Employer allocation to an unfunded Retiree Medical Health Reimbursement Account ("HRA") at the time of retirement in the amount of \$750 per year of service. A Category 1 employee who retires on and after January 1, 2017 will receive an Employer allocation to an unfunded Retiree Medical HRA at the time of retirement in the amount of \$1,000 per year of service. A year of service is equal to 1,000 compensated hours or as otherwise defined under the rules existing prior to January 1, 2015. On or after January 1, 2015, a year of service is equal to two thousand (2,000) compensated hours, and pro rated for years in which the employee has at least 1,000 hours but fewer than 2,000 hours.

315      A Category 2 employee will receive an Employer allocation to an unfunded Retiree Medical HRA at the time of retirement in the amount of \$750 per year of service up to a maximum of thirty-five (35) years. -A Category 2 employee who retires on and after January 1, 2017 will receive an Employer allocation to an unfunded Retiree Medical HRA at the time of retirement in the amount of \$1,000 per year of service up to a maximum of thirty-five (35) years. A year of service is equal to two thousand (2,000) compensated hours, and pro rated for years in which the employee has at least 1,000 hours but fewer than 2,000 hours.

316      Retiree Medical HRA Rules of Application

317      The following rules shall apply to reimbursements from the Retiree Medical HRA:

318      1) A retiree may access the Retiree Medical HRA for reimbursement of IRS-approved expenses (with limitations described in paragraphs 2) and 3) below) upon attainment of age sixty-five (65). A retiree who becomes Medicare-eligible prior to age sixty-five (65) may access the Retiree Medical HRA prior to age sixty-five (65).

319      2) For a retiree residing within a Kaiser Permanente Service Area, reimbursements shall be limited to the KPSAP (or other plans offered by Kaiser Foundation Health Plan) coverage costs, consisting of premiums in excess of the Medical Subsidy and deductibles or co-payments required for covered services under KPSAP (or other plans offered by Kaiser Foundation Health Plan).



320           3) A retiree residing outside the Kaiser Permanente Service Area may receive Retiree Medical HRA reimbursements for any Medicare supplemental plan costs, consisting of Medicare supplemental plan premiums in excess of the Medical Subsidy, and Medicare supplemental plan deductibles or co-payments, based on guidelines issued by the Internal Revenue Service.

321           4) To the extent the Retiree Medical HRA mechanism is not available for a retiree's same-sex spouse or domestic partner, due to federal tax limitations, this paragraph shall apply. If an eligible retiree has an eligible domestic partner or same-sex spouse who is not a dependent as defined in the Internal Revenue Code, one-third (1/3) of the amount that otherwise would be allocated to the Retiree Medical HRA will instead be paid out in cash to the retiree within ninety (90) days of the later of the date the retiree attains age sixty-five (65) or separates from service. The amount described in this section shall, in no event, be paid later than the end of the applicable calendar year (or the 15th day of the third month after the applicable event, if later).

322           5) In the event of a retiree's death, any balance in the Retiree Medical HRA will be available for the benefit of the retiree's surviving spouse or domestic partner who is an eligible dependent as defined by the Internal Revenue Code. The surviving spouse or domestic partner may access the Retiree Medical HRA for reimbursement of eligible medical expenses, subject to the same Retiree Medical HRA Rules of Application in sections 2) and 3) above, when the retiree would have been eligible to access the HRA. Any balance in the Retiree Medical HRA will remain available until remarriage, entering a new domestic partnership or death.

323           Section 2 – Retiree Medical Program for Disabled Employees On or After January 1, 2015

324           Retiree Medical Program "Eligibility" for Disabled Employees On or After January 1, 2015

325           Category 3. An active employee who is eligible for employer-paid health benefits as an active employee, who retires (separates from service) on or after January 1, 2015, after becoming disabled, and who has at least fifteen (15) years of service and who is eligible for disability benefits under Title II of the Social Security Act. For the purpose of determining an employee's eligibility under Category 3, a year of service is defined as one thousand (1,000) compensated hours or, if more favorable, as otherwise defined under the rules existing prior to January 1, 2015. On or after January 1, 2015, a year of service is equal to two thousand (2,000) compensated hours,

and pro rated for years in which the employee has at least 1,000 hours but fewer than 2,000 hours.

326      Retiree Medical Program "Medical Subsidy" For Disabled Employees

327      A Category 3 disabled retiree shall be entitled to a Medical Subsidy equal to the greater of ~~\$18675~~ per month or the monthly plan premium of the highest cost individual Northern California Region Kaiser Permanente Senior Advantage Plan or its successor ("KPSAP") as of January 1, 2017. After 2017, the Medical Subsidy shall increase by three percent (3%) each year. Unless the Category 3 disabled retiree also meets the requirements in Category 1, a Category 3 disabled retiree's spouse, eligible domestic partner and non-disabled children shall not receive a Medical Subsidy. Disabled dependent children shall be covered under the active employee plan in effect at the time services are received. If the Category 3 disabled retiree also meets the requirements in Category 1, see Category 1, above for 100% Medical Subsidy for spouse/domestic partner, and for dependent coverage for a spouse/domestic partner who is not yet Medicare-eligible, and for non-disabled children.

328      The Retiree Medical Program "Medical Subsidy" Rules of Application above, for Category 1 Retirees shall also apply for Category 3, Disabled Retirees.

329      Employer Allocation to Retiree Medical Health Reimbursement Account ("HRA") For Disabled Employees

330      A Category 3 disabled retiree will receive an Employer allocation to an unfunded Retiree Medical HRA at the time of retirement (separation from service) in the amount equal to the greater of \$15,000 or \$750 per year of service. A Category 3 disabled retiree who retires on and after January 1, 2017 will receive an Employer allocation to an unfunded Retiree Medical HRA at the time of retirement (separation from service) in the amount equal to the greater of \$20,000 or \$1,000 per year of service. For periods before January 1, 2015, a year of service is based on a one-thousand (1,000) hour compensated year or as otherwise defined prior to January 1, 2015, if more favorable. On or after January 1, 2015, a year of service is equal to two thousand (2,000) compensated hours, and pro rated for years in which the employee has at least 1,000 hours but fewer than 2,000 hours.

331      The Retiree Medical HRA Rules of Application above for Category 1 and 2 retirees shall also apply to Category 3, Disabled Retirees.

332      ~~C. Retiree Medical Program for Current Retirees On and After January 1,~~

2015

333 ~~A "Current Retiree" means an employee who retires on or after the effective date of this Agreement, and before January 1, 2015. An employee "retires" before January 1, 2015 if he or she has a termination of employment defined as:~~

334 ~~1) After attaining at least age 55 with 15 or more years of Service, or~~

335 ~~2) After attaining eligibility for income benefits under Title II of the Social Security Act with 15 or more years of Service, or~~

336 ~~3) If hired on or before October 25, 1986, after attaining at least age 55 with 10 or more years of service, or after attaining eligibility for income benefits under Title II of the Social Security Act with 10 or more years of Service.~~

337 Categories of Current Retirees as of January 1, 2015

338 ~~Category 4. Effective January 1, 2015, a Current Retiree who attained age 75 before January 1, 2015, shall receive the retiree medical benefits in effect as of December 31, 2014 for that retiree, and any eligible dependents. The surviving spouse or domestic partner of a deceased Category 4 Current Retiree shall also continue to receive the retiree medical benefits in effect as of December 31, 2014. If the pre 2015 retiree medical benefits required the retiree to pay a share of the plan cost, the retiree (or surviving spouse/domestic partner) shall continue to pay the cost sharing. Survivor coverage shall continue for the spouse or domestic partner until remarriage/recommitment or death.~~

339 ~~Category 5. A Current Retiree who has not attained age 75 before January 1, 2015, shall receive the following Retiree Medical Program. The Retiree Medical Program for a retiree, his or her spouse or eligible domestic partner and dependent children shall not apply until the retiree attains age 65 or is Medicare eligible.~~

340 Retiree Medical Program For Category 5 Current Retirees

341 ~~Effective January 1, 2015, a Category 5 Current Retiree's retiree medical coverage will be equivalent to the KFHP Plan Level for active employees. Any changes to the active employee co payments on or after January 1, 2015, will also be implemented for the Category 5 Current Retiree and~~

~~his/her eligible spouse/domestic partner and dependent children.~~

342     ~~The Employer agrees to provide to the Category 5 Current Retiree, Kaiser Foundation Hospital Surgical Medical benefits described as Senior Advantage integrated with Medicare, provided the Category 5 Current Retiree retired under the normal or postponed provisions of the pension plan and is eligible for and participating in Parts "A", "B" and "D" of Medicare. If the Category 5 Current Retiree retired under the early or disability provisions of the pension plan, he/she shall become eligible for the Kaiser Foundation Health Plan Senior Advantage coverage at the Employer's expense upon becoming eligible for and participating in Parts "A", "B" and "D" of Medicare. Covered spouses, or eligible domestic partners, of Category 5 Current Retirees must also enroll in Parts "A", "B" and "D" of Medicare when eligible, and assign Medicare benefits to Kaiser Permanente. For Category 5 Current Retirees who were hired after October 25, 1986, fifteen (15) years of service as a Regular employee with the Employer shall be required for eligibility for post-retirement health care coverage as described above and such coverage shall not include optical benefits. For employees hired on or before October 25, 1986, ten (10) years of service as a Regular employee with the Employer shall be required for eligibility, and will include vision benefits. Medicare eligible retirees and dependents, to include eligible domestic partners, will be required to enroll in the Senior Advantage Plan. The medical benefits that retirees receive from the Senior Advantage program will be equivalent to the KFHP Plan Level for active employees. Category 5 Current Retirees covered by Senior Advantage must receive all medical care at Kaiser Permanente facilities in order to receive benefits. If a Category 5 Current Retiree moves outside the Kaiser Permanente service area, he/she will be required to pay that amount of the Out of Area or Out of Region retiree group rate which is in excess of the Senior Advantage Health Plan retiree group rate in effect on January 1 of each year for himself/herself and for any eligible spouse/domestic partner or eligible dependent child. Eligible spouse/domestic partner or eligible disabled children, who are not yet Medicare eligible, must enroll in Kaiser Permanente's Senior Advantage Plan as soon as they become eligible in order to maintain health plan coverage.~~

343     **Section 3 – Life Insurance**

344     **Beginning January 1, 2018, the** Employer will provide each employee regularly scheduled to work twenty (20) hours or more per week **with fifty thousand dollars (\$50,000)** Group Life Insurance and five thousand dollars (\$5,000) Accidental Death and Dismemberment coverage and the cost of such coverage shall be paid by the Employer. Coverage shall become effective the

first of the month following the date the employee is regularly scheduled to work twenty (20) or more hours per week.

- 345 Employees are eligible to purchase up to fourteen thousand dollars (\$14,000) of additional contributory life insurance. This fourteen thousand dollars (\$14,000) includes six thousand five hundred dollars (\$6,500) accidental death and dismemberment coverage.

346 **Section 4 – Dental Insurance**

- 347 After six (6) months of continuous employment, Employer-paid basic dental plan coverage will be provided to all Regular employees, their spouses, eligible domestic partners and their unmarried dependent children up to ~~twenty-six~~ five (26~~5~~) years of age, provided they have the same regular residence as the employee, and are dependent on the employee for support and maintenance.

**Through December 31, 2017,** the basic plan shall pay for covered services at the rate of ninety percent (90%) of usual, reasonable, and customary fees, one thousand dollars (\$1,000) per calendar year maximum per covered individual, fifty percent (50%) for prosthodontics. Additionally, dental insurance includes orthodontic coverage for dependent children ~~to age eighteen (18)~~ at the rate of fifty percent (50%) of usual, reasonable, and customary fees with a one thousand dollar (\$1,000) lifetime maximum.

**Beginning January 1, 2018, the basic plan shall pay for covered services at the rate of ninety percent (90%) of usual, reasonable, and customary fees, one thousand five hundred dollars (\$1,500) per calendar year maximum per covered individual, fifty percent (50%) for prosthodontics. Additionally, dental insurance includes orthodontic coverage for dependent children at the rate of fifty percent (50%) of usual, reasonable, and customary fees with a one thousand five hundred dollar (\$1,500) lifetime maximum.**

348 **Section 5 – Continuance of Coverage**

- 349 An employee placed on authorized leave of absence must pay the required premium necessary for continued medical, dental and group life insurance coverage during the period of any authorized leave of absence, except in the case of an industrial illness or injury or FMLA leave.

350      This Labor Agreement contains a brief description of health and welfare benefits. Further information on benefits can be found in the Summary Plan Description in MyHR. Coverages, limitations and exclusions of these Health and Welfare Plans are established and governed by the Employer's service agreements with respective providers, insurance contracts and Plan Documents, which are available for inspection.

The Employer reserves the right to add, modify, delete, or otherwise change proposals during the course of negotiations.

454 **ARTICLE XXI – UNION STAFF REPRESENTATIVES AND SHOP**  
**STEWARDS**

455 **Section 1 – Union Staff Representatives**

456 A duly authorized Union Staff Representative shall have access to the facility at any operational time for the purpose of observing working conditions, monitoring compliance with this Agreement or following-up on inquiries and concerns of bargaining unit employees.

457 It is understood by the parties that Union Staff Representatives have legal obligations as employee representatives and, as such, have access rights beyond those of the public and other non-employees.

458 Union Staff Representatives will abide by patient confidentiality, infection control, and other Employer policies applicable to employees when using their access rights.

459 When entering any of the Employer's facilities, Union Staff Representatives will wear their Union Representative badge issued by the Employer or the Union.

460 Union Staff Representatives may confer with an employee and/or his/her supervisor or an Employer representative on Employer time in connection with a complaint or problem concerning the employee, but such conference should not interfere with the work of the employee or the delivery of patient care.

461 **Section 2 – Union Shop Stewards**

462 Periodically, the Union will notify the Employer in writing the names of duly authorized Union Shop Stewards.

463 The Employer agrees that there will be no discrimination against the Shop Steward because of Union activity.

464 Shop Stewards will obtain permission from their immediate supervisor before leaving their work area to conduct Union business. Stewards shall not lose pay because of their participation in activities related to grievances, investigations or disciplinary meetings.

465 The facility's designated representatives are only required to meet with one (1)

ICP → NUHW  
9/22/16 6:40

Shop Steward on any grievance, investigation or disciplinary meeting. The activities of the Shop Stewards under this Article shall not unduly interfere with the Shop Steward's work or the work of any other employee.

466 **Section 3 – Bulletin Boards**

467 The Employer will provide adequate space at each facility for posting Union communications. In the event the Union demonstrates the need for a glass-enclosed, locked bulletin board, such shall be provided for the Union's use.

468 **Section 4 – Steward Training**

469 Thirty two (32) Shop Stewards will be provided ~~six one (46)~~ **six (6)** days per year to participate in ~~an Annual~~ **Annual** Stewards Training Days sponsored by the Union. The Employer will make every effort to release employees subject to operational need. Stewards ~~who that~~ attend the ~~Annual~~ **Annual** Stewards Training Days on a regularly scheduled day of work shall be paid for the number of hours at the straight-time rate the employee would have received had he/she worked that day.

**Upon written request to the Union, the Employer may request up to four (4) hours per year to participate in the upcoming scheduled Annual Stewards Training Day(s). The written request shall be submitted a minimum of two weeks in advance of the next scheduled Annual Stewards Training Day(s) and shall include the agenda of items to be discussed.**

470 **Section 5 – Bargaining Committee**

471 The Employer will pay up to five (5) employees who are members of the Union contract bargaining committee "release time" for participation in the collective bargaining sessions. Such pay shall not exceed the number of hours at the straight-time rate the employee would have received had he/she worked that day.

The Employer reserves the right to add, modify, delete, or otherwise change proposals during the course of negotiations.



KP to NUHW  
Sept 22, 2016  
6:31pm.

**SIDE LETTER OF AGREEMENT**

**OPTICAL INCENTIVE PLAN**

Tentative  
Agreement  
9/22/16  
JF 2/16

**An optical incentive plan is intended to be over and above base wage rates and is based on identified performance factors and targets. Such plan is self-funded through an operating margin gate. The plan will be based on key performance factors, including, but not limited to: quality, service, revenue, margin, or other Optical related measures.** Within 60 days following ratification of the Agreement the parties will meet and confer over an Optical Incentive Plan (the "Plan") to recognize and reward employees in the bargaining unit for their contributions to the achievement of organizational and team goals. The Plan is intended to be a tool that will help drive business performance. The parties shall endeavor to work collaboratively on development of the Plan, however it is understood that the Employer shall have the sole right, in its discretion, to establish, design, or modify ~~or discontinue~~ the Plan.

**Within 21 (twenty one) days following the finalization of the Plan, the Employer shall provide a copy of the Plan to all current employees.**

**This Side Letter shall sunset with this Collective Bargaining Agreement. The continuance or modification of any incentive plan beyond the expiration of this Collective Bargaining Agreement must be negotiated and agreed to.**

The Employer reserves the right to add, modify, delete, or otherwise change proposals during the course of negotiations.

557 **ARTICLE XXIX – DURATION OF AGREEMENT**

- 558 Except as otherwise specifically provided, this Agreement shall be effective as of ~~October 1, 2012~~ **<ratification date>**, and shall continue in effect through ~~September 30, 2015~~ **September 30, 2019** and shall be automatically renewed from year to year thereafter, unless amended, modified, changed or terminated.
- 559 Either party wishing to change or terminate this Agreement must serve written notice of a desire to amend to the other party at least 90 days prior to the expiration date. Notice of desire to change or terminate given by one party shall render unnecessary a similar notice by the other party.

The Employer reserves the right to add, modify, delete, or otherwise change proposals during the course of negotiations.

KP → NUHW  
10/4/16 3:49 PM