

**HEALTH PLAN AGREEMENT**  
**by and between**  
**The Orange County Fire Authority**  
**and**  
**The Orange County Professional Firefighters Association, Local 3631**

IN CONSIDERATION OF the mutual covenants, promises and conditions set forth herein below and pursuant to Article XIII, Section I, of the Parties' 2023-2027 Memorandum of Understanding (MOU), the Orange County Fire Authority ("Authority") and Orange County Professional Firefighters Association, Local 3631 ("OCPFA") agree as follows:

1. The term of this Agreement shall begin on March 1, 2025 and will terminate at 12:00 a.m. on March 1, 2028.

2. For employees who are on approved Family Leave pursuant to the Parties' MOU and applicable law, the OCPFA shall continue to pay health insurance premiums to the same extent the Authority would be required under applicable law or as long as the employee is considered full-time for IRS' ACA reporting by the Authority

Employee contributions towards health plan premiums shall be determined by OCPFA and comply with the affordability guidelines established by the Affordable Care Act (ACA), including Federal Poverty Line Safe Harbor thresholds. The employee's required contribution toward premiums for self-only coverage for the lowest cost plan providing minimum essential coverage shall not exceed the percentage established by the ACA for the applicable year. OCPFA will ensure annual updates to these thresholds.

3. The Authority shall contribute to an OCPFA medical benefit trust fund the following amounts for provision and administration of health and related benefits:

The Authority shall contribute toward health benefits, including medical, dental, vision, and at OCPFA's sole discretion, may also include life, disability insurance, wellness, other health benefits, health and/or wellness facility operation, and Trust administration costs as approved by OCPFA. The contribution amount shall be \$2,199.49 per month effective March 1, 2025 for each "actively employed" enrollee member of the Firefighter Bargaining Unit.

- a. "Actively employed" for purposes of this Agreement is an employee who is receiving their base salary, is using accrued paid leave, receiving benefits pursuant to Labor Code section 4850, or is on an approved leave per this MOU or the law. If an employee is deemed permanently unable to perform the essential functions of the job, upon application for disability retirement, either by the employee or the Authority, an employee will no longer be considered actively employed and may apply for service retirement allowance pending the determination of their entitlement to disability retirement. In the event the employee's disability retirement application is denied because the employee's medical condition does not qualify them for a disability retirement (not for failure to cooperate in the disability retirement application process as determined by OCERS) the employee shall be restored as an active employee. Nothing in this agreement shall preclude an employee from receiving the benefits of this agreement if they are otherwise entitled to them under existing state or federal law.
- b. Employees are not entitled to cash out any of the \$2,199.49 per month.
- c. OCPFA shall ensure that for purposes of the ACA's affordability determination, the

portion of the \$2,199.49 that makes the lowest cost plan affordable under the Federal Poverty Line Safe Harbor is applied only to health premiums and cannot be applied to life or disability insurance.

- d. If any payment due under this Agreement is not received by the 10<sup>th</sup> of each month, the amount due shall accrue interest at a rate equal to ten (10) times the average interest rate of the Authority portfolio.
  - i. To demonstrate how this calculation would function if we had applied the above referenced ten (10) time multiplier to the January 9, 2025 "good faith" payment that Authority issued to OCPFA for a 13-day delay in payment to the Fund, that \$3,001.96 payment would, under this new provision, now be calculated as ten (10) times that amount, or \$30,019.60.
- e. This penalty interest shall be calculated from the due date (the 10<sup>th</sup> of the month) until the date of actual payment, payable only if triggered by the time measurement outlined in paragraph f. below.
- f. Authority shall have a period of five (5) business days from the date of notice to cure any late payment without incurring the penalty interest. Once notice is given, if the payment is not received within the 5-day cure period, the penalty interest shall be applied retroactively from the original due date.
  - i. Notice can be given by either party, but must be given to the Assistant Chief of Business Services. For example, notice could be given by OCPFA to the Assistant Chief of Business Services, or notice could be given by any Authority employee to the Assistant Chief of Business Services.

4. OCPFA shall maintain a medical benefit trust fund (the "Fund") that shall be administered by medical benefit trustee(s) designated by OCPFA, for the main purpose of providing medical/dental/vision health benefits insurance and possible additional health and/or wellness OCPFA benefits, for "actively employed" enrollee members and retirees in the Firefighters' Unit. The Fund shall strive to provide additional disability and wellness benefits, which may include any wellness and other medical benefits as approved by the OCPFA Fund trustee(s). Assets in the Fund shall not be utilized to cover other OCPFA costs not associated with health and wellness or the administration of non-health and wellness benefits. It is intended that the administration of the health and wellness benefits offered by the Fund shall not survive the expiration of this Agreement without mutual written consent of the Parties.

5. The Health Benefit Plan (medical, dental and vision) provided through the Fund shall be made available by the Fund to all employees in the representation unit and retirees of the representation unit. Employees must sign a written authorization for deductions. Annual predetermined rate increases shall be automatically adjusted with the approval of OCPFA, without a requirement for new payroll deduction forms.

- a. The Authority shall transfer the share of member healthcare premiums which are deducted through payroll contributions within two (2) business days following the payroll deduction. If any payment due under this paragraph 5.a is not received within two (2) business days of payroll deduction, the amount due shall accrue interest at a rate equal to ten (10) times the average interest rate of the Authority portfolio. This penalty interest shall be calculated from the due date (the 2<sup>nd</sup> business day following payroll deductions) until the date of actual payment, payable only if triggered by the time measurement outlined in paragraph b. below.

- b. Authority shall have a period of five (5) business days from the date of notice to cure any late payment without incurring the penalty interest. Once notice is given, if the payment is not received within the 5-day cure period, the penalty interest shall be applied retroactively from the original due date. (Refer to paragraph 3.f.i for details about notice).
  - c. In addition to all OCPFA "actively employed" enrollee members and retirees, Health Benefit Plans provided through the medical benefit trust shall also be made available to former Fire Department employees who transitioned to the OCFA and retired from California Public Employees' Retirement System (CALPERS) greater than 120 days (about 4 months) from separation from their former Fire Department. These transitioned employees are not eligible for retiree health care benefits from a CALPERS administered plan; therefore, upon separation from Authority, these retirees will be considered eligible for enrollment for retiree health benefits (health, dental, and vision insurance) from a plan administered by the OCPFA medical benefit trust. The Authority shall not incur any costs as a result of this Section 5.c. and this Section shall only apply to employees within the OCPFA bargaining group.
6. Group policies must be designated as such in the California Insurance Code and issuance must be lawful in this state. The Fund shall offer health plans that constitute minimum essential coverage and provide minimum value under the ACA's employer shared responsibility provisions. The Fund shall not offer reimbursement of premiums for health coverage obtained through Covered California, as this constitutes an impermissible employer payment plan under the ACA.
7. Retiree-Only Benefit: Retirees who move out of the group plan area and, therefore, may not be eligible to participate in the group plans, may enroll in an alternative minimum essential coverage plan. Retirees in such individual plans are eligible for retiree medical grant funding under the same conditions as applied to group plan members (the OCPFA/Authority sponsored plan), provided that they submit a valid proof of payment, i.e. payroll stub showing payroll deduction for insurance or a copy of an insurance invoice accompanied by the paid check used for payment.
8. All costs of providing and administering the Health Benefit Plans shall be the sole responsibility of the Fund. The Authority shall not be responsible for any cost of providing or administering said Health Benefit Plans. The Authority shall continue to take deductions from employees' pre-taxed earnings in accordance with the Group Benefit Plan Agreement and Declaration of Trust for the Orange County Professional Firefighters' Association, IAFF Local 3631.
9. The Fund will be responsible for ensuring that the best investment practices shall be used in accordance with applicable laws and regulations when investing the Trust's funds.
10. The Fund will be responsible for all accounting practices relating to the disbursement of all trust fund assets. Accounting practices will be in accordance with industry standards.
11. Upon completion of the annual audit, the Fund shall provide the Authority with a copy of the annual audit within 90 days of the report's issuance. The annual audit report shall include the actual cost of Health Benefit Plan premiums, total amount of contributed funds spent on all plans, and details of how all remaining contributed funds are spent or administered. All books and records related to the administration and provision of such plans shall be available for audit and/or inspection by the Authority or its agents upon request and a 3060-day notice.
12. All "actively employed" enrollee members in classifications represented by OCPFA shall be eligible and offered an opportunity to enroll in a Health Benefit Plan option. No such employee shall be eligible for Authority-provided Health Benefit Plans.

13. Any employee who retires while in the OCPFA bargaining unit and who is otherwise eligible under the Authority's retiree medical benefit plan shall have coverage available from the Health Benefit Plan. No such employee shall be eligible for Authority-provided health plans.

14. The Fund shall have an open enrollment at least once a year.

15. Health Benefit Plan coverage is the first day of the month following the employee's date of hire. Employee must make an election within a sixty (60) day period.

16. Employees eligible for coverage under a Health Benefit Plan as a result of change of Authority representation unit shall be enrolled without regard to pre-existing conditions of illness or injury for plan benefits for themselves and their enrolled dependents. Employees eligible for coverage under an Authority health plan as a result of change of Authority representation unit shall be enrolled without regard to pre-existing conditions of illness or injury for plan benefits for themselves and their enrolled dependents.

17. In the administration and provision of health care plans, The Fund shall comply with COBRA, HIPAA, ACA, and all other applicable state and federal laws and regulations to the same extent the Authority would be required to comply.

18. The Fund shall comply with all laws applicable to health and welfare benefit, and/or medical or similar benefit, trust funds and the administration and management thereof.

19. The Fund shall ensure the confidentiality of Health Benefit Plan user information in compliance with all applicable state and federal laws, including HIPAA and the California Consumer Privacy Act (CCPA).

20. Except as provided below, plan eligibility shall terminate at the end of the calendar month in which any of the following occur:

- a. Employee terminates. However, this will not interfere with a former employee's right to continue insurance coverage at his/her option as provided for under law.
- b. Change of representation unit.
- c. Disenrollment of a dependent (for the dependent).
- d. Failure to remit premium share (where applicable, such as an employee on leave).

However, upon any of the above occurrences, if the employee would still be reported to the IRS as full-time under the ACA, then that employee's Plan eligibility shall continue until the end of the stability period as reported by the Authority, or until coverage by the new OCPFA representation unit begins, whichever comes first.

21. The provisions of this Agreement shall not be subject to the grievance and arbitration provisions of the separate Memorandum of Understanding between the Authority and OCPFA.

22. The Fund shall defend, indemnify and hold the Authority harmless from any claims or legal action arising out of, or in any way related to, Health Benefit Plans administered and/or provided pursuant to this Agreement, including any IRS penalties assessed as a result of the ACA's employer shared responsibility provisions. This obligation shall not arise with respect to any claim or legal action brought by OCPFA or employees concerning coverage overlap between the respective Authority and OCPFA plans.

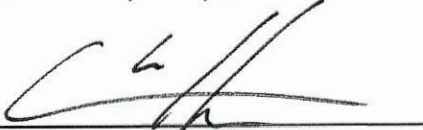
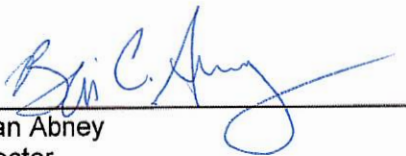
23. This Agreement is the entire, integrated agreement with respect to the subject matter hereof, and supersedes all prior and contemporaneous oral and written agreements and discussions. The Parties also agree that no modification of this Agreement shall be valid unless it is in writing and signed by all of the Parties to this Agreement.

24. This Agreement shall not be construed in favor or against any party, regardless of which party drafted or participated in the drafting of its terms.

25. The parties agree to reopen negotiations if any of the following occurs:

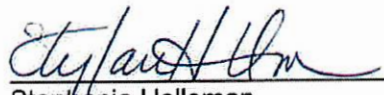
- a. If changes to the ACA occur which modify this Agreement, including additions or potential repeal.
- b. If there are other legislative changes that modify this Agreement.

**Orange County Professional Firefighters  
Association, IAFF, Local 3631**

  
Chris Hamm  
President  
Brian Abney  
Director

**Orange County Fire Authority**

Peter Brown  
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Peter J. Brown  
Labor Negotiator

  
Lori Zeller  
Deputy Chief, Administration & Support  
Stephanie Holloman  
Assistant Chief, Human Resources Dept.  
Robert Cortez  
Assistant Chief, Business Services Dept.