CITY OF MINNEAPOLIS

And

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, DISTRICT LODGE NO. 77, AFL-CIO

LETTER OF AGREEMENT – Amending Health Care Letter of Agreement

WHEREAS, the City of Minneapolis (hereinafter "Employer") and the (Bargaining Unit) (hereinafter "Union") are parties to a Collective Bargaining Agreement that is currently in force (the "CBA"); and

WHEREAS, the Parties previously entered into a Letter of Agreement for the purpose of providing quality health care at an affordable cost for the protection of employees for the period from January 1, 2012 through December 31, 2013 (the "2012-2013 Health LOA"); and

WHEREAS, the Parties have agreed to amend the 2012-2013 Health LOA to ease the administrative burden of integrating newly hired employees into the health plan maintained by the Employer.

NOW, THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

1. Paragraph 4 of the 2012-2013 Health LOA is hereby amended by adding a new subparagraph e to read as follows:

    e. The following shall apply to employees who become newly eligible for health insurance coverage on or after July 1, 2012:

        i. *Employees who become newly eligible for health insurance coverage during the period from July 1, 2012 through December 31, 2012.* Upon becoming eligible for health insurance coverage, newly enrolled employees shall, for 2012 and 2013, pay the same employee contribution toward monthly premium as is payable by employees who complete the wellness program requirements (the "Completer Rates").

        ii. *Employees who become newly eligible for health insurance coverage after December 31, 2012.* After 2012, new employees shall be treated in the following manner:

- Newly enrolled employees who are benefit eligible on or before July 1st of a calendar year will pay the Completer Rates for the remainder of the calendar year in which they are hired. If the employee completes the wellness program requirements by August 31st of the year of hire, he/she will continue to pay the Completer Rates for the duration of the subsequent calendar year. If the employee does not complete the wellness program requirements by August 31st of the year of hire, he/she will pay the "non-completer" rates during the subsequent year;

- Newly enrolled employees who are benefit eligible after July 1st, of a calendar year will pay the lower "completer" rates for the remainder of the calendar year in which they are hired and for the duration of the subsequent calendar year.

2. The 2012-2013 Health LOA and the CBA remain in full force and effect, except as expressly modified by this Agreement.

THE PARTIES have caused this Amendment to be executed by their duly authorized representative whose signature appears below:

FOR THE CITY OF MINNEAPOLIS:

10/9/12

Timothy Giles Date
Director, Employee Services

FOR THE UNION:

10-4-12

John Steigauf Date
Business Representative, Lodge #77