

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES,
COUNCIL #65 (AFSCME UNION)

AND THE CITY OF MARSHALL

ESTABLISHING A HEALTH CARE SAVINGS PLAN (HCSP)

WITH THE MINNESOTA STATE RETIREMENT SYSTEM

A. Purpose of Memorandum

This Memorandum of Understanding establishes a Health Care Savings Plan (HCSP) in the State of Minnesota, Minnesota State Retirement System (MSRS) for employees covered by the AFSCME Union Labor Agreement and the City of Marshall.

B. Duration

This Memorandum shall become effective January 1, 2026 and shall terminate effective December 31, 2027; unless specifically renewed by both parties for a definitive period of time prior to December 31, 2027.

C. Administration

The City of Marshall will handle the administrative responsibilities of remitting and accounting for the AFSCME Union employee contributions to the Minnesota State Retirement System (MSRS) as required by MSRS. No contributions or severance payments will be made to the account of a deceased employee.

D. Employee Contributions to the HCSP

Under this Memorandum, contributions to the HCSP will be established for the AFSCME Union employee by the AFSCME Union. Individual members may neither increase nor decrease their individual contributions from the amount established by the AFSCME Union. All bargaining unit members will be included.

- 1) *Individual employees will contribute biweekly as a payroll deduction, based on years of service, in accordance with the following schedule:*

*0 to 4 yrs = 1%
5 to 10 yrs = 2%
11 to 20 yrs = 3%
21+ yrs = 4%*

- 2) *Upon termination of employment from the City, individual employees will contribute 100% of the accrued amount of vacation, personal leave, and accrued compensatory*

leave as per the Labor Agreement of record between AFSCME and the City of Marshall and in accordance with the City of Marshall Personnel Policy manual.

- 3) *Upon termination of employment from the City, individual employees will contribute 100% of their severance pay and accumulated sick leave as per the respective schedules provided in the Labor Agreement of record between AFSCME and the City of Marshall.*

E. Employer Contributions to the HCSP

Under this Memorandum, although the Employer is not legally required to make a contribution to the HCSP, the City of Marshall hereby agrees to contribute to the individual employee accounts as follows:

- 1) Annual (pro-rated) contribution of \$25.00; contribution to be made in December into active employee accounts.

F. Employee's Death

Upon an employee's death, contributions can no longer be made to the HCSP.

G. Investment Options

Individual employees may select their individual investment options from the list of options made available to employees by the MSRS.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed this _____ day of _____, 2025.

City of Marshall

Mayor

City Clerk

Date: _____

X Maggie Pettit 10/21/2025

AFSCME Council 65