

**MEMORANDUM
PERSONNEL DEPARTMENT
COUNTY OF PLACER**

TO: Board of Supervisors
FROM: Nancy Nittler, Personnel Director
BY: Ann Craig, Personnel Services Manager
DATE: October 19, 2010
SUBJECT: Adoption of the 2011 CalPERS Health Insurance Contribution Rates for Employees and Retirees

REQUESTED ACTION AND RECOMMENDATION:

Approve the attached annual resolutions for the California Public Employees Retirement System, Health Benefits Division, which adopts the 2011 employer health insurance contribution levels effective January 1, 2011 for all Placer County employees and retirees.

BACKGROUND:

The Public Employees Retirement System annually requires the adoption of the attached resolutions to update their records with regards to the County contribution for health insurance premiums.

All Placer County employees will now contribute 20% of the premium cost and the County will contribute the remaining 80% at each coverage level. The recent Board adoption of the Salary and Benefit Ordinances for the Placer Public Employees Organization (PPEO) and for Management, Confidential, Elected Officials and Unclassified Non-management employees detailed the revised cost sharing arrangement for active employees and retirees. In September 2009, your Board adopted the same cost sharing formula for Placer County Deputy Sheriff Association (PCDSA) represented employees with a minor modification that freezes PERSCare employer contribution at the 2007 contribution levels.

For example, effective January 2011, the County monthly contribution for the highest cost HMO plan, Blue Shield Access Plus will be a maximum \$489.12 for an employee only; \$978.24 for an employee plus one dependent; and \$1271.70 for an employee plus two or more dependents. Employees and retirees will contribute monthly up to \$122.28 for an employee only; \$244.56 for an employee plus one dependent; and \$317.92 for an employee plus two or more dependents. Even, with the overall premium rate increases ranging from 4.5% to 17.24%, for the 2011 benefit year, the revised premium sharing method listed above represents an estimated decrease in employer costs of approximately \$2.5 million annually.

The attached resolutions also cover the 2011 employer contribution for retiree health vesting schedules for PPEO, PCDSA, Unclassified Non-management and Management & Confidential employees as previously approved by your Board.

FISCAL IMPACT:

There is no additional fiscal impact by adopting these resolutions as they implement prior Board of Supervisors decisions. The County contribution for active employees was previously budgeted and approved at the department level. The retiree health insurance contribution was approved and budgeted in the Personnel Employee Benefits budget and will be charged across County budgets accordingly.

Before the Board Of Supervisors County of Placer, State of California

In the matter of: Adopting the PERS Employer Health
 Insurance Contribution for All Employees
 Hired on or Before December 31, 2004,
 Effective January 1, 2011

Resol.No: _____

Ord.No.: _____

First Reading: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held October 19, 2010 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

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- WHEREAS (1) Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act, and
- WHEREAS (2) Placer County is a local contracting agency under the Act; now, therefore be it
- RESOLVED (a) That the employer's contribution for each employee or annuitant hired prior to January 1, 2005, shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan to a maximum of:

<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution Per Month</u>
01	Management & Confidential	a) 80% for the employee only b) 80% for the employee plus one c) 80% for the employee plus two or more
02	P.P.E.O.	a) 80% for the employee only b) 80% for the employee plus one c) 80% for the employee plus two or more
03	Deputy Sheriff Association	a) 80% for the employee only b) 80% for the employee plus one c) 80% for the employee plus two or more d) \$457.70 for the employee only in PERSCare e) \$915.38 for the employee plus one in PERSCare f) \$1190.00 for the employee plus two or more in PERSCare

Plus administrative fees and Contingency Fund Assessments; and be it further

RESOLVED (b) That the Placer County has fully complied with any and all applicable provisions of the Government Code Section 7507 in electing the benefits set forth above.

Adopted at a regular meeting of the Placer County Board of Supervisors at Auburn, California this 19th day of October 2010.

Before the Board Of Supervisors County of Placer, State of California

In the matter of: Adopting the PERS Employer Health
 Insurance Vesting Requirements Effective
 January 1, 2011 for Placer County
 Deputy Sheriffs Association Employees

Resol.No: _____

Ord.No.: _____

First Reading: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held October 19, 2010 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

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- WHEREAS (1) Government Code 22893 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act may amend its resolution to provide a post retirement vesting requirement to employees who retire for service, and
- WHEREAS (2) Placer County is a local agency contracting under the Act for participation by members of the Placer County Deputy Sheriff Association, and
- WHEREAS (3) Placer County certifies, Placer County Deputy Sheriff Association employees are represented by a bargaining unit and subject to a memorandum of understanding, and

- WHEREAS (4) The credited service for purposes of determining the percentage of employer contributions shall mean service as defined in Section 20079, except that not less than five years of that service shall be performed entirely with the Placer County; and
- WHEREAS (5) The contribution for active employees cannot be less than what is defined in Section 22892; now, therefore be it
- RESOLVED (a) That the employer's contribution for each **retired** employee first hired on or after January, 1, 2005 shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum as listed below plus Administrative fees and Contingency Reserve Fund, but not more than 100 percent of the premium applicable to him or her, nor less than the 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefits plans that have the largest number of enrollments; and be it further

<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution Per Month</u>
06	Deputy Sheriff Association	a) 80% for the employee only b) 80% for the employee plus one c) 80% for the employee plus two or more d) \$457.70 for the employee only in PERSCare e) \$915.38 for the employee plus one in PERSCare f) \$1190.00 for the employee plus two or more in PERSCare
RESOLVED (b)		That the percentage of employer contribution payable for post retirement health benefits for each retired employee shall be based on the employee's completed years of credited service based upon Government Code Section 22893; plus administrative fees and Contingency Reserve Fund assessments.
RESOLVED (c)		That the Placer County has fully complied with any and all applicable provisions of the Government Code Section 7507 in electing the benefits set forth above.

Before the Board Of Supervisors County of Placer, State of California

In the matter of: Adopting the PERS Employer Health
Insurance Vesting Requirements Effective
January 1, 2011 for Management and
Confidential Employees

Resol.No.: _____

Ord.No.: _____

First Reading: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held October 19, 2010 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

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- WHEREAS (1) Government Code 22893 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act may amend its resolution to provide a post retirement vesting requirement to employees who retire for service, and
- WHEREAS (2) Placer County is a local agency contracting under the Act for participation by members of the Management and Confidential group, and
- WHEREAS (3) Placer County certifies, the Management and Confidential employees are not represented by a bargaining unit and there is no applicable memorandum of understanding, and

- WHEREAS (4) The credited service for purposes of determining the percentage of employer contributions shall mean service as defined in Section 20079, except that not less than five years of that service shall be performed entirely with the Placer County; and
- WHEREAS (5) The contribution for active employees cannot be less than what is defined in Section 22892; now, therefore be it
- RESOLVED (a) That the employer's contribution for each **retired** employee first hired on or after January 1, 2005 shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum as listed below plus Administrative fees and Contingency Reserve Fund, but not more than 100 percent of the premium applicable to him or her, nor less than the 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefits plans that have the largest number of enrollments; and be it further

<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution Per Month</u>
04	Management & Confidential	a) 80% for the employee only b) 80% for the employee plus one c) 80% for the employee plus two or more

RESOLVED (b) That the percentage of employer contribution payable for post retirement health benefits for each retired employee shall be based on the employee's completed years of credited service based upon Government Code Section 22893; plus administrative fees and Contingency Reserve Fund assessments.

RESOLVED (c) That the Placer County has fully complied with any and all applicable provisions of the Government Code Section 7507 in electing the benefits set forth above.

Adopted at a regular meeting of the Placer County Board of Supervisors at Auburn, California this 19th day of October 2010.

Before the Board Of Supervisors County of Placer, State of California

In the matter of: Adopting the PERS Employer Health
Insurance Vesting Requirements Effective
January 1, 2011 for the Placer Public
Employees Organization Employees

Resol.No.: _____

Ord.No.: _____

First Reading: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held October 19, 2010 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

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- WHEREAS (1) Government Code 22893 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act may amend its resolution to provide a post retirement vesting requirement to employees who retire for service, and
- WHEREAS (2) Placer County is a local agency contracting under the Act for participation by members of the Placer Public Employees Organization, and
- WHEREAS (3) Placer County certifies, Placer Public Employees Organization employees are represented by a bargaining unit and subject to a memorandum of understanding, and

- WHEREAS (4) The credited service for purposes of determining the percentage of employer contributions shall mean service as defined in Section 20079, except that not less than five years of that service shall be performed entirely with the Placer County; and
- WHEREAS (5) The contribution for active employees cannot be less than what is defined in Section 22892; now, therefore be it
- RESOLVED (a) That the employer's contribution for each **retired** employee first hired on or after January 1, 2005 shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum as listed below plus Administrative fees and Contingency Reserve Fund, but not more than 100 percent of the premium applicable to him or her, nor less than the 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefits plans that have the largest number of enrollments; and be it further

<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution Per Month</u>
05	P.P.E.O.	a) 80% for the employee only b) 80% for the employee plus one c) 80% for the employee plus two or more

RESOLVED (b) That the percentage of employer contribution payable for post retirement health benefits for each retired employee shall be based on the employee's completed years of credited service based upon Government Code Section 22893; plus administrative fees and Contingency Reserve Fund assessments.

RESOLVED (c) That the Placer County has fully complied with any and all applicable provisions of the Government Code Section 7507 in electing the benefits set forth above.

Adopted at a regular meeting of the Placer County Board of Supervisors at Auburn, California this 19th day of October, 2010.

Before the Board Of Supervisors County of Placer, State of California

In the matter of: Adopting the PERS Employer Health
 Insurance Vesting Requirements Effective
 January 1, 2011 for Unclassified
 Non-management employees

Resol.No: _____

Ord.No.: _____

First Reading: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held October 19, 2010 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

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- WHEREAS (1) Government Code 22893 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act may amend its resolution to provide a post retirement vesting requirement to employees who retire for service, and
- WHEREAS (2) Placer County is a local agency contracting under the Act for participation by the Unclassified Non-management employees, and
- WHEREAS (3) Placer County certifies, the Unclassified Non-management employees are not represented by a bargaining unit and there is no applicable memorandum of understanding, and

WHEREAS (4) The credited service for purposes of determining the percentage of employer contributions shall mean service as defined in Section 20079, except that not less than five years of that service shall be performed entirely with the Placer County; and

WHEREAS (5) The contribution for active employees cannot be less than what is defined in Section 22892; now, therefore be it

RESOLVED (a) That the employer's contribution for each **retired** employee first hired on or after January 1, 2005 shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum as listed below plus Administrative fees and Contingency Reserve Fund, but not more than 100 percent of the premium applicable to him or her, nor less than the 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefits plans that have the largest number of enrollments; and be it further

<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution Per Month</u>
05	Unclassified Non-management	a) 80% for the employee only b) 80% for the employee plus one c) 80% for the employee plus two or more

RESOLVED (b) That the percentage of employer contribution payable for post retirement health benefits for each retired employee shall be based on the employee's completed years of credited service based upon Government Code Section 22893; plus administrative fees and Contingency Reserve Fund assessments.

RESOLVED (c) That the Placer County has fully complied with any and all applicable provisions of the Government Code Section 7507 in electing the benefits set forth above.

Adopted at a regular meeting of the Placer County Board of Supervisors at Auburn, California this 19th day of October 2010.

