

**MEMORANDUM
PERSONNEL DEPARTMENT
COUNTY OF PLACER**

TO: Board of Supervisors
FROM: Nancy Nittler, Personnel Director
BY: Ann Craig, Personnel Services Manager
DATE: October 22, 2014
SUBJECT: Adoption of the 2014 CalPERS Health Insurance Contribution Rates for Employees and Retirees

REQUESTED ACTION AND RECOMMENDATION:

Adopt the attached annual resolutions for the California Public Employees Retirement System, Health Benefits Division, which adopts the 2014 employer health insurance contribution levels effective January 1, 2014 for all Placer County employees and retirees. Based on these contribution levels, the average increase of the two most popular health plans range from 4.57% to 11.11%; these increases are included in the County's budget for FY 2013-14.

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 continue to contribute 20% of the premium cost with the County contributing the remaining 80% at each coverage level. With the adoption of the Placer County Deputy Sheriff Association's (PCDSA) Consolidated Memorandum of Understanding on February 26, 2013, PCDSA will continue with the same cost sharing formula with a minor modification that changes the PERSCare employer contribution. This modification results in the County paying 45% of the cost and the employees paying 55% of the premium.

Effective January 2014, the County monthly contribution for the highest cost HMO plan, Anthem Traditional will be a maximum \$675 for an employee only; \$1350 for an employee plus one dependent; and \$1754 for an employee plus two or more dependents. Employees and retirees will contribute monthly up to \$169 for an employee only; \$338 for an employee plus one dependent; and \$439 for an employee plus two or more dependents.

It should be noted that the Kaiser health plan has the largest enrollment with monthly employer contributions at \$548 for an employee only, \$1095 for an employee plus one dependent and \$1423 for an employee and two or more dependents. Employees will contribute monthly \$137, \$274, and \$356 for the employee only, employee and one dependent and family coverage respectively. For the 2014 benefit plan year, the County's two most popular health plans will have the following increases: Kaiser 11.11% and Blue Shield 4.57%.

The attached resolutions cover the calendar year 2014 employer contribution for retiree health vesting schedules for Placer Public Employees Organization, PCDSA 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, 2014

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 22, 2013 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

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) 45% for the employee only in PERSCare e) 45% for the employee plus one in PERSCare f) 45% 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 the 22nd day of October 2013.

**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, 2014 for Placer County
 Deputy Sheriffs Association Employees
 for employees hired on or after
 January 1, 2005

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 22, 2013 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

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) 45% for the employee only in PERSCare e) 45% for the employee plus one in PERSCare f) 45% 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, 2014 for Management and
Confidential Employees for employees
hired on or after January 1, 2005

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 22, 2013 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 22nd day of October 2013.

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, 2014 for the Placer Public
Employees Organization Employees for
employees hired on or after January 1, 2005

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 22, 2013 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

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 22nd day of October, 2013.

