

Board of Trustees Agenda Item

Board Meeting Date: March 12, 2012

Title of Item: CalPERS Health Benefits Plan Resolutions to Participate Effective July 1, 2012

Background and Analysis:

The Board shall approve the following Resolutions required to participate in the CalPERS health benefit plans effective July 1, 2012.

- a) *New School Unequal Contribution:* RESOLUTION ELECTING TO BE SUBJECT TO PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AND FIXING THE EMPLOYER'S CONTRIBUTION AT AN AMOUNT GREATER THAN OR EQUAL TO THAT PRESCRIBED BY SECTION 22892(b) OF THE GOVERNMENT CODE;
- b) *Part-time Employees:* RESOLUTION ELECTING TO BE SUBJECT TO PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT FOR LESS THAN HALF TIME EMPLOYEES AND FIXING THE EMPLOYER'S CONTRIBUTION AT THE SAME AMOUNT AS FULL TIME EMPLOYEES;
- c) *Domestic Partners:* RESOLUTION ELECTING TO BE SUBJECT TO SECTION 22819 OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT; AND
- d) *Surviving Spouses:* RESOLUTION ELECTING TO BE SUBJECT TO SECTION 22771 OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

Recommendation: Vice Chancellor of Human Resources and Equal Opportunity, and Chief Negotiator Dorene Novotny recommends approval

Submitted by:	Dorene Novotny, Vice Chancellor of Human Resources & Equal Opportunity x6211
Additional contact names:	Suzanne Pfeiffer, Director of Human Resources x6109
Is backup provided?	Yes

**RESOLUTION ELECTING TO BE SUBJECT TO
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
AND
FIXING THE EMPLOYER'S CONTRIBUTION AT AN AMOUNT GREATER THAN
OR EQUAL TO THAT PRESCRIBED BY SECTION 22892(b) OF THE GOVERNMENT
CODE**

Resolution 2012-11

- WHEREAS, (1) Government Code Section 22922(a) provides the benefits of the Public Employees' Medical and Hospital Care Act to employees of contracting agencies on proper application by a local agency; and
- WHEREAS, (2) Government Code Section 22920(a) defines a school employer as a contracting agency, and
- WHEREAS, (3) Government Code Section 22892(c) provides that a contracting agency may fix the amount of the employer's contribution for employees and the employer's contribution for annuitants at different amounts, provided that the monthly contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by 5 percent of the current monthly contribution for employees, until such time as the amounts are equal; and
- WHEREAS, (4) **FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT**, hereinafter referred to as School Employer, is an entity meeting the above definition; and
- WHEREAS, (5) The School Employer desires to obtain for its employees and annuitants the benefit of the Act and to accept the liabilities and obligations of an employer under the Act and Regulations; now, therefore, be it
- RESOLVED, (a) That the School Employer elect, and it does hereby elect, to be subject to the provisions of the Act; and be it further
- RESOLVED, (b) That the employer's contribution for each employee 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 of:

Code	Bargaining Unit	Contribution Per Month
01	Association of Classified Employees (ACE)	\$112
02	California School Employees Association (CSEA)	\$112
03	Faculty Association (FA)	\$112
04	Operating Engineers Local 3 (OE3)	\$112
05	Teamsters (Supervisors)	\$112

and be it further

- RESOLVED, (c) That the employer's contribution for each annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her family members, in a health benefits plan up to a maximum of **ONE DOLLAR (\$1.00)** per month; and be it further
- RESOLVED, (d) That the employer's contribution for each annuitant shall be increased annually by **FIVE (5)** percent of the monthly contribution for employees, multiplied by number of years of employer's participation in PEMHCA, until such time as the contributions are equal;
- And that the contributions for employees and annuitants shall be in addition to those amounts contributed by the School Employer for administrative fees and to the Contingency Reserve Fund; and be it further
- RESOLVED, (e) That **FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (f) That the executive body appoint and direct, and it does hereby appoint and direct, **LINDA THOR, CHANCELLOR**, to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said School Employer all functions required of it under the Act and Regulations of the Board of Administration; and be it further
- RESOLVED, (g) That coverage under the Act be effective on **JULY 1, 2012**

Adopted at a regular/special meeting of the **BOARD OF TRUSTEES**
at **LOS ALTOS HILLS, CA** this _____ day of _____
20____.

Signed: _____

JOAN BARRAM
(President, Chairman, etc.)

Attest: _____

(Secretary or appropriate officer)

INSTRUCTIONS

RESOLUTION ELECTING UNEQUAL CONTRIBUTIONS

This resolution form is the approved form designated by the Public Employees' Retirement System and should be used by a School Employer to assure proper filing with the Public Employees' Retirement System for the combined purpose of:

1. Contracting for coverage under the Public Employees' Medical and Hospital Care Act (PEMHCA), and
2. Fixing the employer's contribution toward employees' health insurance at one amount and the contribution for the annuitants at another amount with annual increases of at least 5%, multiplied by number of years of participation in PEMHCA, multiplied by current contribution toward employees, until the contribution for active employees and annuitants are equal.

WHEREAS (4) should be completed with full name of the contracting agency/School Employer.

WHEREAS (5) Annuitant refers to retired employees and their survivors who receive a retirement allowance, as defined in Section 22760.

RESOLVED (b) should be completed to specify the bargaining units and amount of the employer's (agency's) contribution toward the cost of its employees' enrollments. The amount specified by this Resolution would be an amount greater than that specified in Section 22892(b), as authorized by Section 22892(a) of the Government Code. Minimum employer contributions as prescribed in Section 22892(b) are as follows:

2003	\$16.00
2004	\$32.20
2005	\$48.40
2006	\$64.60
2007	\$80.80
2008	\$97.00
2009	\$101.00
2010	\$105.00
2011	\$108.00

Beginning January 1, 2012, the employer contribution shall be adjusted annually by the Board to reflect any change in the medical component of the Consumer Price Index, and shall be rounded to the nearest dollar. The 2012 amount is \$112.

Section 22892(a) of PEMHCA provides that a local contracting agency may fix the amount of the employer's contribution from time to time by resolution. The amount shall not be less than the amount required under Section 22892(b). The resolution will be effective on the first day of the second month following the month in which the resolution is received.

RESOLVED (c) should be completed to specify the amount of the employer's contribution, a minimum of \$1.00, toward the cost of its annuitants' enrollment.

RESOLVED (d) should be completed to specify the percentage factor of the annual increase to the contribution for annuitants. The increased amount will be calculated by PERS staff based on the agency's contribution for its employees multiplied by this percentage factor, multiplied by years of employer's participation in PEMHCA, to be effective with the January coverage each year.

RESOLVED (e) should be completed with full name of the contracting agency/School Employer.

RESOLVED (f) requests the position title of the individual who handles the Public Employees' Medical and Hospital Care Act contract for the School Employer.

RESOLVED (g) provides that if a Resolution is filed in the office of the Board **on or before the tenth day of any month**, the coverage is to become effective on the first of the following month.

Because resolutions serve as our legal contract, we require the original resolution, certified copy with original signatures, or a copy of the resolution with the agency's raised seal.

For resolution processing, deliver to the following:

Overnight Mail Service

California Public Employees' Retirement System
Office of Employer & Member Health Services
400 Q Street
Sacramento, CA 95811-6210

Regular Mail

California Public Employees' Retirement System
Office of Employer & Member Health Services
PO BOX 942714
Sacramento, CA 94229-2714

The certification shown following the resolution is to be completed by those individuals authorized to sign for the Public Agency in legal actions and is to include the name of the executive body; i.e. Board of Directors, Board of Trustees, etc., the location and the date of signing.

**RESOLUTION ELECTING TO BE SUBJECT TO
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
FOR LESS THAN HALF TIME EMPLOYEES
AND
FIXING THE EMPLOYER'S CONTRIBUTION
AT THE SAME AMOUNT AS FULL TIME EMPLOYEES**

Resolution 2012-12

- WHEREAS, (1) Government Code Section 22922(a) provides that a contracting agency may elect upon proper application to participate under the Public Employees' Medical and Hospital Care Act; and
- WHEREAS, (2) **FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT** hereinafter referred to as School Employer is a local agency contracting with the Public Employees' Retirement System; and
- WHEREAS, (3) Government Code Section 22892(c) provides that a contracting agency may fix the amount of the employer's contribution for employees and the employer's contribution for annuitants at different amounts, provided that the monthly contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by 5 percent of the current monthly contribution for employees, until such time as the amounts are equal; and
- WHEREAS, (4) Government Code Section 22807 allows a school or public agency to obtain health coverage for less than half time employees; and
- WHEREAS, (5) The School Employer desires to obtain for all less than half time employees who are active employees or annuitants of the agency, the benefit of the Act and to accept the liabilities and obligations of an employer under the Act and Regulations; now, therefore, be it
- RESOLVED, (a) That the School Employer elect, and it does hereby elect, to be subject to the provisions of the Act; and be it further
- RESOLVED, (b) That the employer's contribution for each employee shall be the amount necessary to pay the full cost of his enrollment, including the enrollment of his family members in a health benefits plan up to a maximum of **\$112** per month; and be it further
- RESOLVED, (c) That the employer's contribution for each annuitant shall be the amount necessary to pay the cost of his enrollment, including the enrollment of his family members, in a health benefits plan up to a maximum of **ONE DOLLAR (\$1.00)** per month; and be it further
- RESOLVED, (d) That the employer's contribution for each annuitant shall be increased annually by **FIVE (5)** percent of the monthly contribution for employees, multiplied by number of years of employer's participation in PEMHCA, until such time as the contributions are equal;

And that the contributions for employees and annuitants shall be in addition to those amounts contributed by the School Employer for administrative fees and to the Contingency Reserve Fund; and be it further

RESOLVED, (e) That **FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (f) That the executive body appoint and direct, and it does hereby appoint and direct, **LINDA THOR, CHANCELLOR**, to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said Public Agency all functions required of it under the Act and Regulations of the Board of Administration; and be it further

RESOLVED, (g) That coverage under the Act be effective on **JULY 1, 2012**

Adopted at a regular/special meeting of the **BOARD OF TRUSTEES**
at **LOS ALTOS HILLS, CA** this _____ day of _____
20__.

Signed:

JOAN BARRAM

(President, Chairman, etc.)

Attest:

(Secretary or appropriate officer)

INSTRUCTIONS

RESOLUTION ELECTING HEALTH COVERAGE FOR LESS THAN HALF TIME EMPLOYEES

This resolution form is the approved form designated by the Public Employees' Retirement System. It should be used by a School Employer to assure proper filing with the Public Employees' Retirement System for the combined purpose of:

1. Contracting for coverage under the Public Employees' Medical and Hospital Care Act, for less than half time employees, and
2. Fixing the employer's contribution toward employees' health insurance at one amount and the contribution for the retirees at another amount with annual increases of at least 5% until the amounts are equal.

WHEREAS (2) should be completed with full name of the contracting agency/School Employer.

RESOLVED (b) should be completed to specify the amount of the employer's (agency's) contribution toward the cost of its employees' enrollments. The amount specified by this resolution would be the same amount as active full time employees.

RESOLVED (c) should be completed to specify the amount of the employer's (agency's) contribution toward the cost of its annuitants' coverage from the effective date of contract to the end of that calendar year. Must be at least \$1.00.

RESOLVED (d) should be completed to specify the percentage factor of the annual increase to the contribution for annuitants, until amounts reach equal status. Must be at least five percent.

RESOLVED (e) should be completed with full name of the contracting agency/School Employer.

RESOLVED (f) requests the position title of the individual who handles the Public Employees' Medical and Hospital Care Act contract for the School Employer.

RESOLVED (g) provides that if a Resolution is filed in the office of the Board on or before the tenth day of any month, the coverage is to become effective on the first of the following month.

Because resolutions serve as our legal contract, we require the original resolution, certified copy with original signatures, or a copy of the resolution with the agency's raised seal.

For resolution processing, deliver to the following:

HALF TIME SCHOOL ALL UNEQUAL

Revision July 2009

Overnight Mail Service

California Public Employees' Retirement System
Office of Employer & Member Health Services
400 Q Street
Sacramento, CA 95811-6210

Regular Mail

California Public Employees' Retirement System
Office of Employer & Member Health Services
PO BOX 942714
Sacramento, CA 94229-2714

The certification shown following the resolution is to be completed by those individuals authorized to sign for the Public Agency in legal actions and is to include the name of the executive body; i.e. Board of Directors, Board of Trustees, etc., the location and the date of signing.

**RESOLUTION ELECTING TO BE SUBJECT TO SECTION 22771
OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**
Resolution 2012-13

- WHEREAS (1)** Government Code Section 22922(a) and/or 22922(b) provides the benefits of the Public Employees' Medical and Hospital Care Act to employees of local agencies contracting with the Public Employees Retirement System; and
- WHEREAS (2)** **FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT**, hereinafter referred to as Contracting Agency, is a local agency contracting with the Public Employees' Retirement System under the Act; and
- WHEREAS (3)** Government Code Section 22771 allows a Contracting Agency to provide benefits to the domestic partners of employees and annuitants of local agencies contracting under the Act upon proper application; and
- WHEREAS (4)** The Contracting Agency desires to obtain for its employees and annuitants the benefit of Section 22771 and to accept the liabilities and obligations of a contracting agency under the Section; now, therefore, be it
- RESOLVED (a)** That the Contracting Agency elect, and it does hereby elect, to be subject to the provisions of Section 22771 of the Government Code.

Adopted at a regular/special meeting of the **BOARD OF TRUSTEES**
at **LOS ALTOS HILLS, CA** this _____ day of _____ 20____.

Signed: _____

JOAN BARRAM
(President, Chairman, etc.)

Attest: _____

(Secretary or appropriate officer)

INSTRUCTIONS

This resolution is the approved form designated by the Public Employees' Retirement System. It should be used by a Contracting Agency which is contracting for coverage under the Public Employees' Medical and Hospital Care Act **when the agency desires to provide health benefit coverage for the domestic partner of an employee or retiree as authorized by Section 22771 of the Government Code.**

The resolution (if RESOLVED) will be effective on the first day of the month following the month in which the resolution is filed (date stamped as received) in the office of the Board of Administration, Public Employees' Retirement System, 400 Q Street, P. O. Box 942714, Sacramento, CA 94229-2714.

WHEREAS (2) should be completed with the agency's name.

The certification shown following the resolution is to be completed by those individuals authorized to sign for the Public Agency in legal actions and is to include the name of the executive body; i.e. Board of Directors, Board of Trustees, etc., the location and the date of signing.

Because resolutions serve as our legal contract, we require the original resolution, certified copy with original signatures, or a copy of the resolution with the agency's raised seal.

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PO BOX 942714
Sacramento, CA 94229-2714

**RESOLUTION ELECTING TO BE SUBJECT TO SECTIONS 22819
OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

Resolution 2012-14

- WHEREAS, (1) Government Code Sections 22922(a) provides the benefits of the Public Employees' Medical and Hospital Care Act to employees of local agencies contracting with the Public Employees Retirement System; and
- WHEREAS, (2) **FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT,** hereinafter referred to as Contracting Agency, is a local agency contracting with the Public Employees' Retirement System under the Act; and
- WHEREAS, (3) The Contracting Agency desires to obtain for its employees the benefit of Section 22819 and accepts the liabilities and obligations of a contracting agency under the Section; now, therefore, be it
- WHEREAS, (4) Government Code Section 22819 provides certain additional benefits to employees of local agencies contracting under the Act upon proper application; and
- RESOLVED, (a) That the Contracting Agency elects, and it does hereby elect, to be subject to the provisions of Section 22819 of the Government Code.

Adopted at a regular/special meeting of the **BOARD OF TRUSTEES** at **LOS ALTOS HILLS, CA** this _____ day of _____ 20____.

Signed: _____
JOAN BARRAM
(President, Chairman, etc.)

Attest: _____
(Secretary or appropriate officer)

INSTRUCTIONS

RESOLUTION ELECTING HEALTH COVERAGE FOR FAMILY MEMBERS OF A DECEASED EMPLOYEE

This resolution form is the approved form designated by the Public Employees' Retirement System. It should be used by a Contracting Agency to assure proper filing with the Public Employees' Retirement System **when the agency desires to provide health benefit coverage for the survivors of an active employee who are eligible for coverage, or enrolled, as authorized by Section 22819.**

WHEREAS (2) should be completed with the Contracting Agency name.

Because resolutions serve as our legal contract, we require the original resolution, certified copy with original signatures, or a copy of the resolution with the agency's raised seal.

For resolution processing, deliver to the following:

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Office of Employer & Member Health Services
400 Q Street
Sacramento, CA 95811-6210

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