

## **Board of Trustees Agenda Item**

**Board Meeting Date:** May 7, 2012

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

**Background and Analysis:**

The board is asked to approve the following resolution required to participate in the CalPERS health benefit plans effective July 1, 2012.

- a) RESOLUTION ELECTING TO BE SUBJECT TO PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT ONLY WITH RESPECT TO MEMBERS OF A SPECIFIC EMPLOYEE ORGANIZATION AND FIXING THE EMPLOYER'S CONTRIBUTION FOR EMPLOYEES AND THE EMPLOYER'S CONTRIBUTION FOR RETIREES AT DIFFERENT AMOUNTS

**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 #2012-21  
ELECTING TO BE SUBJECT TO  
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT  
ONLY WITH RESPECT TO MEMBERS OF A SPECIFIC EMPLOYEE ORGANIZATION  
AND  
FIXING THE EMPLOYER'S CONTRIBUTION FOR EMPLOYEES AND THE  
EMPLOYER'S CONTRIBUTION FOR RETIREES AT DIFFERENT AMOUNTS**

- WHEREAS, (1) Government Code Section 22922(b) provides that a contracting agency may elect upon proper application to participate under the Public Employees' Medical and Hospital Care Act with respect to a recognized employee organization only; and
- WHEREAS, (2) 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 retirees and survivors 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, (3) Government Code Section 22920(b) defines any Special District as a contracting agency, and
- WHEREAS, (4) A Special District is hereby defined as a non-profit, self-governed public agency within the State of California, and comprised solely of public employees performing a governmental rather than proprietary function, and
- WHEREAS, (5) FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT, hereinafter referred to as Special District is an entity meeting the above definition; and
- WHEREAS, (6) The Special District desires to obtain for the members of FOOTHILL DE-ANZA COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEES, who are active and retired employees and survivors 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 Special District 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 retired employee or survivor 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 \$1 per month; and be it further

RESOLVED, (d) That the employer's contribution for each retiree or survivor shall be increased annually by 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, retired employees and survivors shall be in addition to those amounts contributed by the Special District 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 Special District 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 Foothill-De Anza Community College District Board of Trustees at Los Altos Hills, California, this 7th day of May 2012.

Signed:

\_\_\_\_\_  
Joan Barram, President

Attest:

\_\_\_\_\_  
Linda M. Thor  
Chancellor and Secretary to the Board

## **INSTRUCTIONS**

### **RESOLUTION FOR MEMBERS OF A SPECIFIC EMPLOYEE ORGANIZATION ELECTING UNEQUAL CONTRIBUTIONS**

This resolution form is the approved form designated by the Public Employees' Retirement System. It should be used by a Special District 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 retirees and survivors 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 (5) should be completed with full name of the contracting agency/Special District.

WHEREAS (6) should be completed with the group name.

RESOLVED (b) should be completed to specify the amount of the employer's (district's) contribution toward the cost of its active or retired employees' or survivors' enrollments. The amount specified by this resolution would be at an amount equal to or 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 | Beginning January 1, 2009, 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 2009 amount is \$101. |

Section 22892(a) of PEMHCA provides that a 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 retired employee and survivors' enrollment.

RESOLVED (d) should be completed to specify the percentage factor of the annual increase to the contribution for retirees and survivors. 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/Special District.

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

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 either the original resolution, certified copy with original signatures or a copy of the resolution with the agency's raised seal.**

The certification shown following the Resolution is to be completed by those individuals authorized to sign for the Special District 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 date of signing.