

## **Board of Trustees Agenda Item**

**Board Meeting Date:** July 2, 2012

**Title of Item:** Ratification of CalPERS Health Benefits Plan Resolution for Vesting for Future Retirees

### **Background and Analysis:**

CalPERS requests the Board approve the following Resolution for Vesting Requirements for Future Retirees:

- a. RESOLUTION ELECTING TO ESTABLISH A HEALTH BENEFIT VESTING REQUIREMENT FOR FUTURE RETIREES UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

CalPERS has requested the Board take action to approve by formal Resolution the MOU agreed to by all unions and employee meet and confer groups to establish a 60-year vesting threshold for the employer (District) minimum monthly contribution to CalPERS. This MOU and Resolution do not alter the provisions of the current Agreements, Handbooks and contracts, but assures the benefit funds are protected for employees and retirees in accordance with the applicable Agreements, Handbooks and contracts.

### **Recommendation:**

Dorene Novotny, Vice Chancellor of Human Resources and Equal Opportunity, and Chief Negotiator 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 ESTABLISH  
A HEALTH BENEFIT VESTING REQUIREMENT FOR FUTURE RETIREES UNDER THE  
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

Resolution #2012-36

- WHEREAS, (1) Government Code 22895 provides that a school employer contracting under the Public Employees' Medical and Hospital Care Act may amend its resolution to provide a post retirement vesting requirement, and
- WHEREAS, (2) Foothill De Anza Community College District is a school employer contracting under the Act, and
- WHEREAS, (3) Foothill De Anza Community College District certifies, employees not represented by a bargaining unit have agreed to adopt 22895 and there is no applicable memorandum of understanding, and also certifies, remaining employees are represented by a bargaining unit and subject to a memorandum of understanding, and
- WHEREAS, (4) The contracting agency shall provide to the board in the manner prescribed by the board a notification for the agreement established pursuant to this section and any additional information necessary to implement this section; now, therefore be it
- RESOLVED, (a) That the employer's contribution for each **active and retired** employee shall be based upon the principles prescribed under Government Code Section 22895.
- RESOLVED, (b) The contribution for active employees cannot be less than what is defined in Section 22892(b)(1)
- RESOLVED, (c) That the employer's contribution for each annuitant under this **vesting resolution** 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 the monthly minimum employer contribution as required by Section 22892(b)(1); and be it further

CODE	BARGAINING UNIT	CONTRIBUTION PER MONTH
001	Assoc. of Classified Employees	112.00
002	CA School Employees Assoc.	112.00
003	Faculty Association	112.00
004	Operating Engineers, Local 3	112.00
005	Teamsters (Supervisors)	112.00
006	Administrators (including Academic, Program and Executive Administrators)	112.00
007	Confidential Employees	112.00

- RESOLVED, (d) Post-retirement employer contributions shall not be paid to employees hired on or after July 1, 1997, who retire with less than 60 years of credited service with the district. The percentage of employer contribution payable for post retirement health benefits for each retired school employee shall be based on the employee's completed years of credited service with the school employer; plus administrative fees and Contingency Reserve Fund assessments; 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 coverage under the Act pursuant to Section 22895 be effective on July 1, 2012.

Adopted at a regular/special meeting of the BOARD OF TRUSTEES  
at LOS ALTOS HILLS, CA this 2<sup>ND</sup> day of July 2012.

Signed:

\_\_\_\_\_  
(President, Chairman, etc.)

Attest:

\_\_\_\_\_  
(Secretary or appropriate officer)