

## RESOLUTION 2017-382

### A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT ESTABLISHING DISTRICT CONTRIBUTIONS FOR RETIRED ANNUITANTS ENROLLED IN CALPERS HEALTH BENEFITS UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT (PEMHCA)

**WHEREAS**, through the public agency provisions of CalPERS Health Benefits under Public Employees' Medical and Hospital Care Act (PEMHCA), contracting agency employers may elect to contribute to employee and annuitant health care in equal amounts; and

**WHEREAS**, in an effort to limit future increasing liabilities for health care, on November 15, 2017, the South San Luis Obispo County Sanitation District (District) approved Resolution 2017-380 fixing the District employer contribution for employees and retired annuitants enrolled in PEMHCA, from the unequal computation method to the equal computation method; and

**WHEREAS** the District is required to contribute the Minimum Employer Contribution directly to CalPERS on behalf of employees and retired annuitants enrolled in CalPERS Health Benefits under PEMHCA, and may opt to provide a fixed dollar amount to employees and retired annuitants; and

**WHEREAS**, the District has established a base flex dollar allowance for employees represented by the Service Employees' International Union Local 620, and a capped dollar allowance for future annuitants to purchase benefits, for those individuals who participate in health coverage through the District; and

**WHEREAS**, the District desires to reimburse current retired annuitants up to the maximum dollar amounts which are defined in Exhibit "A" hereto attached, toward the cost of premiums.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, that the Board of South San Luis Obispo County Sanitation District does hereby:

1. Authorize the creation of a line item in the District budget, entitled, "Health Care for Retired Annuitants" and fund it at a level of \$50,000 to maintain the District retired annuitant reimbursement contribution separate and distinct; and
2. Authorize staff to distribute funds from the line item, "Health Care for Retired Annuitants" as required to create a seamless transition for the retired annuitants; and
3. Authorizes staff to research options available to the District to administer the reimbursements; and
4. Approves Exhibit "A", attached hereto.

The District Administrator, or his/her designee, is hereby authorized and directed to take all steps necessary to implement this resolution.

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**PASSED AND ADOPTED** at a regular meeting of the South San Luis County Sanitation District Board of Directors held this 6th day of December 2017.

On the motion of Director White seconded by Director Hill, and after the following roll call vote:

**AYES:** Directors Hill, White & Shols  
**NOES:**  
**ABSENT:**  
**CONFLICTS:**

**CERTIFICATION**

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the South San Luis Obispo County Sanitation District held this 6<sup>th</sup> day of December, 2017.



\_\_\_\_\_  
JOHN P. SHOALS, CHAIRMAN  
BOARD OF DIRECTORS  
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

ATTEST:

  
\_\_\_\_\_  
DISTRICT SECRETARY

APPROVED AS TO FORM:

  
BY: \_\_\_\_\_  
DISTRICT COUNSEL

CONTENTS:

  
BY: \_\_\_\_\_  
TECHNICAL CONSULTANTS

**EXHIBIT "A" TO RESOLUTION 2017-382**

**RESOLUTION 2017-382, EXHIBIT "A"  
ESTABLISHING CAPPED MAXIMUM EMPLOYER BENEFIT CONTRIBUTIONS  
FOR CURRENT RETIRED ANNUITANTS THAT  
PARTICIPATE IN CALPERS HEALTH BENEFITS UNDER THE  
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT (PEMHCA)**

Effective December 1, 2017, the following capped maximum fixed dollar amounts shall be implemented only for retired annuitants that participate in PEMHCA as of November 15, 2017. The dollar amounts below, are equal to the contribution provided for each retired annuitant as of November 2017 under the Unequal Calculation Method. There shall be no increase to the below dollar amounts, nor are they subject to rollover.

However, the amounts may decrease if the retired annuitant has a change in coverage, including but not limited to enrollment in a less expensive plan or a supplemental plan, or a reduction of covered parties. If that occurs, the new reduced amount to cover the total cost of the medical premium reimbursement shall become the new cap.

The below amounts shall be used to offset the direct cost to the retired annuitant for health care premiums solely with CalPERS Health Benefits under PEMHCA.

**The Minimum Employer Contribution shall be paid by the District directly to CalPERS on behalf of current retired annuitants, by first subtracting it from the maximum fixed dollar amounts listed below.** The balance up to the retired annuitant's current cap shall be reimbursed to the annuitant, to solely cover the health premium through CalPERS Health Benefits under PEMHCA as follows:

Coverage Option	*Maximum Fixed Dollar Amount, including MEC
PERS Choice and Medicare Supplement	Up to \$980.23
PERS Choice and Medicare Supplement	Up to \$900.40
Anthem Blue Cross Traditional HMO	Up to \$1370.13
PERS Choice and Medicare Supplement	Up to \$1167.88
PERS Choice and Medicare Supplement	UP to \$300.59
Blue Shield Access+	UP to \$1097.99

\*The capped amount above varies depending upon the 2017 level of coverage on November 15, 2017 and the regional location for health services.