

**RESOLUTION NO. Number**  
**FIXING THE EMPLOYER CONTRIBUTION**  
**UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**  
**AT AN UNEQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS**

WHEREAS, (1) Town of Los Gatos is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

WHEREAS, (4) Government Code Section 22892(c) provides that, notwithstanding Section 22892(b), a contracting agency may establish a lesser monthly employer contribution for annuitants than for employees, provided that the monthly employer 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 five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees; now, therefore be it

RESOLVED, (a) That the employer 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 up to a maximum of 100% Self/90% Dependents Kaiser Region 1 Basic/Medicare/Combination per month; and be it further

RESOLVED, (b) That the monthly employer 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 five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees;

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

RESOLVED, (c) Town of Los Gatos 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, (d) That the participation of the employees and annuitants of Town of Los Gatos shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Town of Los Gatos would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further
- RESOLVED, (e) That the executive body appoint and direct, and it does hereby appoint and direct, Town Manager to file with the Board a verified copy of this resolution, and to perform on behalf of Town of Los Gatos all functions required of it under the Act; and be it further
- RESOLVED, (f) That coverage under the Act be effective on January 1, 2020.

Adopted at a regular meeting of the Town Council at the Town of Los Gatos, this 3rd day of December, 2019.

Signed: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
Town Clerk