

## **STAFF REPORT**

Meeting Type: Title:	Board of Directors Change the Employer's CalPERS Contribution Rate for Health Insurance Premiums to the minimum amount required pursuant to Government Code Section 22892					
From:	Vikl	Vikkie Garay, Human Resources Manager				
Through:	Ben	Ben Horenstein, General Manager				
Meeting Date:	October 15, 2024					
TYPE OF ACTION:	х	Action	Information	Review and Refer		

**RECOMMENDATION:** Adopt resolutions that will change the District's CalPERS contribution rate paid for health insurance premiums to the minimum statutory contribution amount required pursuant to the Public Employees Medical and Hospital Care Act (PEMHCA), California Government Code section 22892 to allow the District to administer differences in retiree health care benefits not administered by CalPERS

**SUMMARY:** As a result of recent labor contract negotiations and changes made to the retirement health care benefits for unpresented employees in November, 2023, all District employees hired after January 1, 2024, shall receive District paid contributions towards their retiree healthcare and their spouse's healthcare based on the schedules outlined in the Memorandum of Understanding (MOU) between the Marin Municipal Water District and Service Employees International Union (SEIU), Local 1021, for represented employees, and Resolution No. 8760 for unrepresented employees. The proposed resolutions will update the contribution rate to be paid by the District to CalPERS to the minimum amount required pursuant to PEMHCA and the District will then administer the different benefit amounts due to District employees, and to District retirees based on the retiree's service with the District.

**DISCUSSION:** CalPERS requires that an employer contracting for health coverage under the Public Employees' Medical and Hospital Care Act (PEMHCA) shall fix the employer's contribution by resolution (Government Code Section 22892(a) and (b)).

As a result of recent labor contract negotiations as well as changes to the resolution for all unrepresented District employees approved by the Board in November, 2023, all District employees hired after January 1, 2024, shall receive District paid contributions towards their retiree healthcare and their spouse's healthcare based on the schedules outlined in the Memorandum of Understanding (MOU) between the Marin Municipal Water District and Service Employees International Union (SEIU), Local 1021, for represented employees, and Resolution No. 8760 for unrepresented employees. To ensure that contribution payments are in alignment with these District service requirements, the District will pay CalPERS only the required PEMHCA minimum healthcare premium and any different amounts will be paid directly to District retirees through a third-party administrator, based on the individual retiree's years of service with the District.

The attached proposed resolutions will update the contribution rate to be paid by the District to the PEMHCA minimum contribution and the District will administer any different benefit earned by retirees consistent with the current MOU and resolution for unrepresented employees.

The aforementioned resolutions will be submitted to CalPERS to revise the District's annual contributions effective January 1, 2025, for current employees and annuitants. The District is currently working with a third party administrator to assure all retirees receive the amount of retirement health care benefit earned based on service with the District. Active employees, including Board members receiving health care coverage through CalPERS, will continue to have their full health care premiums paid by the District to CalPERS via an eligible cafeteria plan.

**FISCAL IMPACT:** The budget for health insurance is included in each department's operating budget. The new health insurance premium rates are effective January 1, 2025.

## ATTACHMENT(S):

- 1. Proposed Resolution for CalPERS Health 2025 Employees or Annuitants
- 2. Proposed Resolution for CalPERS Health 2025 Board of Directors

DEPARTMENT OR DIVISION	DEPARTMENT MANAGER	APPROVED
Human Resources Department	"Al Garang	Ver Harante.m
	Vikkie Garay	Ben Horenstein

Human Resources Manager

General Manager