



Yolo County Housing

Lisa A. Baker, Executive Director

147 W. Main Street
WOODLAND, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

BOARD OF COMMISSIONERS

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DATE: October 1, 2009
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
PREPARED BY: Janis Holt, Resource Administrator
SUBJECT: Resolution Fixing the Employer Contributions under the Public Employees' Medical and Hospital Care Act

Agenda Item No. 2.04

RECOMMENDED ACTION:

That the Board of Commissioners review, approve and adopt Resolution Fixing the Employer Contributions Under the Public Employees' Medical and Hospital Care Act (PEMCHA).

BACKGROUND / DISCUSSION

Effective January 1, 1990, Resolution #521 was adopted by the YCH Board fixing the Employer's Contribution for Employees and the Employer's Contribution for Annuitants at different amounts according to the Housing Authority benefit contributions of that year. Resolution #521 states that the annuitants monthly contributions will be increased annually by not less than 5% until such time as the amounts are equal to the active employees' contributions. At that time, the employer's contributions were set at 100% of the Plan Selected for the Management Unit, Confidential, and General Unit employees.

During the GASB 45 Actuarial Study conducted by Bickmore Risk Services, it was determined that CalPERS is calculating annuitant contributions based on Resolution #521 which would require YCH to contribute up to 100% of the annuitants enrollment in selected plans.

In 2007, YCH instituted a cafeteria benefit plan for active employees. Under the current cafeteria benefit plan, employees receive an employer contribution in a monthly amount to put towards the cost of medical, dental and vision insurance as set forth below:

- a. Employee only: \$590.00
- b. Employee plus one dependent: \$1,000.00
- c. Employee plus family: \$1,305.00

Depending on the active employee's selected plan, the employer contribution amounts may not cover 100% of the medical premium costs. In those cases, employees are required to pay the difference.

Under the current resolution on file, annuitants could receive higher employer contributions towards medical premiums than active employees.

AB 2544 (Stats. 2006, Ch. 862) changed the computation for annual increases to annuitant health care under the unequal method effective January 1, 2008. Under these provisions, agencies have to annually increase the total monthly annuitant health care contribution to equal an amount not less than the number of years the agency has been in the PEMHCA program, multiplied by 5 percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for active employees. This annual adjustment to the minimum monthly employer contribution for an annuitant authorized by this change cannot exceed one hundred dollars (\$100) per annuitant per month.

The proposed resolution will correct the maximum employer contribution and update the unequal calculation method for annuitants. Yolo County Housing is required to submit a revised resolution to CalPERS by November 1, 2009 for enactment in the new benefit year effective January 1, 2010.

FISCAL IMPACT

Employer contributions for annuitants will not exceed the employer contributions for active employees reducing future financial liability.

CONCLUSION

Staff recommends that the Board approve the Resolution Fixing the Employer Contributions under the Public Employees' Medical and Hospital Care Act (PEMHCA).

Attachment – Resolution

YOLO COUNTY HOUSING

RESOLUTION NO. _____

**Resolution to Fix the Employer's Contribution Under the
Public Employees' Medical and Hospital Care Act**

WHEREAS, Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act; and

WHEREAS, 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 annuitants 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, the Housing Authority of the County of Yolo, hereinafter referred to as Public Agency is a local agency contracting under the Act; and

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the Board of Commissioners of the Housing Authority of the County of Yolo, as follows:

1. Each of the foregoing recitals is true and correct.
2. That the employer's 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 or plans up to a maximum of \$590.00 with respect to an employee enrolled for self alone, \$1,000.00 for an employee enrolled for self and one dependent, and \$1,305.00 for an employee enrolled for self and two or more dependents plus administrative fees and Contingency Reserve Fund Assessments.
3. That the Housing Authority of the County of Yolo has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

PASSED AND ADOPTED, by the Board of Commissioners of the Housing Authority of the County of Yolo, State of California, this 1st day of October, 2009 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Helen Thomson, Chair
Board of Commissioners of the
Housing Authority of the County of Yolo

Approved as to Form:

Sonia Cortes, Agency Counsel

Attest:
Ana Morales, Clerk
Board of Commissioners of the
Housing Authority of the County of Yolo

By _____