



Agenda Item No. (4)

To: Rules, Policy and Industrial Relations Committee/Committee of the Whole
Meeting of August 28, 2020

From: Alice Ng, Director of Fiscal Resources
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **RECEIVE STATEMENT OF ACTUARIAL OPINION REGARDING THE
COST IMPACT OF RETIREE HEALTH BENEFIT PLAN CHANGES IN
ACCORDANCE WITH CALIFORNIA CODE 7507 RELATIVE TO THE
TRANSITION OF DISTRICT HEALTH PLANS TO THE CALPERS
HEALTH SYSTEM FOR AMALGAMATED TRANSIT UNION AND NON-
REPRESENTED EMPLOYEES AND RETIREES**

Recommendation

The Rules, Policy and Industrial Relations Committee recommends that the Board of Directors receive the statement of actuarial opinion regarding the cost impact of retiree health benefit plan changes upon future costs, including normal cost and any additional accrued liability, in accordance with California Code 7507 relative to the transition of District retiree health plans to the CalPERS health system for Amalgamated Transit Union (ATU) and Non-Represented employees and retirees.

This matter will be presented to the Board of Directors at its August 28, 2020 meeting for appropriate action.

Summary

At the June 26, 2020 meeting, Board approved actions relative to the transition to the CalPERS health system and associated actions for the Non-Represented employees.¹ It was noted at the meeting that adoption of Resolutions required by CalPERS to complete the transition would be agendized for a future meeting. The adoption of the CalPERS Resolutions necessary to complete the recently-negotiated transition to CalPERS health coverage for the Amalgamated Transit Union (ATU) will also be agendized for the same future meeting.

Prior to the adoption of CalPERS Resolutions necessary to complete the transition of ATU and Non- Represented employees and retirees, the District is required under California Code 7507 to

¹ Rules, Policy and Industrial Relations Committee/Committee of the Whole Meeting of June 26, 2020, Staff Report on “Approve Actions Relative to Transition to the CalPERS Health System and Associated Actions for Non-Represented Employees”
<https://www.goldengate.org/assets/1/25/2020-0626-rulescomm-no3-appractcalpersnonrep.pdf?5780>

obtain a statement of actuarial opinion regarding the cost impact of retiree health benefit plan changes upon future annual costs, including normal cost and any additional accrued liability associated with the change, and make the actuary's determination about future costs public at a public meeting at least two weeks prior to the adoption of the changes. This communication serves as that public notice. The Actuarial Statement as prepared by the District's OPEB actuary, Bartel Associates, LLC, is attached. The actuarial analysis and resulting opinion includes the members of the Painters Union and the Board of Directors in the Non-Represented results. This will allow staff and the Board sufficient time to take action required to include these two groups, along with the ATU and Non-Represented groups, in the transition to the CalPERS plans effective January 1, 2021, should the Board of Directors make that decision.

As reported on page 2 of the attached Actuarial Statement, the combined impact of retiree health benefit plan changes to the July 1, 2019 Actuarial Obligations for the ATU and Non-Represented groups is a reduction in the unfunded actuarial accrued liability of \$4.7 million and a reduction in the actuarial determined contribution ("ADC") for FY 21/22 of approximately \$1 million.

	ATU & Non-Represented (Amounts in \$000's)		
	Current Plan	Proposed Plan	Increase/ (Decrease)
■ July 1, 2019 Actuarial Obligations			
• Present Value of Projected Benefits	\$129,862	\$120,583	\$(9,279)
• Actuarial Accrued Liability	105,735	101,101	(4,634)
• Market Value of Assets ²	<u>52,978</u>	<u>52,978</u>	<u>-</u>
• Unfunded AAL	52,757	48,123	(4,634)
■ 2021/22 ADC - \$			
• Normal Cost & Administrative Expenses	3,334	2,735	(599)
• Amortization of Unfunded AAL	<u>4,361</u>	<u>3,977</u>	<u>(384)</u>
• Total	7,695	6,712	(983)

The separate impact of the changes on actuarial costs for the ATU and Non-Represented employee groups are summarized on pages 3 and 4 in the Actuarial Statement.

At a special Board meeting agendized for September 11, 2020, staff will present the CalPERS Resolutions necessary to complete the transition of ATU and Non Represented employees and retirees to the CalPERS health system. CalPERS Resolutions for employees in the Painters Union and the Board of Directors also will be presented at the same time, if the Board decides to transition these two groups to the CalPERS plans effective January 1, 2021, prior to or at the September 11, 2020 special Board meeting.

Fiscal Impact

There is no fiscal impact for FY 20/21. The ADC for FY 20/21 of \$11.7 million - the most recent Other Post Employment Benefit ("OPEB") valuation as of July 1, 2019, is fully funded in the FY 20/21 Operating Budget. The OPEB impact of transitioning to the CalPERS plans will be reflected in the next actuarial valuation as of July 1, 2021. The ADC for Fiscal Years 21/22, 22/23, and 23/24 will be provided in the July 1, 2021 actuarial valuation, and funding will be addressed in each respective year's Operating Budget.

Attachment: Actuarial Impact of Changes to District Retiree Healthcare Plan Benefits under California Government Code Section 7507



August 14, 2020

Alice Ng
 Director of Fiscal Resources
Golden Gate Bridge, Highway and Transportation District
 P.O. Box 9000, Presidio Station
 San Francisco, CA 94129-0601

Re: Actuarial Impact of Changes to District Retiree Healthcare Plan Benefits under California Government Code Section 7507

Dear Ms. Ng:

Section 7507 of the California Government Code requires agencies obtain a statement of actuarial opinion regarding the cost impact of retiree healthcare plan benefit changes. This letter provides the actuarial impact of the proposed change from District-provided healthcare plans to the CalPERS medical program (governed by the Public Employees' Medical & Hospital Care Act, or PEMHCA), along with other associated retiree medical plan changes, for employees covered by the Amalgamated Transit Union (ATU), Non-Represented administrative employees, District Officers, Board members, and members of the Painters Unit. For this analysis, District Officers, Board Members, and members of the Painters Unit are included in the Non-Represented results.

Proposed Benefit Changes

The District currently contracts with Kaiser and Blue Shield to provide health care coverage and Caremark for prescription drug coverage for active employees and pre-Medicare retirees. For Medicare eligible retirees, the District contracts with Kaiser for the Senior Advantage plan and with Via Benefits for access to outside Medicare supplement plans. The District provides funding through a Health Reimbursement Arrangement (HRA) for those in an outside Medicare supplement plan. Under the proposed benefit changes, the District would move to CalPERS PEMHCA medical plans. Eligibility requirements and the amount of District-provided retiree medical benefits, based on employee group and hire date, would also change. An HRA would be established for retirees enrolled in specified CalPERS medical plans to assist with certain out-of-pocket medical costs. Pre-65 retiree premium-sharing (based on Medicare Part B premium equivalents) would be modified, based on employee group and CalPERS medical plan chosen. Details of the benefit changes are attached to this letter.

PEMHCA requires agencies pay a minimum contribution for all active employees and retirees. We understand the District will elect the PEMHCA Minimum¹ unequal method benefit. Employees retiring from the District who are not eligible for a District retiree healthcare benefit will receive this benefit if they elect healthcare coverage through PEMHCA. Under this method, the District will pay \$1/month in 2021 and increase annually to 100% of PEMHCA Minimum over 20 years.

Summary of Cost Change

The changes in the District's July 1, 2019 valuation actuarial obligations and 2021/22 Actuarially Determined Contribution (ADC) are summarized below.

- The Present Value of Projected Benefits (PVPB) represents the amount the plan needs as of the valuation date to pay all future benefits if all assumptions are met. The July 1, 2019 PVPB for ATU decreases by \$9,285,000, from \$90,831,000 under the current plan to \$81,546,000 under the proposed benefit changes. The PVPB for Non-Represented increases by \$6,000, from \$39,031,000

¹ PEMHCA Minimum is \$143/month in 2021 and increases each year by the healthcare component of the CPI-U.



to \$39,037,000.

- The Actuarial Accrued Liability (AAL) represents the portion of the PVPB that participants have earned (on an actuarial, not actual, basis) through the valuation date. The July 1, 2019 AAL for ATU decreases by \$5,279,000 from \$73,243,000 under the current plan to \$67,964,000 under the proposed plan. The AAL for Non-Represented increases by \$645,000, from \$32,492,000 to \$33,137,000.
- The District's 2021/22 ADC is equal to the employer Normal Cost (the value of benefits earned during the year), plus a 16-year level percent of pay amortization of the projected July 31, 2021 unfunded liability (the unfunded value of benefits that have been earned in previous years). The 2021/22 ADC for ATU decreases by \$962,000 from \$5,431,000 under the current plan to \$4,469,000 under the proposed plan. The ADC for Non-Represented decreases by \$21,000 from \$2,264,000 to \$2,243,000.

Summary of the combined impact of Plan changes to the July 1, 2019 Actuarial Obligations and 2021/22 ADC for ATU and Non-Represented is as follows:

	ATU & Non-Represented (Amounts in \$000's)		
	Current Plan	Proposed Plan	Increase/ (Decrease)
■ July 1, 2019 Actuarial Obligations			
• Present Value of Projected Benefits	\$129,862	\$120,583	\$(9,279)
• Actuarial Accrued Liability	105,735	101,101	(4,634)
• Market Value of Assets ²	<u>52,978</u>	<u>52,978</u>	<u>-</u>
• Unfunded AAL	52,757	48,123	(4,634)
■ 2021/22 ADC - \$			
• Normal Cost & Administrative Expenses	3,334	2,735	(599)
• Amortization of Unfunded AAL	<u>4,361</u>	<u>3,977</u>	<u>(384)</u>
• Total	7,695	6,712	(983)

The following four tables show the impact of the Plan changes separately for ATU and Non-Represented.

² Assets allocated on current plan AAL.



Summary of changes to the July 1, 2019 Actuarial Obligations and 2021/22 ADC for ATU is as follows:

	ATU (Amounts in \$000's)		
	Current Plan	Proposed Plan	Increase/ (Decrease)
■ July 1, 2019 Actuarial Obligations <ul style="list-style-type: none"> • Present Value of Projected Benefits • Actuarial Accrued Liability • Market Value of Assets² • Unfunded AAL 	\$90,831 73,243 <u>36,698</u> 36,545	\$81,546 67,964 <u>36,698</u> 31,266	\$(9,285) (5,279) — (5,279)
■ 2021/22 ADC - \$ <ul style="list-style-type: none"> • Normal Cost & Administrative Expenses • Amortization of Unfunded AAL • Total 	2,410 <u>3,021</u> 5,431	1,885 <u>2,584</u> 4,469	(525) <u>(437)</u> (962)

Summary of changes to the July 1, 2019 Actuarial Obligations and 2021/22 ADC for Non-Represented is as follows:

	Non-Represented (Amounts in \$000's)		
	Current Plan	Proposed Plan	Increase/ (Decrease)
■ July 1, 2019 Actuarial Obligations <ul style="list-style-type: none"> • Present Value of Projected Benefits • Actuarial Accrued Liability • Market Value of Assets² • Unfunded AAL 	\$39,031 32,492 <u>16,280</u> 16,212	\$39,037 33,137 <u>16,280</u> 16,857	\$ 6 645 — 645
■ 2021/22 ADC - \$ <ul style="list-style-type: none"> • Normal Cost & Administrative Expenses • Amortization of Unfunded AAL • Total 	924 <u>1,340</u> 2,264	850 <u>1,393</u> 2,243	(74) <u>53</u> (21)



Additional breakdown of July 1, 2019 Actuarial Obligations for the District's ATU members is as follows:

	ATU (Amounts in \$000's)		
	Current Plan	Proposed Plan	Increase/ (Decrease)
■ Present Value of Projected Benefits			
• Current Actives	\$47,431	\$38,104	\$(9,327)
• Current Retirees & Beneficiaries			
➢ Pre-Medicare	11,578	8,953	(2,625)
➢ Post-Medicare	<u>31,822</u>	<u>34,489</u>	<u>2,667</u>
• Total	90,831	81,546	(9,285)
■ Actuarial Accrued Liability			
• Current Actives	29,843	24,522	(5,321)
• Current Retirees & Beneficiaries			
➢ Pre-Medicare	11,578	8,953	(2,625)
➢ Post-Medicare	<u>31,822</u>	<u>34,489</u>	<u>2,667</u>
• Total	73,243	67,964	(5,279)

Additional breakdown of July 1, 2019 Actuarial Obligations for the District's Non-Represented Employees is as follows:

	Non-Represented (Amounts in \$000's)		
	Current Plan	Proposed Plan	Increase/ (Decrease)
■ Present Value of Projected Benefits			
• Current Actives	\$22,252	\$20,428	\$(1,824)
• Current Retirees & Beneficiaries			
➢ Pre-Medicare	2,218	1,970	(247)
➢ Post-Medicare	<u>14,562</u>	<u>16,638</u>	<u>2,077</u>
• Total	39,031	39,037	6
■ Actuarial Accrued Liability			
• Current Actives	15,712	14,528	(1,185)
• Current Retirees & Beneficiaries			
➢ Pre-Medicare	2,218	1,970	(247)
➢ Post-Medicare	<u>14,562</u>	<u>16,638</u>	<u>2,077</u>
• Total	32,492	33,137	645

The impact of the proposed plan change varies based on a number of factors including current elected medical plan and HRA coverage, and group demographics. Because ATU and Non-Represented groups have different distributions of medical plans and coverages, and the proposed plan HRA contributions vary by employee group, the plan change impact differs for each group.



Methods and Assumptions

Actuarial methods and assumptions are the same as those used in the District's July 1, 2019 actuarial valuation report dated September 27, 2019 (including a 7.0% discount rate) with the following additional assumptions:

- Participants are assumed to elect the following PEMHCA plans:
 - District HMO plan → PEMHCA Kaiser HMO (Kaiser Senior Advantage post-Medicare)
 - District PPO plan → PEMHCA PERS Choice
 - Post 65 Retirees in outside Medicare Plan → PEMHCA PERS Choice
- No re-election is assumed for current retirees and beneficiaries not currently getting a District-paid benefit.
- HRA contributions and active stipends are not assumed to increase in the future. This assumption was provided by the District.
- 60% participation is assumed for current active employees and future beneficiaries who do not meet the District's retiree healthcare benefits eligibility (i.e. participants who are only eligible for the PEMHCA minimum benefit).
- PEMHCA minimum is assumed to increase by 4.25% per year after 2021.
- The change in the unfunded AAL is amortized over a 16 year period (same period as used for total plan unfunded AAL in determining the 2021/22 ADC).

Following is a comparison of the 2019/20 monthly District premiums and 2020 monthly PEMHCA premiums for single coverage pre and post Medicare eligibility.

2019/20 District Medical Plan Premiums				
Medical Plan	Pre-Medicare		Post-Medicare	
	ATU	Non-Represented	ATU	Non-Represented
Kaiser HMO	\$ 949.39	\$ 922.01	\$ 445.49	\$ 417.12
Blue Shield HMO	1,371.10	1,346.84	n/a	n/a
Blue Shield PPO (with Caremark)	1,530.64	1,765.45	n/a	n/a
Kaiser HMO HD	470.13	470.13	n/a	n/a
Blue Shield HMO HD	1,135.85	1,135.85	n/a	n/a
Blue Shield PPO HD (with Caremark)	903.62	903.62	n/a	n/a

2020 PEMHCA Region 1 Premiums		
Medical Plans	Pre-Medicare	Post-Medicare
Anthem Select	\$ 868.98	n/a
Anthem Traditional	1,184.84	n/a
Blue Shield Access+	1,127.77	n/a
Health Net Smartcare	1,000.52	n/a
Kaiser HMO	768.49	\$ 339.43
United Healthcare	899.94	327.03
Western HealthCare	731.96	n/a
PERS Choice PPO	861.18	351.39
PERS Select PPO	520.29	351.39
PERSCare PPO	1,133.14	384.78



Conclusion

In total, the District's retiree medical actuarial cost would decrease due to the proposed benefit changes for the ATU and Non-Represented groups, although the impact varies by group.

Future results may differ significantly if the plan experience differs from our assumptions or if there are changes in plan design or actuarial assumptions. The project scope did not include an analysis of this potential variation. Our calculations are based on benefit provisions, participant data, and other information provided by the District, and actuarial assumptions as summarized in this letter and our July 1, 2019 actuarial valuation report. This study was conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Please let us know if you have any questions about this information.

Sincerely,

A handwritten signature in blue ink that reads 'Doug Pryor'.

Doug Pryor, ASA, EA, MAAA
Vice President
Bartel Associates, LLC
August 14, 2020

A handwritten signature in blue ink that reads 'Catherine A. Wandro'.

Catherine Wandro, ASA, MAAA, FCA
Assistant Vice President
Bartel Associates, LLC
August 14, 2020

enclosure

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**GOLDEN GATE BRIDGE
HIGHWAY AND TRANSPORTATION DISTRICT
RETIREE HEALTHCARE PLAN**

PEMHCA Plan Analysis

**Summary of Benefit Changes for
ATU, Non-Represented, and Board Members**

Bartel Associates, LLC
Doug Pryor, Vice President
Cathy Wandro, Assistant Vice President & Actuary
Katherine Moore, Actuarial Associate

August 14, 2020

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BENEFIT SUMMARY – CURRENT PLAN

General Benefit Provisions	
■ Eligibility	<ul style="list-style-type: none"> Retire directly from the District Age/service requirements vary by employee group and hire date
■ OPEB Benefits	<ul style="list-style-type: none"> Medical (including prescription drug), dental, vision, and life insurance Dependent coverage and retiree contributions vary based on eligibility Benefits established through employee agreements and MOUs
■ Pre-Medicare Medical Plans	<ul style="list-style-type: none"> Medical benefits provided under District's medical plans (currently Blue Shield HMO and PPO, and Kaiser, including high deductible plans) Retirees in high deductible plan do not contribute the Medicare Part B premium (if applicable) and receive an HRA allowance equal to the deductible in chosen plan. Unused portion carried over to subsequent years.
■ Post-Medicare Medical Plans	<ul style="list-style-type: none"> Retirees may enroll in District's Kaiser Senior Advantage Plan or an outside Medicare Plan Retirees in an outside Medicare Plan receive an annual HRA allowance (\$4,208 in 2019). Unused portion carried over to subsequent years.
■ Implied Subsidy for Kaiser Plans	<ul style="list-style-type: none"> Active employee premiums subsidize retiree costs Implied subsidy occurs when pre-Medicare retiree rates are less than actual retiree cost



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BENEFIT SUMMARY – CURRENT PLAN

Group	Hire Dates	Eligibility	Benefit
Bus Operators	• Before 3/1/08	<ul style="list-style-type: none"> Age 65 Age 55, 15 years service Age 50, 25 years service 20 years service, 80 points (age plus service \geq 80) 	• Lifetime healthcare for retiree and dependents (survivor coverage with 20 years of service).
	• On or after 3/1/08	<ul style="list-style-type: none"> Age 65, 10 years service Age 55, 15 years service Age 50, 25 years service 20 years service, 80 points (age plus service \geq 80) 	• Lifetime healthcare for retiree and dependents (survivor coverage with 20 years of service).
		<ul style="list-style-type: none"> Age 65, 5 but less than 10 years of service 	<ul style="list-style-type: none"> Lifetime healthcare for retiree and dependents (no survivor coverage). Retiree contribution is % of COBRA premium based on years of seniority: 50% for 5 years, 40% for 6 years, 30% for 7 years, 20% for 8 years, and 10% for 9 years of seniority
	• Disability	• 10 years of service	• Same as above but HMO coverage only



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BENEFIT SUMMARY – CURRENT PLAN

Group	Hire Dates	Eligibility	Benefit
Other than Bus Operators	<ul style="list-style-type: none"> • Before 7/1/83 (Coalition) • Before 1/1/83 (Non-Rep) 	<ul style="list-style-type: none"> • Age 50, 5 years of service 	<ul style="list-style-type: none"> • Lifetime healthcare retiree and dependents (survivor coverage with age 50 and 20 years or age 55 and 15 years). • Retiree contribution of amount equal to Medicare Part B for self and spouse until age 65.
	<ul style="list-style-type: none"> • 7/1/83 - 8/8/91 (Coalition) • 1/1/83 - 8/8/91 (Non-Rep) 	<ul style="list-style-type: none"> • Age 55, 10 years of service 	<ul style="list-style-type: none"> • Lifetime healthcare retiree only (dependent and survivor coverage with 15 years of service). • Retiree contribution of amount equal to Medicare Part B for self and spouse until age 65.
	<ul style="list-style-type: none"> • After 8/8/91 	<ul style="list-style-type: none"> • Age 55 and 10 years of service and Rule of 70 (age plus service ≥ 70) 	<ul style="list-style-type: none"> • Lifetime healthcare retiree only (dependent and survivor coverage with 15 years of service). • Retiree contribution of amount equal to Medicare Part B for self and spouse until age 65. • Additional retiree contribution of 30% of COBRA rate (reduced to 20% if meets Rule of 75; eliminated if meets Rule of 80).



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BENEFIT SUMMARY – CURRENT PLAN

Group	Hire Dates	Eligibility	Benefit
Other than Bus Operators (cont.)	<ul style="list-style-type: none"> • Disability 	<ul style="list-style-type: none"> • 10 years of service 	<ul style="list-style-type: none"> • Lifetime healthcare retiree only • Can self-pay for 1 dependent if industrial disability • Retiree contribution of amount equal to Medicare Part B for self until age 65.
Board Members	<ul style="list-style-type: none"> • All 	<ul style="list-style-type: none"> • 5 years of service 	<ul style="list-style-type: none"> • Lifetime healthcare for retiree and dependents (including survivors). • Retiree pays 100% of cost.
Life Insurance-Bus Operators	<ul style="list-style-type: none"> • Retired before 6/1/77 	<ul style="list-style-type: none"> • n/a 	<ul style="list-style-type: none"> • \$2,500 life insurance
	<ul style="list-style-type: none"> • Retired on or after 6/1/77 	<ul style="list-style-type: none"> • 3 years of service 	<ul style="list-style-type: none"> • \$18,000 life insurance less \$2,000 times number of years since retirement • \$3,000 minimum life insurance
Life Insurance-Other than Bus Operators	<ul style="list-style-type: none"> • Retired before 7/1/76 	<ul style="list-style-type: none"> • n/a 	<ul style="list-style-type: none"> • \$25,000 life insurance
	<ul style="list-style-type: none"> • Retired between 7/1/76 and 7/1/15 	<ul style="list-style-type: none"> • Less than 10 years of service 	<ul style="list-style-type: none"> • \$3,000 life insurance
		<ul style="list-style-type: none"> • 10+ years of service 	<ul style="list-style-type: none"> • \$9,000 life insurance less \$1,000 times number of years since retirement • \$3,000 minimum life insurance



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BENEFIT SUMMARY – CURRENT PLAN

Group	Hire Dates	Eligibility	Benefit
Life Insurance-Other than Bus Operators (Cont.)	• Retired on or after 7/1/15	• Less than 10 years of service	• \$3,000 life insurance
		• 10+ years of service	• \$24,000 life insurance less \$1,000 times number of years since retirement • \$3,000 minimum life insurance

BENEFIT SUMMARY – CURRENT PLAN

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BENEFIT SUMMARY – EFFECTIVE JANUARY 1, 2021

General Benefit Provisions (ATU, Non-Represented, Board Members)

■ Eligibility	<ul style="list-style-type: none"> Retire from the District within 120 days of separation and is eligible to receive a pension Age/service requirements vary by employee group and hire date
■ OPEB Benefits	<ul style="list-style-type: none"> Medical (including prescription drug), dental, vision, and life insurance Dependent coverage and retiree contributions vary based on eligibility Benefits established through employee agreements and MOUs
■ Medical Plans	<ul style="list-style-type: none"> Medical benefits provided through PEMHCA under the unequal method District pays CalPERS \$1/month for retirees in 2021, then additional 5% of PEMHCA minimum for each year in PEMHCA until reaching 100% of the PEMHCA minimum in 20 years 2021 PEMHCA minimum = \$143/month District joining PEMHCA January 1, 2021
■ Implied Subsidy for PEMHCA Plans	<ul style="list-style-type: none"> Active employee premiums subsidize retiree costs Implied subsidy occurs when pre-Medicare retiree rates are less than actual retiree cost



BENEFIT SUMMARY – EFFECTIVE JANUARY 1, 2021

Bus Operators

• Eligibility	<ul style="list-style-type: none"> Retire from District within 120 days of separation and eligible for retiree pension <ul style="list-style-type: none"> ➢ Age 65 ➢ Age 55, 15 years service ➢ Age 50, 25 years service ➢ 20 years service, 80 points (age plus service \geq 80) 																		
• District Contribution to Medical ¹	<ul style="list-style-type: none"> Maximum District Contribution: <ul style="list-style-type: none"> ➢ Enrolled in Kaiser, PERS Choice, or PERS Select Region 1: Elected Plan Premium ➢ Enrolled in other plan: PERS Choice cap District contributes a percent of the Maximum District contribution: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Points at Retirement (age + service)</th><th colspan="2">% of Maximum District Contribution</th></tr> <tr> <th>Hired < 3/31/20 (Minimum age 52)</th><th>Hired \geq 3/31/20 (Minimum age 55)²</th></tr> </thead> <tbody> <tr> <td>80+</td><td>100%</td><td>100%</td></tr> <tr> <td>75-79</td><td>100%</td><td>80%</td></tr> <tr> <td>70-74</td><td>80%</td><td>70%</td></tr> <tr> <td>< 70</td><td>PEMHCA minimum</td><td>PEMHCA minimum</td></tr> </tbody> </table> 15 years of service required for family coverage District pays PEMHCA minimum if less than 15 years of service at retirement 		Points at Retirement (age + service)	% of Maximum District Contribution		Hired < 3/31/20 (Minimum age 52)	Hired \geq 3/31/20 (Minimum age 55) ²	80+	100%	100%	75-79	100%	80%	70-74	80%	70%	< 70	PEMHCA minimum	PEMHCA minimum
Points at Retirement (age + service)	% of Maximum District Contribution																		
	Hired < 3/31/20 (Minimum age 52)	Hired \geq 3/31/20 (Minimum age 55) ²																	
80+	100%	100%																	
75-79	100%	80%																	
70-74	80%	70%																	
< 70	PEMHCA minimum	PEMHCA minimum																	

¹ Applies to future retirees only.

² PEMHCA minimum if less than 15 years of service at retirement.



BENEFIT SUMMARY – EFFECTIVE JANUARY 1, 2021

Bus Operators

- Health Reimbursement Arrangement (HRA) Plan
 - District contribution above PEMHCA minimum will be reimbursed to retirees
 - In addition, District contributes annually to HRA if enrolled in Kaiser, PERS Choice, or PERS Select
 - 2021 annual amounts:

	Kaiser	PERS Choice	PERS Select
Under 65	\$550/1,100/2,200 (EE/2-party/family)	\$3,500/7,000/7,000 (EE/ 2-party/family)	
Over 65	\$550	\$400	
 - No annual District HRA contribution if enrolled in other plans
 - Unused HRA balances carry-over for Medicare retirees, but not for retirees under 65
 - One time roll-over of:
 - unused high deductible plan HRA balance for retirees under 65
 - unused HRA balance for retirees over 65 currently in outside Medicare plans



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BENEFIT SUMMARY – EFFECTIVE JANUARY 1, 2021

Bus Operators

- Retiree Medicare Part B Equivalent Contribution (Under Age 65)
 - Retired < 1/1/21: No Medicare Part B premium equivalent contribution
 - Retired ≥ 1/1/21:
 - Enrolled in Kaiser, PERS Choice, or PERS Select: Retiree pays 50% of Medicare Part B premium equivalents for self and spouse less the monthly equivalent of the annual active cash stipend amounts if enrolled in Kaiser or PERS Select
 - Enrolled in other plans: Retiree pays 100% of Medicare Part B premium equivalent for self and spouse
 - 2021 active cash stipend amounts offset retiree contribution if in Kaiser/PERS Select:

	Kaiser	PERS Select
EE only	\$1,000	\$500
2-Party	2,000	1,500
Family	3,000	2,000
- Surviving Spouse Benefit
 - Medical benefit continues to surviving spouse if retire has 15 or more years of service
 - PEMHCA minimum if < 15 years of service and surviving spouse has pension benefit
- Dental, Vision, Life
 - No changes to current benefits
- Opt Out Provision
 - District pays \$3,000 annual stipend to retirees that permanently opt out of District retiree health benefits (medical, dental, vision and life)
 - PEMHCA minimum if opts back into PEMHCA medical plan in future



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BENEFIT SUMMARY – EFFECTIVE JANUARY 1, 2021

Non-Represented																	
• Eligibility	• Retire from District within 120 days of separation and eligible for retiree pension <ul style="list-style-type: none">➤ CalPERS Classic members: Age 50, 5 years of service➤ CalPERS PEPRA members: Age 52, 5 years of service➤ Disability (5 years of service for non-industrial disability)																
• District Contribution to Medical ³	<div>• Maximum District Contribution:<ul style="list-style-type: none">➤ Enrolled in Kaiser, PERS Choice, or PERS Select Region 1: Premium of plan elected➤ Enrolled in other plan: PERS Select premium cap</div> <div>• District contributes a percent of the Maximum District contribution based on age and service at retirement:</div> <table><tr><th>Points at Retirement (age + service)</th><th>Minimum Service</th><th>% of Maximum District Contribution</th></tr><tr><td>80+</td><td>15</td><td>100%</td></tr><tr><td>75-79</td><td>15</td><td>80%</td></tr><tr><td>70-74</td><td>15</td><td>70%</td></tr><tr><td>< 70</td><td>n/a</td><td>PEMHCA minimum</td></tr></table> <div>• District pays PEMHCA minimum if less than 15 years of service at retirement</div>		Points at Retirement (age + service)	Minimum Service	% of Maximum District Contribution	80+	15	100%	75-79	15	80%	70-74	15	70%	< 70	n/a	PEMHCA minimum
Points at Retirement (age + service)	Minimum Service	% of Maximum District Contribution															
80+	15	100%															
75-79	15	80%															
70-74	15	70%															
< 70	n/a	PEMHCA minimum															

³ Applies to future retirees only.



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BENEFIT SUMMARY – EFFECTIVE JANUARY 1, 2021

Non-Represented				
• Health Reimbursement Arrangement (HRA) Plan	• District contribution above PEMHCA minimum will be reimbursed to retirees			
	• In addition, District contributes annually to HRA if enrolled in Kaiser, PERS Choice, or PERS Select			
	➤ 2021 annual amounts:			
		Kaiser	PERS Choice	PERS Select
	Under 65	\$1,350/2,700/3,300 (EE/2-party/family)	\$2,640/5,280/5,520 (EE/2-party/family)	\$3,140/6,280/6,520 (EE/2-party/family)
	Over 65	\$550	\$400	
	➤ No annual District HRA contribution if enrolled in other plans			
	• Unused HRA balances carry-over for Medicare retirees, but not for retirees under 65 except when aging into PERS Medicare plans			
	• One time roll-over of:			
	➤ unused high deductible plan HRA balance for retirees under 65			
	➤ unused HRA balance for retirees over 65 currently in outside Medicare plans			



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BENEFIT SUMMARY – EFFECTIVE JANUARY 1, 2021

Non-Represented

<ul style="list-style-type: none">• Retiree Medicare Part B Equivalent Contribution (Under Age 65)	<ul style="list-style-type: none">• Enrolled in Kaiser or PERS Select: Retiree pays to District the Medicare Part B premium equivalents for self and spouse less the monthly equivalent of the annual active cash stipend amount for plan elected• Enrolled in other plans: Retiree pays the Medicare Part B premium equivalents for self and spouse to the District• 2021 annual active cash stipend amounts used to offset retiree contribution if enrolled in Kaiser or PERS Select:<table><tr><td></td><td>Kaiser</td><td>PERS Select</td></tr><tr><td>EE only</td><td>\$1,000</td><td>\$500</td></tr><tr><td>2-Party</td><td>2,000</td><td>1,500</td></tr><tr><td>Family</td><td>3,000</td><td>2,000</td></tr></table>		Kaiser	PERS Select	EE only	\$1,000	\$500	2-Party	2,000	1,500	Family	3,000	2,000
	Kaiser	PERS Select											
EE only	\$1,000	\$500											
2-Party	2,000	1,500											
Family	3,000	2,000											
<ul style="list-style-type: none">• Surviving Spouse Benefit	<ul style="list-style-type: none">• Medical benefit continues to surviving spouse if retiree elects a pension benefit with survivor benefits												
<ul style="list-style-type: none">• Dental, Vision, Life	<ul style="list-style-type: none">• No changes to current benefits												



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BENEFIT SUMMARY – EFFECTIVE JANUARY 1, 2021

Group	Board Members
<ul style="list-style-type: none"> • Board Members 	<ul style="list-style-type: none"> • Eligibility: 5 consecutive years on the Board • Dental, Vision, and Life insurance: no changes to current benefits (retiree pays 100% of COBRA cost of coverage)



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