



Agenda Item No. (4)

To: Rules, Policy and Industrial Relations Committee/Committee of the Whole Meeting of March 24, 2022

From: Stephanie LaRue, Manager of Human Resources
Kellee J. Hopper, Deputy General Manager, Administration and Development
Denis J. Mulligan, General Manager

Subject: **APPROVE CODIFICATION OF THE MEDICAL BENEFITS POLICY IN THE HUMAN RESOURCES GUIDE FOR REPRESENTED AND ADMINISTRATIVE RETIREES (EXCLUDING BUS OPERATORS), THEIR SPOUSES, DEPENDENTS AND SURVIVORS**

Recommendation

The Rules, Policy and Industrial Relations Committee recommends that the Board of Directors (Board) approve an updated codification of the Medical Benefits policy for represented and administrative retirees (excluding Bus Operators), their spouses, dependents and survivors, and survivors of active employees, as defined in the attached Resolution which reflects the recently implemented transition to medical benefits administered through CalPERS; and, amend the *Human Resources Guide* accordingly.

This matter will be presented to the Board of Directors at its March 25, 2022 meeting for appropriate action.

Background

In 2021, the District transitioned its medical benefits program from being self-administered to being administered through the CalPERS medical system (the Public Employees' Medical and Hospital Care Act or "PEMHCA"). Further, there have been other benefit-related items negotiated over the years which affect the District's Medical Benefits policy. Therefore, it is necessary to document the resulting modifications to medical benefit eligibility requirements for represented and administrative retirees (excluding Bus Operators), their spouses, dependents and survivors, and survivors of active employees. Upon adoption of this Resolution, the District's *Human Resources Guide* will be amended accordingly.

Fiscal Impact

There will be no fiscal impact as a result of this action. Adoption of this resolution will confirm and document current administration of the District's Medical Benefits Program practices.

Attachment – Draft Resolution

THIS PAGE INTENTIONALLY LEFT BLANK

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

RESOLUTION NO.

**SETTING FORTH MEDICAL BENEFITS FOR CERTAIN DISTRICT RETIREES,
THEIR SPOUSES, DEPENDENTS AND SURVIVORS AND SURVIVORS OF ACTIVE
EMPLOYEES**

WHEREAS, the District has provided medical benefits for employees, retirees, their spouses, dependents and survivors for many years;

WHEREAS, these benefits are described in various Resolutions, including Resolution Nos. 7807, 82-412, 83-244, 86-217, 86-355, 91-159, 97-183, 2000-141, 2004-004, 2004-101, 2006-093, 2006-094 and 2010-105 and actions of the District Board of Directors, the Human Resources Guide, and Memoranda of Understanding with various unions;

WHEREAS, said benefits in the past have differed depending upon whether service to the District was rendered as an administrative employee or as a union employee (excluding bus operators);

WHEREAS, it is the desire of the District to update, consolidate, and clarify said benefits and the basis of their availability to the survivors of employees and survivors of retired employees and their dependents (excluding bus operators), and to set forth those benefits in a single Resolution;

WHEREAS, in order to clarify the availability of said benefits to union employees, their survivors and dependents, the District has complied with the meet-and-confer requirements of District Resolution 7293;

WHEREAS, all bargaining units of the Union Coalition have ratified the Coalition Agreement and individual unit agreements as of March 11, 2022,

WHEREAS, the Rules, Policy and Industrial Relations Committee has so recommended,

NOW, THEREFORE, BE IT RESOLVED, that for regular full-time administrative and union employees (excluding bus operators), and regular part-time administrative employees, the medical benefits for retired employees, their spouses, dependents, and survivors, and the survivors of active employees, shall be as set forth below and subject to the conditions which follow:

1. **Continuation of medical benefits for the survivors of employees who die while in active District employment**
 - a. The survivors (including eligible dependents) of an employee who has more than two (2) years of continuous service but less than fifteen (15) years of continuous service at the time of his/her death, shall be entitled, at District expense, to a three (3)-month continuation of the medical, dental, vision, and prescription drug coverage, which was in existence at the time

of the employee's death. The three (3)-month period shall begin on the first day of the month following the month in which occurs the employee's death.

- b. The survivors (including eligible dependents) of an employee who dies while in active employment and who meets the retiree medical eligibility requirements set forth in No. 2.b herein, shall be entitled, at the District's expense, subject to a designated monthly contribution as outlined in No. 3 and No. 4 herein, to the continuation of medical, dental, vision, and prescription drug coverage to the normal age limitations for children and to eligibility for Medicare for spouses and, provided further, that the District's payment in excess of the minimum employer contribution amount required by CalPERS for such coverage shall cease upon the survivor's employment with another employer or the remarriage of the survivor spouse provided said survivor is eligible for medical coverage with the new employer or is eligible for spousal coverage with the employer of the new spouse.

2. Continuation of medical benefits for retirees, their spouses, and dependents and for the survivors of retired employees (excluding bus operators) hired after June 30, 1983, for union employees and December 31, 1982, for administrative employees

- a. The retiree who was hired after June 30, 1983, for union employees and December 31, 1982, for administrative employees and at the time of retirement is at least fifty-five (55) years of age with at least ten (10) years of continuous service shall, at District expense, be entitled to a continuation of medical, dental, vision, and prescription drug coverage for the life of the retiree or until the retiree obtains other employment, provided the effective date of the retiree's retirement under CalPERS or other public agency pension plan is within 120 days of separation from the District. In the event the retiree is not Medicare-eligible and obtains other employment and is eligible for medical benefits with the new employer, the District's coverage will continue but will become secondary coverage. If the retiree is Medicare-eligible, the retiree must be enrolled in Medicare Parts A and B and cannot enroll in any other coverage. The retiree shall be subject to a designated monthly contribution as outlined in No. 4 herein. In order to be covered under the District's dental and vision plans, the retiree must elect coverage under the District's medical plan. Retirees who enroll in the District's medical coverage will automatically be enrolled in the District's dental and vision coverage.
- b. The retiree, his/her spouse, and eligible dependents of a retiree who was hired after June 30, 1983, for union employees and December 31, 1982, for administrative employees and at the time of retirement is at least fifty-five (55) years of age with at least fifteen (15) years of continuous service shall, at District expense, be entitled to a continuation of medical, dental,

vision and prescription drug coverage, provided the effective date of the retiree's retirement under CalPERS or other public agency pension is within 120 days of separation from the District. In the event the retiree is not Medicare-eligible and obtains other employment and is eligible for medical benefits with the new employer, the District's coverage will continue but will become secondary coverage. If the retiree is Medicare-eligible, the retiree must be enrolled in Medicare Parts A and B and cannot enroll in any other coverage. Upon the death of the retiree, the surviving spouse and eligible dependents shall be entitled, at District expense, to a continuation of medical, dental, vision, and prescription drug coverage to the normal age limitations for children, provided the retiree selects a spousal survivor pension benefit option and, provided further, that the District's payment in excess of the minimum employer contribution amount required by CalPERS, if any, for such coverage shall cease upon the survivor spouse's employment or the remarriage of the survivor spouse provided said survivor is eligible for medical coverage with the new employer or is eligible for spousal coverage with the employer of the new spouse. The surviving spouse and eligible dependents shall be subject to a designated monthly contribution as outlined in No. 4 herein.

- c. In the event an employee has transferred between administrative and union positions, the employee's eligibility for benefits will be determined with respect to employment before August 9, 1991, based on the date which results in a more favorable result. These will be evaluated on a case-by-case basis, and the circumstances of the employee's service dates as an administrative or Union employee will be considered.

3. Continuation of medical benefits for retirees, their spouses, and dependents and for the survivors of retired employees (excluding bus operators) who were hired after August 9, 1991

- a. All employees hired on or after August 9, 1991, who receive a pension from CalPERS upon retirement, shall be eligible for retirement health benefits coverage (same benefits coverage, co-payments, deductibles, and out-of-pocket limits as for active employees unless otherwise specified) under the rules set forth in the section immediately preceding this one and subject to the following formula, and No. 3.c, below:

Minimum Age of 55 years plus Years of District Service (10 years minimum for employee only or 15 years minimum for employee, spouse, and dependents) which total a number of points equal to:

- 80 points or higher, per Public Employees' Medical and Hospital Care Act (PEMHCA), monthly health benefit premium is deducted from retiree's monthly CalPERS pension check, and retiree receives reimbursement of 100% of health benefit premium pension deductions from the District through the District's CalPERS Retiree

Reimbursement Program, except as provided in No. 4 herein;

- 75-79 points, per PEMHCA, monthly health benefit premium is deducted from retiree's monthly CalPERS pension check, and retiree receives reimbursement of 80% of health benefit premium less the District's required minimum employer contribution from the District through the District's CalPERS Retiree Reimbursement Program, except as provided in No. 4 herein;
- 70-74 points, per PEMHCA, monthly health benefit premium is deducted from retiree's monthly CalPERS pension check, and retiree receives reimbursement of 70% of health benefit premium less the District's required minimum employer contribution from the District through the District's CalPERS Retiree Reimbursement Program, except as provided in No. 4 herein;
- Less than 70 points, retiree does not receive any retiree health benefits paid in whole or in part by the District, other than the CalPERS required minimum employer contribution.

- b. Employees who are covered by this policy but have a pension other than CalPERS, and who were hired on or after August 9, 1991, shall be eligible for retirement health benefits coverage (same benefits coverage, co-payments, deductibles, and out-of-pocket limits as for active employees unless otherwise specified) under the rules set forth in the section immediately preceding this one and subject to the following formula:

Minimum Age of 55 years plus Years of District Service (10 years minimum for employee only or 15 years minimum for employee, spouse, and dependents) which total a number of points equal to:

- 80 points or higher, District pays 100% of health benefit premiums, except as provided in No. 4 herein;
- 75-79 points, District pays 80% and bills retiree for 20% of health benefit premiums, except as provided in No. 4 herein;
- 70-74 points, District pays 70% and bills retiree for 30% of health benefit premiums, except as provided in No. 4 herein;
- Less than 70 points, retiree does not receive any retiree health benefits paid in whole or in part by the District, other than the CalPERS required minimum employer contribution.

- c. The District's reimbursement for pre-65 retirees who meet the eligibility requirements described above is limited to the applicable percentage of the premium cost for the lower of either the CalPERS Kaiser or Gold

plans. The District's reimbursement for Medicare-eligible retirees who meet the eligibility requirements described above is limited to the applicable percentage of the premium cost for the lower of the CalPERS Medicare Gold or Medicare Platinum plans.

4. Contributions/Coverage Applicable to All Retirees (other than bus operator retirees)

- a. **Pre-Medicare Eligible “Early” Retirees:** Retirees under age 65 who are eligible for District-provided retiree health benefits shall pay a contribution equivalent to the Medicare Part B base premium (as established annually by the Centers for Medicare and Medicaid Services) for the retiree and also for the retiree’s eligible spouse until each individual reaches age 65. The retiree’s age and the spouse’s age are considered separately for determining the contribution owed. These payments shall be made to the District in accordance with District procedures.
- b. **Medicare-Eligible Retirees:** Retirees over 65 and any eligible spouse over 65 must be enrolled in Medicare Parts A and B and must pay their monthly Medicare Part B premiums. Medicare becomes the primary coverage and the CalPERS -provided supplemental Medicare plan becomes secondary.
- c. A retiree or his/her spouse who is under age 65 and is covered under Medicare due to a disability shall make the contribution to Medicare. They also must notify the District of their early eligibility for Medicare.
- d. District policies and benefits programs will include a domestic partner and/or domestic partner dependents in instances where provisions for a “spouse” apply, including any provisions/limitations herein. In no event will the District be responsible for situations where a benefits provider or law does not provide for domestic partner rights and benefits. A domestic partner/dependents must be registered in accordance with the District’s domestic partner policies and program.
- e. If a spouse/domestic partner and/or dependents is added to a retiree’s medical benefits after the date of retirement, the retiree must pay any additional cost for such coverage. The new spouse or dependent is not eligible for the District's dental, vision or health reimbursement arrangement ("HRA") coverage.
- f. Generally, retirees have medical plans with provisions equivalent to those of active employees. However, there are special provisions in some cases.
- g. An employee with ten (10) years of service who retires due to an industrial disability, and who has been approved for a disability pension by CalPERS or another appropriate pension plan, may elect to receive

health care coverage for the retiree in CalPERS Kaiser or Gold medical plans, provided the effective date of their disability retirement under CalPERS or other public agency pension is within 120 days of separation from the District. The retiree's age or hire date are not factors in determining eligibility for this benefit. The retiree will pay the same contribution as other retirees, based on point system outline in No. 3 herein. However, no spousal and/or dependent coverage will be paid by the District. If the retiree wishes to cover a dependent, the retiree will enroll in CalPERS Kaiser or Gold plan and elect two-party or family coverage, and the retiree will pay the difference between single and two-party or family coverage for the eligible dependent(s). An eligible dependent is defined as one of the following: spouse, domestic partner, or dependent child. The spouse and/or dependent is not eligible for the District's dental, vision or health reimbursement arrangement ("HRA") coverage.

An employee with at least ten (10) years of continuous service who retires due to a non-work related disability, and who has been approved for a pension by CalPERS or another appropriate pension plan, may elect to receive health care coverage for the retiree only under CalPERS Kaiser or Gold medical plans, provided the effective date of their disability retirement under CalPERS or other public agency pension is within 120 days of separation from the District. The employee's age or hire date are not factors in eligibility for this benefit. The retiree will be allowed to enroll in CalPERS Kaiser or Gold plans, and will pay the same monthly amount as other retirees, based on age. In the event a retiree on disability cannot be covered under CalPERS Kaiser or Gold plan, the retiree may elect retiree only coverage in another CalPERS plan, but the difference in cost will be paid by the employee. If the retiree wishes to cover a dependent, the retiree will enroll in CalPERS Kaiser or Gold plan and elect two-party or family coverage, and the retiree will pay the difference between single and two-party or family coverage for the eligible dependent(s). An eligible dependent is defined as one of the following: spouse, domestic partner, or dependent child. The spouse and/or dependent is not eligible for the District's dental, vision or health reimbursement arrangement ("HRA") coverage.

5. For regular non-represented part-time employees who are classified in 30-hour or more work week positions, service credit will be prorated for part-time service. The total of the prorated service credit will apply toward requirements for retiree benefits eligibility.
6. To the extent that a provision in a bargaining unit's Memorandum of Understanding is more favorable than this resolution, the collective bargaining agreement will prevail.

BE IT FURTHER RESOLVED, that this Resolution modifies and supersedes Resolution Nos. 7807, 82-412, 83-244, 86-217, 86-355, 91-159, 97-183, 2000-141, 2004-004, 2004-101, 2010-

105 and any other District resolutions, policies, practices or procedures, to the extent such resolutions, policies, practices or procedures are inconsistent or conflict with the provisions of this Resolution.

BE IT FURTHER RESOLVED, that the General Manager is authorized and directed to make conforming changes to the District *Human Resources Guide* and to take such other actions necessary and appropriate to implement the policies enunciated herein.

BE IT FURTHER RESOLVED, that the effective date of this Resolution is upon Board ratification

ADOPTED this _____ day of _____ 2022 by the following vote of the Board of Directors:

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST:

District Secretary

THIS PAGE INTENTIONALLY LEFT BLANK