



STAFF REPORT

DATE: December 9, 2019
TO: Sacramento Regional Transit Board of Directors
FROM: Steve Booth, AVP, Human Resources and Labor Relations
SUBJ: ANNUAL STAFF REPORT REGARDING EMPLOYEE BENEFITS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The effect of the Board approving the renewal of all of the Health and Welfare insurance coverages is that employees will continue to receive the health and welfare benefits described below in accordance with SacRT's collective bargaining agreements and employment contracts.

FISCAL IMPACT

Total Fiscal Year (FY) 2020 increase will be \$778.74. Savings in other General Ledger Accounts will be used to cover these costs.

DISCUSSION

Each year, SacRT must determine whether to continue its current insurance benefit policies with its current benefit providers. The following is a summary of the results of the 2020 renewal process. Attachment 1 contains an Executive Summary prepared by SacRT's benefit broker, Keenan and Associates ("Keenan"), providing details on all the renewal information. The rates are renewed on a calendar year basis as opposed to how funds are budgeted on a fiscal year basis.

Dental:

The Delta Dental PPO plan renewed with a rate pass and a two-year rate guarantee. The Delta HMO Dental plan renewed with a 3% rate increase of \$1,087.68 for calendar year 2020 and a two-year rate guarantee. If the Board approves renewing for an additional year, the next plan renewal will be January 1, 2022.

Vision:

Current rates and benefits for all employees enrolled in the VSP Basic or Enhanced Plans will remain the same for the 2020 plan year. The rates are in the second year of a two-year rate guarantee. If the Board approves renewing for an additional year, the

next renewal will be effective January 1, 2021.

Flexible Spending Account (FSA) and COBRA Administration:

The current rate of \$4.25 per month per participant will increase to \$4.40 per month per participant for calendar year 2020, which is a rate increase of \$469.80 for calendar year 2020. The contract with Navia Benefit Solutions is an evergreen contract meaning that it continues in force indefinitely, but may be terminated with a 30 day notice of cancellation.

Life Insurance/Accidental Death & Dismemberment (AD&D/Long Term Disability (LTD) Insurance:

The rates for Basic Life, Voluntary Life and Long Term Disability plans will remain the same for the 2020 plan year. The rates are in the second year of a two-year rate guarantee. If approved by the Board this year, the next renewal for all lines of coverage will be January 1, 2021.



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Sacramento Regional Transit District
 2020 Health & Welfare Renewal
 Executive Summary

On behalf of Sacramento Regional Transit District, Keenan & Associates is pleased to present the 2020 renewal overview for the ancillary benefit plans.

Renewal and Marketing Objectives

Keenan's primary goal continues to negotiate and provide Sacramento Regional Transit District with ancillary benefit programs that are affordable and have multi-year rate guarantees which will provide predictability in rates and benefit designs.

Dental and Vision Care Trends

Keenan & Associates is forecasting the following Trend increases for Dental and Vision benefits:

<u>Dental</u>	<u>Vision</u>
PPO – 5.0%	3.0%
Prepaid – 4.0%	

Affordable Care Act (ACA)

Although components of the ACA are being questioned the law remains in effect with no changes in the offering of employee benefits. Keenan & Associates will continue to provide any applicable updates to RT to assist with on-going compliance of the ACA.

Delta Dental

The Delta Dental PPO renewal came in with a rate pass and a two-year rate guarantee. The DHMO renewal came in with a 3% increase and a two-year rate guarantee. The next plan renewal will be January 1, 2022.

VSP

VSP is going into the second year of a two-year rate guarantee. Current rates and benefits for all employees enrolled in the VSP Basic or Enhanced plans will remain the same for the 2020 plan year. The next plan renewal will be January 1, 2021.

The Hartford

The rates for the District's Basic Life, Voluntary Life and Long Term Disability plans will remain the same for the 2020 plan year. This will be the second year of a two-year rate guarantee. The next renewal for all lines of coverage will be January 1, 2021.

Flexible Spending Account

Navia Benefits has increased the rate for plan year 2020 by \$0.15 for a total of \$4.40 per participant per month.

Summary

We appreciate the long-term partnership we've had with Sacramento Regional Transit District and look forward to working with the District during the next plan year. We will continue to work with the current lines of coverage while keeping the District informed of new regulations and changes that affect the employee benefits offered to District employees.

Sincerely,



Stacey Comerchero
Assistant Vice President
Employee Benefits

RESOLUTION NO. 19-12-0136

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 9, 2019

ANNUAL STAFF REPORT REGARDING EMPLOYEE BENEFITS

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby approves the 2020 Health and Welfare Renewals for dental coverage with Delta Dental, vision coverage with Vision Services Plan, flexible spending account management with Navia Benefits, life insurance and long term disability insurance with The Hartford Life Insurance Company; and

THAT, the Board hereby authorizes the General Manager/CEO to fill out, execute and submit any and all forms, applications, documents, and agreements necessary to effectuate the renewal of all insurance coverages herein approved.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary