



STAFF REPORT

DATE: December 14, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Steve Booth, AVP, Human Resources and Labor Relations
SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2021

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

There will be no increase to 2021 rates.

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 2021 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 and Delta HMO plans are going into the second year of a two-year rate guarantee. Current rates and benefits for all employees enrolled remain the same through the 2021 plan 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 2021 plan year, with an additional two-year rate guarantee. The next plan renewal will be January 1, 2023.

Flexible Spending Account (FSA) and COBRA Administration:

Current rates will remain the same for the 2021 plan year. 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 2021 plan year, with an additional three-year rate guarantee. The next plan renewal will be January 1, 2024.



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Sacramento Regional Transit District
 2021 Health & Welfare Renewal
 Executive Summary

On behalf of Sacramento Regional Transit District, Keenan & Associates is pleased to present the 2021 renewal and marketing 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 bring value to the employees while being affordable with multi-year rate guarantees which provide stability in the rates.

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 still 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 and DHMO plans are going into the second year or a two-year rate guarantee. Current rates and benefits for all employees enrolled remain the same through the 2021 plan year. Next renewal is January 1, 2022.

VSP

VSP offered a rate pass with an additional two-year rate guarantee starting January 1, 2021. All rates and benefits will remain the same until the next renewal on January 1, 2023.

The Hartford

The Hartford offered a rate pass along with an additional three-year rate guarantee. The rates for the District's Basic Life, Voluntary Life and Long-Term Disability plans will remain the same until the next renewal on January 1, 2024.

Flexible Spending Account

Navia Benefits administration will remain at \$4.40 per participant per month for the 2021 plan year.

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. 20-12-0135

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

December 14, 2020

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2021

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 2021 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.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary