



STAFF REPORT

DATE: September 14, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Stephen Booth, AVP, Human Resources & Labor Relations
SUBJ: POST-RETIREMENT MEDICAL BENEFITS FOR THE MANAGEMENT AND CONFIDENTIAL EMPLOYEE GROUP (MCEG)

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

If approved, the attached Appendix to the Personnel Policy Manual will codify the current post-retirement benefits that MCEG Employees are entitled to receive.

FISCAL IMPACT

There is no fiscal impact.

DISCUSSION

The Personnel Policy Manual (PPM) at Section 9.01 C provides that retired employees may be eligible to have a portion of the monthly premium for SacRT provided medical insurance paid based upon bargaining unit designation, date of hire and years of service criteria established by SacRT. For employees in represented bargaining units, the employer contribution is specified in the collective bargaining agreements. For those employees not in a represented bargaining unit, those known as the Management and Confidential Employee Group, eligibility criteria are not readily accessible. Appending a chart providing the current criteria previously approved by the Board and referencing the Appendix in Section 9.01 C will correct this oversight.

RESOLUTION NO. 20-09-0087

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

September 14, 2020

**POST-RETIREMENT MEDICAL BENEFITS FOR THE MANAGEMENT AND
CONFIDENTIAL EMPLOYEE GROUP (MCEG)**

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 Appendix (Exhibit A) and language changes to Section 9.01C (Exhibit B) of the Personnel Policy Manual (PPM), summarizing the retiree health benefits provided to non-bargaining unit employees.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

9.01C Retirement and Dependent Benefits

MEDICAL, DENTAL, LIFE INSURANCE BENEFITS SALARIED EMPLOYEES RETIREMENT PLAN		
Employee Status		Benefit Coverage
A.	Hired prior to January 1, 1994	Employee: Health and Welfare Benefits for life—100% paid by Regional Transit.
	Retired prior to August 1, 1994	Dependents: Health and Welfare for life—100% paid by Regional Transit.
		Deducted semi-monthly from retirement benefits.
B.	Hired prior to January 1, 1994	Employee: Health and Welfare Benefits for life—100% paid by Regional Transit.
	Retired on or after August 1, 1994, but before January 1, 2008	Dependent(s): May elect Dependent Coverage—shall pay a percentage of the monthly medical premium as specified in the chart below and subject to the terms following said chart.
		Deducted semi-monthly from retirement benefits.
C.	Hired prior to January 1, 1994	Employee: Health and Welfare Benefits—shall be required to pay 8% of the monthly medical premium costs incurred by the District.
	Retired on or after January 1, 2008, but not after June 15, 2009	Dependent(s): May elect Dependent Coverage. Employee shall pay a percentage of the monthly medical premium as specified in the chart below and subject to the terms following said chart.
		Deducted semi-monthly from retirement benefits.
D.	Hired prior to January 1, 1994	Employee: Health and Welfare Benefits—shall be required to pay 10% of the monthly medical premium costs incurred by the District.
	Retired on or after June 16, 2009	Dependent(s): May elect Dependent Coverage. Employee shall pay a percentage of the monthly medical premium as specified in the chart below and subject to the terms following said chart.
		Deducted semi-monthly from retirement benefits.

**MEDICAL, DENTAL, LIFE INSURANCE BENEFITS
SALARIED EMPLOYEES RETIRMENT PLAN**

MEDICAL, DENTAL, LIFE INSURANCE BENEFITS SALARIED EMPLOYEES RETIRMENT PLAN		
Dependent Coverage Chart	Length of Service of the Retiree	Percentage of District Paid Premium Toward Dependent Medical Coverage
	10 Years	50%
	11 Years	55%
	12 Years	60%
	13 Years	70%
	14 Years	80%
	15 Years	100%
Medical Allowance Terms	<p>1. The retired employee's dependents shall receive an allowance based upon a percentage equated to the completed years of service of the employee, prior to retirement (see table below), applied to the allowance for dependent benefits incurred by the District. When the retiree and/or his or her dependent attains the age of 65 or Medicare eligibility, whichever comes first, the medical portion of the allowance shall be based upon the applicable Supplemental Medicare Insurance.</p>	
	<p>2. A retired employee may apply his or her allowance to any medical insurance available through the District; however, costs in excess of the allowance provided shall be borne by the retiree by semi-monthly deductions from his or her monthly retirement benefit.</p>	
	<p>3. This allowance may not be used for any purpose other than that provided in this section. The allowance shall be in accordance with the following table.</p>	

MEDICAL, DENTAL, LIFE INSURANCE BENEFITS SALARIED EMPLOYEES RETIREMENT PLAN		
E.	Hired on or after January 1, 1994 Retired before January 1, 2008	Employee: Health and Welfare Benefits for the retired employee only.
		Dependents: May elect coverage and shall bear the entire cost for said coverage.
		Deducted semi-monthly from retirement benefits.
F.	Hired on or after January 1, 1994 Retired on or after January 1, 2008, but not after June 15, 2009	Employee: Health and Welfare Benefits— shall pay 8% of the monthly medical premium costs incurred by the District.
		Dependents: May elect coverage and shall bear the entire cost for said coverage.
		Deducted semi-monthly from retirement benefits.
G.	Hired on or after January 1, 1994 but before January 1, 2015 Retired on or after June 16, 2009	Employee: Health and Welfare Benefits— shall pay 10% of the monthly medical premium costs incurred by the District.
		Dependents: May elect coverage and shall bear the entire cost for said coverage.
		Deducted semi-monthly from retirement benefits.
H.	Hired on or after January 1, 2015 Retired with more than 5 Years of Service, but fewer than 10 Years of Service	Employee: Health and Welfare Benefits will not exceed the minimum Employer Contribution for the occupational group as determined by CalPERS.
		Dependents: May elect coverage and shall bear the entire cost for said coverage.
		Deducted semi-monthly from retirement benefits.
I.	Hired on or after January 1, 2015 Retired with 10 Years or more of Service	Employee: Health and Welfare Benefits— shall pay 10% of the monthly medical premium costs incurred by the District.
		Dependents: May elect coverage and shall bear the entire cost for said coverage.
		Deducted semi-monthly from retirement benefits.

ARTICLE 9: EMPLOYEE BENEFITS

§9.01 Medical Insurance

SacRT provides a series of comprehensive Health and Welfare Insurance Coverages for each full-time employee, eligible part-time employees and eligible dependents as indicated below.

A. Benefits Eligibility Defined

1. Benefit Continuation

- (a) For purposes of applying this language, active service is defined as time spent at work in paid status.
- (b) An employee must be in the Active Service of SacRT 88 hours or more in any calendar month to receive a benefit continuation for that month.
- (c) Any employee not actively working due to a non-industrial illness/injury and who does not satisfy the hourly requirement listed in (b) above may have SacRT Health and Welfare Benefits continued at the employee's expense. Such continuation coverage will be billed by SacRT on a monthly basis for the amount of the premium cost plus applicable administration fees. An employee not making the premium payment(s) will be dropped from coverage.
- (d) Any employee not actively working due to an industrial illness/injury who is expected to return to active employment, as determined by a physician, will have SacRT paid Health and Welfare Benefits continued by SacRT for a period of up to 24 months from the date of the injury or illness. At the conclusion of 24 months, the employee may be eligible for continued coverage in accordance with the applicable provisions of state and federal law. Such continuation coverage will be billed by SacRT on a monthly basis for the amount of the premium cost plus applicable administration fees. An employee not making the premium payment(s) will be dropped from coverage.

B. Dependent Eligibility Status

Dependent eligibility is limited to those individuals deemed "dependents" as defined by the respective group health benefit plans or CalPERS. All registered domestic partners, as described in the Domestic Partner Rights and Responsibilities Act of 2003, will have the same rights, protections, and benefits as other dependents.

C. Medical Insurance

1. Effective January 1, 2011, SacRT will contribute 90% of the Health and Welfare Insurance Premium for each employee participating in medical insurance options provided under the CalPERS Program. The maximum monthly amount paid by SacRT will not exceed 90% of the monthly premium for Kaiser or Blue Shield Access Plus, whichever is greater, for the Sacramento Area (Sacramento, Placer, and El Dorado Counties). Employees electing coverage in a plan that is more costly than the Kaiser or Blue Shield Access Plus Plan in the Sacramento Area will pay the difference in the amount paid by SacRT for either Kaiser or the Blue Shield Access Plus Plan and the cost of the selected plan.

An employee selecting a plan less costly than the Blue Shield Access Plus Plan will still be subject to paying 10% of the monthly premium cost of that plan. The co-payment is not applicable to those employees participating in the Cash-in-Lieu of Medical Program.

Employees who elect a service or disability retirement in a SacRT retirement plan may be eligible to have a portion of the monthly premium for SacRT provided medical insurance paid based upon bargaining unit designation, date of hire and years of service criteria established by SacRT. Eligibility criteria for non-represented employees are provided in Appendix 1 to this Personnel Policy Manual.

2. Medical Insurance Continuation for Dependents of a Deceased Employee

Medical insurance coverage for dependent(s) of an employee who becomes deceased may be extended for two calendar months immediately following the end of the month in which the employee's death occurred. Dependent coverage will be limited to the dependents, on the employee's medical coverage at the time of death. The terms of the medical insurance premium obligations

under this provision will remain the same as if the employee was still an active employee.

D. Dental Insurance

Dental Insurance is provided at no cost to a full-time employee, the employee's spouse and eligible dependents.

Employees who elect a service or disability retirement in a SacRT retirement plan may be eligible to have a portion of the monthly premium for SacRT provided dental insurance is paid based upon bargaining unit designation, date of hire and years of service criteria established by SacRT.

E. Life Insurance

Life Insurance, Accidental Death and Dismemberment is provided at no cost to a full-time employee, the employee's spouse and eligible dependents. Coverage for the employee is for \$50,000 and coverage for the spouse and eligible dependents is for \$1,000 (dependents under 6 months – \$100.00).

F. Supplemental Life Insurance

In addition to the SacRT-provided coverage as specified above, supplemental life insurance is available as an option for each qualified full-time employee, the employee's spouse and/or child(ren). Spousal and dependent coverage will be limited to 50% of the employee's supplemental life insurance amount. The premium cost for this coverage, when elected by the employee, is paid by the employee through payroll deduction.

G. Vision Care

Vision Care Insurance is provided at no cost to each full-time employee, the employee's spouse and eligible dependents. Coverage may also include "buy-up" options that can enhance the insurance coverage that is available for purchase by the employee.

Employees who elect a service or disability retirement in a SacRT retirement plan may be eligible to have a portion of the monthly premium for SacRT provided vision insurance paid based upon bargaining unit designation, date of hire and years of service criteria established by SacRT.

H. Long Term Disability

Long Term Disability (LTD) Insurance is provided at no cost to each full-time employee of SacRT.

I. Cash-In-Lieu Of Medical Coverage

1. Description – The Cash-in-Lieu of Medical Coverage Program is a voluntary election available to all full-time employees eligible for medical benefits. An employee who voluntarily elects to participate, will forego medical insurance coverage, and will receive one-half of the cash value of the “Employee Only” premium for the applicable plan pursuant to (C) above. This additional income is taxable and will be proportionately included in each paycheck. The employee must have minimum essential medical coverage through some other source (e.g. spouse or a previous employer).
2. New Hire/Annual Open Enrollment Period – Employees must enroll within 30 days of becoming eligible as a new hire. A copy of the form is available in the Human Resources Department. After an employee is enrolled in the program, participation continues year after year thereafter unless the employee elects to discontinue participation. Each year during the annual open enrollment period, employees electing to participate in the Cash-in-Lieu of Medical Coverage Program for the first time must enroll. Retroactive enrollments are not permitted.
3. Documentation – Although employees need not reenroll annually, they are required to maintain their alternative insurance and provide proof of minimum essential coverage as requested.
4. Family Status Changes – The employee may not change or cancel their program during the plan year except for allowable family status changes as defined by IRS regulations.