



Sacramento Public Library Authority

October 24, 2013

Agenda Item 12.0: Retiree Health Contribution

TO: Sacramento Public Library Authority Board

**FROM: Rivkah K. Sass, Library Director
Liane Lee, Human Resources Manager**

RE: Revision of Policy 312 - Retiree Health Contribution

RECOMMENDED ACTION(S):

Approve the revision of Policy 312, the Library’s Retiree Health Contribution, as presented in Exhibit A to clarify the policy and to add language specifically addressing retirees’ eligibility if they opt to participate in plans provided by the Affordable Care Act

BACKGROUND

- A. The Sacramento Public Library Authority Board adopted a resolution on April 25, 1996, approving the Library’s Retiree Health Contribution Policy and the contribution rate to be paid to retirees with designated years of service with the Library Authority.
- B. On March 28, 2002, the Sacramento Public Library Authority Board revised the policy and increased the retiree health contribution for eligible retirees.
- C. Actuarial studies conducted in 2008 and 2012 outline the unfunded liabilities of the current retiree health contribution policy and recommended certain financial actions that **were** not feasible at **that** time due to budgetary constraints.
- D. On March 14, 2013, the Sacramento Public Library Authority Board revised the policy to eliminate the benefit for new employees, based on the following schedule:

Unrepresented Confidential and Management employees	July 1, 2011
IOUE Local 39, Library Unit Employees	January 1, 2012
IOUE Local 39, Supervisory Unit Employees	July 1, 2012

REASON FOR RECOMMENDATION

Library Staff recommends the Retiree Health Contribution Policy be revised to provide clarification as well as to include language regarding retirees’ eligibility to participate in the Sacramento Public Library retiree health benefits if they opt to participate in other health benefit plans as provided by the Affordable Care Act.

ATTACHMENT(S):

Resolution 13-49, approving the revision of Policy 312, the Library’s Retiree Health Contribution, as presented in Exhibit A



Sacramento Public Library Authority

RESOLUTION NO. 13-49

Adopted by the Governing Board of the Sacramento Public Library Authority on the date of:

October 24, 2013

A RESOLUTION APPROVING THE REVISED SACRAMENTO PUBLIC LIBRARY AUTHORITY RETIREE HEALTH CONTRIBUTION POLICY

BE IT HEREBY RESOLVED BY THE GOVERNING BOARD OF THE SACRAMENTO PUBLIC LIBRARY AUTHORITY AS FOLLOWS:

1. The Sacramento Public Library Authority Board hereby approves the revised Retiree Health Contribution Policy as attached as Exhibit A.

Phil Serna, Chair
Angelique Ashby, Vice-Chair

ATTEST:
Rivkah K. Sass, Secretary

By: _____
Linda J. Beymer, Assistant Secretary

ATTACHMENT(S):

Exhibit A: Sacramento Public Library Authority Retiree Health Contribution Policy dated Oct. 24, 2013



Sacramento Public Library Authority

Sacramento Public Library Policies and Procedures

Policy No:	312		
Title:	Retiree Health Contribution		
Department:	Human Resources		
Issue Date:	April 25, 1996 March 28, 2002	Board Approval Date:	March 14, 2013
Revision Date:	March 14, 2013 <u>October 24, 2013</u>		

I. PURPOSE

The Sacramento Public Library Authority makes available to its retired employees contributions toward the cost of retiree health and dental coverages. The contribution amount is set periodically by the Sacramento Public Library Authority Board.

II. POLICY

The retiree health contribution policy and rate are established by the Sacramento Public Library Authority Board (Board) and the contribution amount is set periodically by the Board as part of its budget process and is not intended to be a vested benefit. Eligible Sacramento Public Library (SPL) retirees or survivor dependents shall receive a monthly Library contribution for ~~health~~ medical and dental and vision insurance benefits as established by the Board.

III. GUIDELINES

1. Eligibility for the Retiree Health Contribution is determined by Board Policy.

To be eligible, the following criteria must be met:

- a) Minimum age of 55, and or have 30 or more years of service; or
- b) Ten (10) full time years of SPL service, or combined SPL City or County service; or
- ~~c)~~ No age requirement if the employee has 30 or more years of full time services with SPL, or combined SPL and City or County service

2. The current maximum amount of the SPL contribution is \$225.00 per month for those retirees who have completed 20 or more years of full-time service and are a minimum of 55 years of age. All other retirees who meet the eligibility requirements as described above will receive the SPL contribution on a prorated basis as follows:

<u>Full Time Years of Service (40 hours/work week)</u>	<u>Percentage of Contribution</u>	<u>Maximum Amount of Contribution</u>
<u>20 year or more</u>	<u>100%</u>	<u>\$225.00</u>
<u>15 year or more</u>	<u>75%</u>	<u>\$168.75</u>
<u>10 years or more</u>	<u>50%</u>	<u>\$112.50</u>

3. Retirees with less than ten (10) years of full time service with SPL or combined SPL and City or County service are not eligible for the SPL contribution and sponsored retiree medical, dental and vision insurance.

4. The retiree health contribution is not available to eEmployees in the following work units hired on or after ~~these dates~~ the dates indicated below are not eligible for the SPL retiree contribution and sponsored retiree medical, dental and vision insurance:

Unrepresented Confidential and Management employees	July 1, 2011
IOUE Local 39, Library Unit Employees	January 1, 2012
IOUE Local 39, Supervisory Unit Employees	July 1, 2012

5. An employee who separates from service with SPL and defers retirement from CalPERS, or any other pension retirement system, more than 120 days is not eligible for the SPL contribution and sponsored retiree health, medical, dental and vision contribution insurance.

6. An employee who separates from service with SPL retires and retires from CalPERS, or any other pension retirement system, and does not elect the SPL-sponsored health, medical, dental and vision insurance at the time of separation and retirement is not eligible for the SPL retiree health contribution.

7. Survivor dependents of eligible employees or retirees shall be entitled to the same benefit amount that the employee was eligible for at the time of death.

8. In order to maintain eligibility for the SPL contribution and or participate in the SPL-sponsored retiree medical, dental and vision insurance, each eligible retiree shall maintain continuous coverage with the SPL sponsored medical, dental and vision insurance.

89. In order to maintain eligibility for the ~~Sacramento Public Library~~-sponsored retiree health, medical, dental and vision insurance and SPL contribution, each eligible retiree shall enroll in Medicare Parts A and B immediately after-upon becoming eligible for such benefits.

910. In order to maintain eligibility for the Sacramento Public Library Authority retiree health contribution, an eligible retiree who moves out of the Authority's health plan service area must provide documentation of an alternate health plan.

11. Early retirees (under age 65) who retire and opt to participate in Covered California under the Affordable Care Act are not eligible to participate in, or receive the SPL contribution toward, the SPL-sponsored retiree medical, dental and vision insurance.



Sacramento Public Library Authority

Addition: Proposed Final Copy

Sacramento Public Library Policies and Procedures

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II. POLICY

The Retiree Health Contribution Policy and rate are established by the Sacramento Public Library Authority Board (Board) and the contribution amount is set periodically by the Board as part of its budget process and is not intended to be a vested benefit. Eligible Sacramento Public Library (SPL) retirees or survivor dependents shall receive a monthly Library contribution for medical, dental and vision insurance benefits as established by the Board.

III. GUIDELINES

1. Eligibility for the Retiree Health Contribution is determined by Board Policy.

To be eligible, the following criteria must be met:

- a) Minimum age of 55 and
 - b) Ten (10) full-time years of SPL service, or combined SPL, City or County service; or
 - c) No age requirement if the employee has 30 or more years of full-time service with SPL, or combined SPL and City or County service
2. The current maximum amount of the SPL contribution is \$225.00 per month for those retirees who have completed 20 or more years of full-time service and are a minimum of 55 years of age. All other retirees who meet the eligibility requirements as described above will receive the SPL contribution on a prorated basis as follows:

Full-Time Years of Service (40 hours/workweek)	Percentage of Contribution	Maximum Amount of Contribution
20 year or more	100%	\$225.00
15 years or more	75%	\$168.75
10 years or more	50%	\$112.50

3. Retirees with fewer than ten (10) years of full-time service with SPL, or combined SPL and City or County service, are not eligible for the SPL contribution and sponsored retiree medical, dental and vision insurance.
4. Employees in the following work units hired on or after the dates indicated below are not eligible for the SPL retiree contribution and sponsored retiree medical, dental and vision insurance:

Unrepresented Confidential and Management employees	July 1, 2011
IOUE Local 39, Library Unit Employees	January 1, 2012
IOUE Local 39, Supervisory Unit Employees	July 1, 2012
5. An employee who separates from service with SPL and defers retirement from CalPERS, or any other pension retirement system, more than 120 days is not eligible for the SPL contribution and sponsored retiree medical, dental and vision insurance.
6. An employee who separates from service with SPL and retires from CalPERS, or any other pension retirement system, and does not elect the SPL-sponsored medical, dental and vision insurance at the time of separation and retirement is not eligible for the SPL contribution.
7. Survivor dependents of eligible employees or retirees shall be entitled to the same benefit amount that the employee was eligible for at the time of death.
8. In order to maintain eligibility for the SPL contribution and or participate in the SPL-sponsored retiree medical, dental and vision insurance, each eligible retiree shall maintain continuous coverage with the SPL-sponsored medical, dental and vision insurance.
9. In order to maintain eligibility for the SPL-sponsored retiree medical, dental and vision insurance and SPL contribution, each eligible retiree shall enroll in Medicare Parts A and B immediately upon becoming eligible for such benefits.
10. In order to maintain eligibility for the Sacramento Public Library Authority retiree health contribution, an eligible retiree who moves out of the Authority's health plan service area must provide documentation of an alternate health plan.
11. Early retirees (under age 65) who retire and opt to participate in Covered California under the Affordable Care Act are not eligible to participate in or receive the SPL contribution toward the SPL-sponsored retiree medical, dental and vision insurance.