

# County Connection

## INTER OFFICE MEMO

To: Board of Directors

Date: October 9, 2014

From: Lisa Rettig  
Senior Manager of Human Resources

Subject: Increasing Cafeteria  
Amounts for Non Represented  
Employees

Approved by: Rick Ramacier, General Manager

**SUMMARY OF ISSUES:** County Connection contracts under the Public Employee's Medical and Hospital Care Act (PEMHCA) for Administrative employee benefits.

The current MOUs with the ATU and Teamsters increase the Cafeteria Plan annually using a formula that averages the increases in the two (2) most popular health plans by coverage level and splitting that amount and adding it to the Cafeteria Plan.

In recent history the Board has provided the same increases to the Administrative employees cafeteria plan in the interest of equality.

For 2015 the two most popular health plans are Kaiser and Blue Shield Net Value. Kaiser had a 0% increase and Blue Shield Net Value had a 24% increase. This was highly unusual and not anticipated.

Attached are the 2015 monthly medical premiums for each employee group, ATU, Teamsters and Administration. The Administrative employee group is shown with the requested increase in the Cafeteria Plan.

### **FINANCIAL IMPLICATIONS:**

The FY 2015 budget for cafeteria expense for Administrative employees is \$211,000. The estimated expense is \$237,000 - \$26,000 more than budget.

### **COMMITTEE RECOMMEDATIONS:**

The A&F Committee recommends the Board of Directors adopt Resolution 2015-012 which increases the Authority's monthly contribution to the Administrative employees' Cafeteria Plan as follows:

Employee only:	\$ 385.27
Employee +1:	\$ 590.54
Employee +2 or more:	\$791.70

### **ACTION REQUESTED:**

Adopt Resolution 2015-012.

**2015 Medical Premiums  
Per Month (\$)  
Employee Group #1  
Administrative Employees**

	<u>Total</u>	<u>CCCTA</u>	<u>Employee</u>	<u>Cafeteria Plan</u>	<u>Net Employee</u>
Blue Shield*	\$928.87	\$329.08	\$599.79	\$385.27	\$214.52
Blue Shield+1	\$1,857.74	\$658.16	\$1,199.58	\$590.54	\$609.04
Blue Shield +2	\$2,415.06	\$855.60	\$1,559.46	\$791.70	\$767.76
Blue Shield Netvalue*	\$870.60	\$329.08	\$541.52	\$385.27	\$156.25
Blue Shield Netvalue+1	\$1,741.20	\$658.16	\$1,083.04	\$590.54	\$492.50
Blue Shield Netvalue+2	\$2,263.56	\$855.60	\$1,407.96	\$791.70	\$616.26
Kaiser*	\$714.45	\$303.56	\$410.89	\$385.27	\$25.62
Kaiser+1	\$1,428.90	\$607.12	\$821.78	\$590.54	\$231.24
Kaiser+2	\$1,857.57	\$789.26	\$1,068.31	\$791.70	\$276.61
PERS Choice*	\$700.84	\$289.98	\$410.86	\$385.27	\$25.59
PERS Choice+1	\$1,401.68	\$579.96	\$821.72	\$590.54	\$231.18
PERS Choice+2	\$1,822.18	\$753.95	\$1,068.23	\$791.70	\$276.53
PERSCARE*	\$775.08	\$494.86	\$280.22	\$385.27	\$0.00
PERSCARE+1	\$1,550.16	\$989.71	\$560.45	\$590.54	\$0.00
PERSCARE+2	\$2,015.21	\$1,286.63	\$728.58	\$791.70	\$0.00
PERS Select*	\$690.43	\$270.71	\$419.72	\$385.27	\$34.45
PERS Select+1	\$1,380.86	\$541.42	\$839.44	\$590.54	\$248.90
PERS Select+2	\$1,795.12	\$703.85	\$1,091.27	\$791.70	\$299.57
Anthem HMO Select*	\$662.41	\$270.71	\$391.70	\$385.27	\$6.43
Anthem HMO Select+1	\$1,324.82	\$541.42	\$783.40	\$590.54	\$192.86
Anthem HMO Select+2	\$1,722.27	\$703.85	\$1,018.42	\$791.70	\$226.72
Anthem HMO Traditional*	\$827.57	\$494.86	\$332.71	\$385.27	\$0.00
Anthem HMO Traditional+1	\$1,655.14	\$989.71	\$665.43	\$590.54	\$74.89
Anthem HMO Traditional+2	\$2,151.68	\$1,286.63	\$865.05	\$791.70	\$73.35
Unitedhealthcare*	\$850.67	\$303.56	\$547.11	\$385.27	\$161.84
Unitedhealthcare+1	\$1,701.34	\$607.12	\$1,094.22	\$590.54	\$503.68
Unitedhealthcare+2	\$2,211.74	\$789.26	\$1,422.48	\$791.70	\$630.78

Employees who do not elect medical coverage receive \$200.00 per month in Cafeteria money. This money can be used to purchase vacation, Vision Services Plan benefits or at the end of the calendar year it can be cashed out or rolled over to an ICMA 457 account.

\* =Employee Only

+1=Employee plus One Dependent

+2=Employee plus Two or more Dependents (also known as Family Coverage)

The monthly Employee premium is deducted semi-monthly from paychecks in two equal amounts

2015 Medical Premiums  
Per month \$  
Employee Group #2  
ATU Local 1605

	<u>Total</u>	<u>CCCTA</u>	<u>Employee</u>	<u>Cafeteria Plan</u>	<u>Net Employee Cost</u>
Blue Shield*	\$928.87	\$266.47	\$662.40	\$453.49	\$208.91
Blue Shield+1	\$1,857.74	\$532.93	\$1,324.81	\$726.99	\$597.82
Blue Shield+2	\$2,415.06	\$692.81	\$1,722.25	\$969.09	\$753.16
Blue Shield NetValue*	\$870.60	\$266.47	\$604.13	\$453.49	\$150.64
Blue Shield NetValue+1	\$1,741.20	\$532.93	\$1,208.27	\$726.99	\$481.28
Blue Shield NetValue+2	\$2,263.56	\$692.81	\$1,570.75	\$969.09	\$601.66
Kasier*	\$714.45	\$235.34	\$479.11	\$453.49	\$25.62
Kaiser+1	\$1,428.90	\$470.67	\$958.23	\$726.99	\$231.24
Kaiser+2	\$1,857.57	\$611.87	\$1,245.70	\$969.09	\$276.61
PERS Choice*	\$700.84	\$241.24	\$459.60	\$453.49	\$0.00
PERS Choice+1	\$1,401.68	\$482.48	\$919.20	\$726.99	\$192.21
PERS Chocie+2	\$1,822.18	\$627.23	\$1,194.95	\$969.09	\$225.86
PERSCARE*	\$775.08	\$374.92	\$400.16	\$453.49	\$0.00
PERSCARE+1	\$1,550.16	\$749.83	\$800.33	\$726.99	\$0.00
PERSCARE+2	\$2,015.21	\$974.78	\$1,040.43	\$969.09	\$0.00
PERS Select*	\$690.43	\$233.59	\$456.84	\$453.49	\$3.35
PERS Select+1	\$1,380.86	\$467.18	\$913.68	\$726.99	\$186.69
PERS Select+2	\$1,795.12	\$607.34	\$1,187.78	\$969.09	\$218.69
Anthem HMO Select*	\$662.41	\$233.59	\$428.82	\$453.49	\$0.00
Anthem HMO Select+1	\$1,324.82	\$467.18	\$857.64	\$726.99	\$130.65
Anthem HMO Select+2	\$1,722.27	\$607.34	\$1,114.93	\$969.09	\$145.84
Anthem HMO Traditional*	\$827.57	\$374.92	\$452.65	\$453.49	\$0.00
Anthem HMO Traditional+1	\$1,655.14	\$749.83	\$905.31	\$726.99	\$178.32
Anthem HMO Traditional+2	\$2,151.68	\$974.78	\$1,176.90	\$969.09	\$207.81
United Healthcare*	\$850.67	\$235.34	\$615.33	\$453.49	\$161.84
United Healthcare+1	\$1,701.34	\$470.67	\$1,230.67	\$726.99	\$503.68
United Heathcare+2	\$2,211.74	\$611.87	\$1,599.87	\$969.09	\$630.78

\* = Employee Only

+1=Employee plus One Dependent

+2=Employee plus Two (or More) Dependents (also known as Family Coverage)

The monthly Employee premium is deducted bi-monthly from paychecks in two equal amounts

**2015 Medical Premiums  
Per Month (\$)  
Employee Group #3  
Teamsters Local 856/Transit Supervisors**

	<u>Total</u>	<u>CCCTA</u>	<u>Employee</u>	<u>Cafeteria Plan</u>	<u>Net Employee Cost</u>
Blue Shield*	\$928.87	\$280.29	\$648.58	\$434.68	\$213.90
Blue Shield+1	\$1,857.74	\$560.57	\$1,297.17	\$689.36	\$607.81
Blue Shield +2	\$2,415.06	\$728.74	\$1,686.32	\$920.17	\$766.15
Blue Shield NetValue*	\$870.60	\$280.29	\$590.31	\$434.68	\$155.63
Blue Shield NetValue+1	\$1,741.20	\$560.57	\$1,180.63	\$689.36	\$491.27
Blue Shield NetValue+2	\$2,263.56	\$728.74	\$1,534.82	\$920.17	\$614.65
Kaiser*	\$714.45	\$254.15	\$460.30	\$434.68	\$25.62
Kaiser+1	\$1,428.90	\$508.30	\$920.60	\$689.36	\$231.24
Kaiser+2	\$1,857.57	\$660.79	\$1,196.78	\$920.17	\$276.61
PERS Choice*	\$700.84	\$241.24	\$459.60	\$434.68	\$24.92
PERS Choice+1	\$1,401.68	\$482.48	\$919.20	\$689.36	\$229.84
PERS Choice+2	\$1,822.18	\$627.23	\$1,194.95	\$920.17	\$274.78
PERSCARE*	\$775.08	\$374.92	\$400.16	\$434.68	\$0.00
PERSCARE+1	\$1,550.16	\$749.83	\$800.33	\$689.36	\$110.97
PERSCARE+2	\$2,015.21	\$974.78	\$1,040.43	\$920.17	\$120.26
PERS Select*	\$690.43	\$226.58	\$463.85	\$434.68	\$29.17
PERS Select+1	\$1,380.86	\$453.16	\$927.70	\$689.36	\$238.34
PERS Select+2	\$1,795.12	\$589.11	\$1,206.01	\$920.17	\$285.84
Anthem HMO Select*	\$662.41	\$226.58	\$435.83	\$434.68	\$1.15
Anthem HMO Select+1	\$1,324.82	\$453.16	\$871.66	\$689.36	\$182.30
Anthem HMO Select+2	\$1,722.27	\$589.11	\$1,133.16	\$920.17	\$212.99
Anthem HMO Traditional*	\$827.57	374.92	452.65	434.68	17.97
Anthem HMO Traditional+1	\$1,655.14	749.83	905.31	689.36	215.95
Anthem HMO Traditional+2	\$2,151.68	974.78	1176.90	920.17	256.73
Unitedhealthcare*	\$850.67	254.15	596.52	434.68	161.84
Unitedhealthcare+1	\$1,701.34	508.30	1193.04	689.36	503.68
Unitedhealthcare+2	\$2,211.74	660.79	1550.95	920.17	630.78

\* =Employee Only  
+1=Employee plus One Dependent  
+2=Employee plus Two or more Dependents (also known as Family Coverage)

The monthly Employee premium is deducted semi-monthly from paychecks in two equal amounts

**RESOLUTION NO. 2015-012**

**BOARD OF DIRECTORS, CENTRAL CONTRA COSTA TRANSIT AUTHORITY STATE OF CALIFORNIA**

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**APPROVING AND ESTABLISHING THE 2015 CONTRIBUTION RATE FOR THE CAFETERIA PLAN FOR THE ACTIVE ADMINISTRATIVE EMPLOYEES OF THE CENTRAL CONTRA COSTA TRANSIT AUTHORITY**

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra .Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 *et seq.*, for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions; and

WHEREAS, the CCCTA provides health insurance benefits to its active employees and eligible retirees under the Public Employees' Medical and Hospital Care Act("PERS Health"); and

WHEREAS, the CCCTA funds such PERS Health premiums at rates established under Board resolutions submitted from time to time to the PERS Health administrator, and covered participants are required to fund the balance of such PERS Health premiums; and

WHEREAS, pursuant to Resolution No. 2007-016 adopted December 21, 2006, the Board established a cafeteria plan within the meaning of section 125 of the Internal Revenue Code to provide active, non-represented administrative employees with additional funding for their PERS Health premiums, or with certain other benefits in lieu of additional funding for PERS Health premiums ("the Plan"); and

WHEREAS, Resolution 2007-016 provides that the Board review and establish the CCCTA contribution rate to the Plan on an annual basis; and

WHEREAS, the CCCTA contribution rate for non-represented employees was last modified in 2011; and

WHEREAS, to bring the non-represented employees contribution rate in line with the contribution rates afforded to represented employees with cafeteria plans, the A&F Committee recommends adjustments to the contribution rates for non-represented employees; and

WHEREAS, the Board has determined it to be in CCCTA's best interests to increase its contribution rate for eligible non-represented administrative employees under the Plan.3871084.1

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the CCCTA as follows:

**Section 1.** For calendar year 2015, subject to the terms and conditions of the Plan, the CCCTA will contribute the following monthly amounts to the Plan for each non-represented administrative employee who participates in PERS Health:

Employee only \$385.27 Employee + 1 dependents \$590.54 Employee + 2 dependents \$791.70

**Section 2.** For each subsequent calendar year, the Board shall establish the CCCTA's contribution to the Plan, if any, before January 1 of such year. If the Board does not establish the CCCTA's contribution to the Plan for any calendar year, the rates in effect on December 31 of the preceding year will apply.

**Section 3.** The General Manager is hereby authorized and directed, for and behalf of CCCTA, to take such further action and execute such documents as he may deem necessary or appropriate to carry out the provisions of this resolution.

Regularly passed and adopted at a regular meeting of the Central Contra Costa Transit Authority Board of Directors this 23th day of October 2014, by the following vote.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

\_\_\_\_\_  
Chair, Board of Directors

ATTEST: \_\_\_\_\_

Lathina Hill, Clerk to the Board