

Agenda Report

DATE: February 2, 2015

TO: Honorable Mayor and City Council

FROM: Department of Human Resources

SUBJECT: Resolution for Non-CalPERS Hourly Employees to participate in the CalPERS Medical Plans

RECOMMENDATION:

It is recommended that City Council:

1. ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA ELECTING TO BE SUBJECT TO PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT WITH RESPECT TO THE NON-REPRESENTED NON-PERS HOURLY EMPLOYEES AND FIXING THE EMPLOYER'S CONTRIBUTION AT AN AMOUNT EQUAL TO OR GREATER THAN THAT PRESCRIBED BY GOVERNMENT CODE SECTION 22892(b)

BACKGROUND:

The City Council previously adopted Resolution No. 8541 that elected the City of Pasadena participate in the Public Employees Medical and Hospital Act (PEMHCA) program through CalPERS for the members of the Unrepresented Confidential-Clerical, Technical – Administrative, Hourly and Non-Represented Groups' and fixed the City's Contribution for employees and annuitants at a certain amount. The effective date of this resolution was January 1, 2006.

On December 8, 2014, City Council approved staff's recommendation to offer minimal essential health coverage under the CalPERS Health Benefits Program that is affordable and provides minimum value to eligible Hourly employees (including City Service Worker and City Temporary Worker) who regularly work at least 30 hours a week and are considered full-time according to the Affordable Care Act as well as to their eligible dependents effective January 1, 2015; and to provide a monthly premium contribution to each Hourly employee (including City Service Worker and City

Temporary Worker) who meets eligibility requirements and elects to enroll in health benefits. This monthly premium contribution will ensure that eligible employees will pay no more than 9.5% of the Federal Poverty Level for a single household for the employee-only premium of the lowest cost health plan that is offered by the City.

The City must submit an additional resolution to cover its Hourly employees who are non-CalPERS members.

COUNCIL POLICY CONSIDERATION:

The approval of the resolution supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

FISCAL IMPACT:

As identified in the December 8, 2014 agenda item which was approved by the City Council, due the Affordable Care Act's expansion of health coverage, we anticipate a maximum of 50 employees will be newly eligible for benefits in calendar year 2015.

Using the 9.5% of the Federal Poverty Level as its affordability measure (as recommended by City staff), the City will pay \$338.32 per month or \$4,059.87 per year for each eligible Hourly employee (including City Temporary or City Service Worker) that elects to enroll in medical benefits. This estimate is based on current Federal Poverty Level of \$11,670 per year and the fact that the lowest employee-only premium of all plans offered by the City is \$430.71 per month.

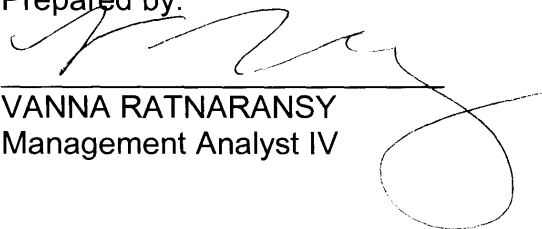
Anticipated enrollment figures are unknown until such time as the coverage is offered and accepted by eligible employees. The fiscal impact, assuming all potentially eligible individuals elect to enroll in medical coverage, is a maximum of \$202,993 from the Benefit Fund for calendar year 2015. In future years, the amount will be adjusted based on the federal poverty level and the medical plan premiums, as rates for the lowest cost health plan are determined annually. For the remainder of FY 15, the cost impact will be charged to the department budget where eligible employees are currently funded. In future fiscal years, these anticipated costs will be included in the budget approval process.

Respectfully submitted:



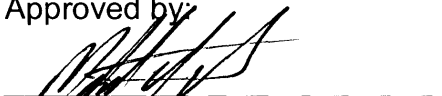
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