

ORDINANCE NO. 6544

ORDINANCE OF THE COUNCIL OF THE CITY OF ROSEVILLE AMENDING SECTIONS
3.09.030 AND 3.09.040 OF CHAPTER 3.09 OF TITLE 3 OF THE ROSEVILLE MUNICIPAL
CODE REGARDING
RETIREE MEDICAL INSURANCE OPTIONAL BENEFIT

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1. Section 3.09.010 of Chapter 3.09 of Title 3 of the Roseville Municipal Code currently and will continue to read as follows:

3.09.010 Retiree medical insurance.

The city offers retiree medical insurance to former city employees through its contract with the California Public Employees Retirement System (“CalPERS”). Retiree medical insurance benefits are governed by the Public Employment Medical and Hospital Care Act (“PEMHCA”) (California Government Code Section 22750). Under the PEMHCA, the city contributes a set amount towards retiree medical insurance premiums on a monthly basis. The amount of the city’s contribution is the statutory minimum as prescribed by PEMHCA (PEMHCA minimum). Pursuant to Memoranda of Understanding (“MOUs”) with various bargaining units, including the Management and Confidential Terms, Conditions and Understanding resolution, the city makes additional contributions to some retirees.

SECTION 2. Section 3.09.020 of Chapter 3.09 of Title 3 of the Roseville Municipal Code currently and will continue to read as follows:

3.09.020 Categories of current and former employees (current retirees) who qualify for the optional benefit.

Current and former city employees eligible for Tier 1 or Tier 2 retiree medical contributions (as defined in the applicable MOU under which they retired) will be permitted to waive participation in the retiree medical benefit described in their applicable MOU and opt in to the benefit described in Section 3.09.030 effective the 2017 Plan Year. Current and former city employees who do not exercise this option will remain eligible for and/or continue to receive their Tier 1 or Tier 2 city contribution, as defined by their applicable MOU.

A. Current Retirees. Generally, members who: (1) have retired from the city on or before December 31, 2015; (2) are currently eligible to receive city retiree medical benefits through the PEMHCA; and (3) qualify for either Tier 1 or Tier 2 retiree medical benefits under their applicable MOU, will be permitted to elect the benefit described in Section 3.09.030 instead of their MOU-defined city contribution. This election must occur prior to or during the open enrollment period for the 2017 Plan Year.

B. Current City Employees/Future Retirees. Current city employees who retire from the city after December 31, 2015, who: (1) qualify to receive PEMHCA medical benefits from the city; and (2) qualify as either Tier 1 or Tier 2 retiree medical benefits under their applicable

MOU, will be permitted to elect the benefits described in Section 3.09.030 instead of the applicable MOU-defined city contribution upon retirement. Members must elect to be subject to these benefits prior to the city's first retiree medical payment.

Those opting to receive benefits under Section 3.09.030 will be required to sign an Irrevocable Election Agreement waiving all rights to their former Tier 1 or Tier 2 city contribution and shall no longer be subject to any future changes to their MOU regarding Tier 1 or Tier 2 contributions. Current and former city employees who elect not to receive benefits under Section 3.09.030 will remain eligible for retiree medical benefits pursuant to state law and their applicable MOU. It is not the intent of this chapter to alter any local, state, and federal tax laws and any individual deciding whether to opt to receive benefits under this chapter is encouraged to consult with their tax advisor.

SECTION 3. Section 3.09.030 of Chapter 3.09 of Title 3 of the Roseville Municipal Code is hereby amended to read as follows:

3.09.030 Optional retiree medical benefit.

Effective January 1, 2017, current or former employees described in Section 3.09.020, who sign an Irrevocable Election Agreement electing to receive benefits under this section, will receive a monthly reimbursement by the city for retiree medical insurance premiums.

As described below, the city will reimburse a retiree for health care premiums paid to CalPERS, minus the PEMHCA minimum contribution amount. The PEMHCA minimum contribution is paid by the city directly to CalPERS on the retiree's behalf. The city does not make any payments on behalf of the retirees or reimbursements directly to retirees to cover any premiums or costs associated with Medicare. Retirees are solely responsible for making any and all necessary payments required for and paid directly to Medicare and the Social Security Administration.

A. Tier 1. Effective Plan Year 2017, retirees who qualify as Tier 1 pursuant to the applicable MOU will receive a city reimbursement for an amount up to \$1,296.00 per month for retiree medical insurance premiums less the PEMHCA minimum. If the retiree medical insurance premium is less than \$1,296.00 per month, the retiree will only be reimbursed the amount of the actual premium less the PEMHCA minimum.

For example, in 2017 the city's reimbursement amount is an amount up to \$1,296.00 per month. If the retiree's medical benefit insurance premium is \$800.00 per month, the city's reimbursement will be \$800.00 per month less the PEMHCA minimum.

B. Tier 2. Effective Plan Year 2017, current or former employees who qualify as Tier 2 pursuant to the applicable MOU will receive a city reimbursement for a proportionate amount up to \$1,296.00 per month less the PEMHCA minimum for retiree medical insurance premiums. The proportionate amount of reimbursement is based on total years of credited service as defined in the following chart. If the retiree medical insurance premium is less than the amount the retiree is eligible to receive, the retiree will only be reimbursed the amount of the actual premium less the PEMHCA minimum.

CITY TIER 2 VESTING SCHEDULE

Total Credited Years of Service	% of City Contribution
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20+	100%

For example, in 2017, the city's maximum reimbursement amount is \$1,296.00 per month. A retiree with 10 years of credited service is eligible to receive a reimbursement amount of up to \$648.00 per month (50 percent of \$1,296.00) less the PEMHCA minimum. A retiree with 15 years of credited service is eligible to receive a reimbursement amount of up to \$972.00 per month (75 percent of \$1,296.00) less the PEMHCA minimum. If the retiree, with 15 years of credited service, has a medical benefit insurance premium of \$800.00 per month, the city's reimbursement will be \$800.00 per month less the PEMHCA minimum.

For those opting to receive benefits under this section and effective January 1, 2018 and each subsequent January, the amount of the city's reimbursement will increase by two percent, rounded to the nearest dollar (for example, on January 1, 2018, the Tier 2 retiree with 10 years of service will qualify for a reimbursement of up to \$661.00 less the PEMHCA minimum). Retirees are not eligible to receive any amount in excess of the actual retiree medical insurance premium. To receive and remain eligible for the city reimbursement, the retiree must be enrolled in a CalPERS health plan and subject to PEMHCA at all times.

SECTION 4. Section 3.09.040 of Chapter 3.09 of Title 3 of the Roseville Municipal Code is hereby amended to read as follows:

3.09.040 Notice of amendment.

For any individual who has submitted a completed Irrevocable Election Agreement pursuant to Section 3.09.020, the city shall provide such individual with a minimum of 60 calendar days advance written notice of any proposed amendment to this chapter. Such notice shall be sent by U.S. mail to the most recent known address of the individual on file with the city's department of human resources. The notice shall contain a summary of the proposed changes to this chapter. Amendment or repeal of this chapter by the city council shall be exercised by an affirmative vote of at least four-fifths of the membership of the city council.

SECTION 5. This ordinance shall be effective at the expiration of thirty (30) days from the date of adoption.

SECTION 6. The City Clerk is hereby directed to cause this ordinance to be published in full at least once within fourteen (14) days after it is adopted in a newspaper of general circulation in the City, or shall within fourteen (14) days after its adoption cause this ordinance to be posted in full in at least three (3) public places in the City and enter in the Ordinance Book a certificate stating the time and place of said publication by posting.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 2022, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk