

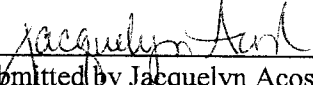


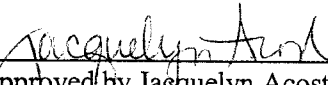
# City of Carson

## Report to Mayor and City Council

November 19, 2013  
New Business Consent

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 13-104 ESTABLISHING THE CITY OF CARSON'S VESTING CONTRIBUTION UNDER SECTION 22893.1 OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

  
Submitted by Jacquelyn Acosta  
Acting City Manager

  
Approved by Jacquelyn Acosta  
Acting City Manager

### **I. SUMMARY**

This resolution (Exhibit No. 1) being presented to the City Council for adoption is required by the California Public Employees' Retirement System (CalPERS) in order to implement the vesting schedule for the monthly health insurance contribution for City of Carson annuitants.

### **II. RECOMMENDATION**

WAIVE further reading and ADOPT Resolution No. 13-104, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ESTABLISHING THE CITY OF CARSON'S VESTING CONTRIBUTION UNDER SECTION 22893.1 OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT."

### **III. ALTERNATIVES**

NONE. Governor Jerry Brown approved and signed Assembly Bill No. 1144 (AB 1144), (Exhibit No. 2) adding Section 22893.1 to the California Government Code establishing the vesting schedule for the monthly health insurance contribution for City of Carson annuitants.

### **IV. BACKGROUND**

During the previous negotiations for Memoranda of Understanding (MOU) with the represented employee bargaining units, the concession for a post-retirement health insurance vesting schedule that would only apply to employees hired after CalPERS' approval of the vesting schedule, was adopted. The negotiated vesting schedule requires newly hired employees to work a minimum of 10 years with the City of Carson to be eligible, upon retirement, for the City's full health insurance contribution provided to active full-time employees.

The City of Carson vesting schedule for the post-retirement monthly health allowance is as follows:

Credited Years of Service	Percentage of Employer Contribution
0-4.99 years	0%
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 years	100%

The vesting schedule above, as negotiated and approved, did not conform to CalPERS' existing standard vesting schedule described in California Government Code Section 22893. As a result, the City embarked on a mission to add a specific section to the California Government Code establishing the City of Carson's health insurance vesting schedule for its annuitants.

Due in large part to the combined efforts and perseverance of the City's Mayor, City Councilmembers, City staff, Townsend Public Affairs, and Assemblymember Isadore Hall III, Governor Jerry Brown approved and signed Assembly Bill No. 1144 (AB 1144), which added Section 22893.1 to the California Government Code establishing the City of Carson's health insurance vesting schedule as outlined above.

Government Code Section 22893.1 becomes effective on January 1, 2014, and applies to represented and non-represented employee groups, including elected officials hired after January 1, 2014. Consequently, the vesting requirement for health insurance benefits does not affect current employees or elected officials.

**V. FISCAL IMPACT**

None.

**VI. EXHIBITS**

1. Resolution No. 13-104. (pgs. 4-6)
2. Copy of Assembly Bill No. 1144 (AB 1144) (pgs. 7-8)

Prepared by: Duane K. Munson, Human Resources Officer

Document

TO: Rev10-14-2013

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

**Action taken by City Council**

Date \_\_\_\_\_ Action \_\_\_\_\_

\_\_\_\_\_

RESOLUTION NO. 13-104

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ESTABLISHING THE CITY OF CARSON'S VESTING CONTRIBUTION UNDER SECTION 22893.1 OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, (1) Government Code 22893.1 provides that the City of Carson contracting under the Public Employees' Medical and Hospital Care Act shall establish a post retirement vesting requirement to employees who retire for service, and

WHEREAS, (2) The City of Carson certifies unrepresented employees ( At-Will Exempt, Elected Officials, City Council, Unclassified-Non Represented) are not represented by a bargaining unit and there is no applicable memorandum of understanding, and

WHEREAS, (3) The City of Carson certifies are, certain employees ( Supervisors Association, Assoc. of MGT Employees, AFSCME 809 Coun 36/Class, Confidential Employees, Professional Association, Unclassified AFSCME Represented) are represented by a bargaining unit and subject to a memorandum of understanding, and

WHEREAS, (4) The contracting agency shall provide to the board in the manner prescribed by the board a notification for the agreement established pursuant to this section and any additional information necessary to implement this section; now, therefore be it

RESOLVED, (a) That employees hired on or after January 1, 2014 shall be subject to the requirements defined in this **vesting resolution**; and be it further

RESOLVED, (b) The contribution for active employees cannot be less than what is defined in Section 22892(b); and be it further

RESOLVED, (c) That the employer's contribution for each annuitant subject to this provision shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of:

Code	Bargaining Unit	Contribution Per Month
001	SUPERVISORS ASSOCIATION	\$1,435.00
002	ASSOC. OF MGT EMPLOYEES	\$1,435.00
003	AFSCME, 809, COUNCIL 36/CLASSIFIED	\$1,435.00
004	AT-WILL EXEMPT	\$1,435.00
005	ELECTED OFFICIALS	\$1,435.00
006	CONFIDENTIAL EMPLOYEES	\$1,435.00
007	CITY COUNCIL	\$1,435.00
008	PROFESSIONAL ASSOCIATION	\$1,435.00
009	UNCLASSIFIED-AFSCME-REPRESENTED	\$119.00
010	UNCLASSIFIED-NON-REPRESENTED	\$119.00

Plus administrative fees and Contingency Fund Assessments; and be it further



RESOLVED, (d) Employer contributions for post-retirement health benefits shall not be paid to annuitants with less than 5 years of credited service with the City of Carson. The percentage of the employer's contribution payable for post-retirement health benefits for each annuitant shall be based on the annuitant's completed years of credited service with the City of Carson:

Credited Years of Service	Percentage of Employer Contribution
0-4.99 years	0%
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 years	100%

and be it further

RESOLVED, (e) In order to receive the employer's contribution payable for post-retirement health benefits, annuitants who retire for disability must meet the credited years of service requirement set forth in RESOLVED (d); and be it further

RESOLVED, (f) That the City of Carson has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (g) That coverage under the Act be effective on January 1, 2014.

**PASSED, APPROVED and ADOPTED** this 19<sup>th</sup> day of November, 2013.

\_\_\_\_\_  
Mayor Jim Dear

ATTEST:

\_\_\_\_\_  
City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES       ) ss.  
CITY OF CARSON                 )

I, Donesia L. Gause, City Clerk of the City of Carson, California, do hereby certify that the whole number of members is five; that the foregoing resolution, being Resolution No. 13-104 was duly and regularly adopted by said City at a regular meeting duly and regularly held on the 19<sup>th</sup> day of November, 2013 and that the same was passed and adopted by the following vote:

AYES:           COUNCIL MEMBERS:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

By: \_\_\_\_\_  
                    City Clerk





# California

## LEGISLATIVE INFORMATION

**AB-1144 Public Employees' Medical and Hospital Care Act: City of Carson.** (2013-2014)

### Assembly Bill No. 1144

#### CHAPTER 244

An act to add Section 22893.1 to the Government Code, relating to public employee benefits.

[ Approved by Governor September 06, 2013. Filed with Secretary of State  
September 06, 2013. ]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1144, Hall. Public Employees' Medical and Hospital Care Act: City of Carson.

The Public Employees' Medical and Hospital Care Act (PEMHCA) authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers for health benefit plans for employees and annuitants, as defined. Existing law requires an agency contracting for coverage under PEMHCA and each employee or annuitant to contribute a portion of the cost of providing the benefit coverage afforded under the health benefit plan in which the employee or annuitant may be enrolled and prescribes various schedules for employer payments and requirements in relation to those payments.

This bill, for an employee hired on or after January 1, 2014, would require the employer contribution for postretirement health benefit coverage for an employee of the City of Carson to be based on specified percentages associated with the employee's credited years of service, which would reach 100% when the employee attains 10 years of credited service. The bill would define credited service as service performed with the City of Carson. The bill would require that the employer contribution with respect to each employee be mutually agreed upon through collective bargaining, as specified, except for an unrepresented employee, for whom the employer contribution would be established by a city council resolution. The bill would require that the employer provide any information requested by the board that the board deems necessary to implement the section.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

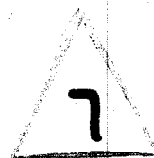
**SECTION 1.** Section 22893.1 is added to the Government Code, to read:

**22893.1.** (a) Notwithstanding any other provision of this part, the percentage of employer contribution payable for postretirement health benefits for an employee of the City of Carson, California, shall be based on the employee's completed years of credited service, provided that the City of Carson shall not pay an employer contribution for the first five years of that credited service, and shall pay thereafter as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
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5 .....	50
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Exhibit No. 2



6 .....	60
7 .....	70
8 .....	80
9 .....	90
10 .....	100

The application of this subdivision shall be subject to the following:

(1) (A) The employer contribution with respect to each annuitant shall be mutually agreed upon through collective bargaining by the City of Carson and the exclusive representatives of employees of the city. The employer may adjust the amount from time to time through a collectively bargained memorandum of understanding. Changes to the employer contribution shall be ratified by a resolution passed by the city council of the City of Carson and that resolution shall be filed with the board. The employer contribution established by this paragraph shall not be less than the adjusted employer contribution required by subdivision (b) of Section 22892.

(B) In the case of employees not represented by a bargaining unit, the employer contribution with respect to each annuitant shall be determined pursuant to a resolution passed by a majority of the city council of the City of Carson and that resolution shall be filed with the board.

(2) The employer shall certify to the board, in the case of employees not represented by a bargaining unit, that there is not an applicable memorandum of understanding.

(3) The credited service of an annuitant for the purpose of determining the percentage of employer contributions applicable under this section shall mean credited service performed with the City of Carson.

(4) The employer shall provide the board any information requested that the board determines is necessary to implement this section.

(b) This section applies only to the City of Carson and only with regard to an employee of the city who is first hired on or after January 1, 2014.

