



DATE: December 6, 2022

TO: Mayor and City Council

FROM: Assistant City Manager/Interim Director of Human Resources

SUBJECT Adopt a Resolution Establishing the City Contribution for Active and Retiree Medical Premiums Set by the California Public Employee Retirement System (CalPERS) for Calendar Year 2023 Pursuant to California Government Code Section 22892 of the Public Employees' Medical and Hospital Care Act

RECOMMENDATION

That the City Council adopts a resolution (Attachment II) authorizing the implementation of the mandatory minimum employer contributions to active and retiree medical premiums for calendar year 2023.

SUMMARY

The minimum employer contribution to the medical premiums of active and retired employees has increased to \$151.00 for calendar year 2023. This contribution amount is adjusted annually by CalPERS. The City's current contribution exceeds this amount.

BACKGROUND AND DISCUSSION

The City contracts with CalPERS to provide quality health benefits to its active and retired employees. California Government Code Section 22892 of the Public Employees Medical and Hospital Care Act (PEMHCA) establishes the minimum employer medical contribution. The CalPERS Board annually adjusts the employer contribution to reflect any change in the Medical Care Component of the Consumer Price Index, rounded to the nearest dollar. The table below shows the minimum employer contribution required by CalPERS for the last six years, and the 2023 rate:

Calendar Year	Employer Contribution
2017	\$128.00
2018	\$133.00
2019	\$136.00
2020	\$139.00
2021	\$143.00
2022	\$149.00
2023	\$151.00

The governing body must adopt a resolution agreeing to the minimum contribution amount established by CalPERS.

The City currently contributes to medical premiums in accordance with the terms of the existing agreements between each of the bargaining units, based on the health plan and family status employees elect and for which they are eligible. For both retirees and active employees, the total amount the City contributes towards medical benefit premiums exceeds the statutory minimum contribution required by CalPERS.

FISCAL IMPACT

This action is for administrative purposes only. There is no fiscal impact associated with this report because the City's current contribution toward employee medical premiums as provided for in applicable Memoranda of Understanding has already been established, and this action does not increase the current total City contribution towards medical premiums.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the City Council's Strategic Initiatives.

NEXT STEPS

The change in the PEMHCA minimum will be reflected in the City's Benefits Summary effective January 1, 2023.

Prepared by: Cheryl Vance, Human Resources Analyst II

Recommended by: Regina Youngblood, Assistant City Manager

Approved by:



Kelly McAdoo, City Manager