



Organization, Personnel, and Technology Committee

Resolution to Update Medical Insurance Contributions for Retired Employees

Item 7-13

October 11, 2022

Purpose

- Board Approval of Resolution to Establish Medical Plan Contributions for Retired Employees, Plan Year 2023

Background

- CalPERS adopts medical rates based on geographic regions throughout California and out of state.
- MWD must base its maximum contribution on one specific plan *in one region* to comply with CalPERS and MOU requirements.
- Board must approve new Resolutions whenever the maximum contribution or region changes.

Background

- In September, Board adopted Resolution designating *Anthem Traditional HMO Plan, Region 3*, effective January 1, 2023.
- This Resolution applied to Active Employees, and employees retired on or before December 31, 2011.
- CalPERS now requires **2nd Resolution**, to cover medical contributions for employees **retired on or after January 1, 2012**.

Why a 2nd Resolution?

- Metropolitan adopted the “*10/20 medical vesting schedule*” effective 1/1/2012 for all newly hired employees.
- 10/20 medical vesting helped control OPEB costs.
- However, separate resolution is now needed annually so that these employees receive the same maximum medical contribution.

Board Options

Option #1

- Adopt a resolution designating Metropolitan's maximum contribution for medical benefits for retirees to comply with the current authorized Memoranda of Understandings and align to active employees and retirees under Government Code 22892(a).

Option #2

Do not adopt a resolution to align Metropolitan's health benefit premium contribution for retirees under Government Code Section 22893(a)(1) to be equivalent to active employees and retirees under Government Code Section 22892(a).

Staff Recommendation

- Option #1

