



## ***Memo***

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To: Board of Directors  
From: Josselyn Quine  
Date: June 12, 2025  
Subject: Health Benefits – Medicare Part A and B

At the May 21, 2025, Board Meeting, Manager Quine inquired about including Medicare Part A as part of the reimbursements for current and retired employees. When looking into the Personnel Manual, it was discovered that only Part B may be paid for by the District. Attached is the Health Benefits section of the Districts' Personnel Manual.

Please see the attached portion of the Personnel Manual – Health Benefits.

*“IV. Medicare*

*Employees and retirees who are enrolled in Medicare Part B may have a portion of their Medicare Part B premiums paid by the District if they have not exceeded their maximum monthly amount available for health benefits.”*

It is recommended to change the Personnel Manual to the following:

*“IV. Medicare*

*Employees and retirees who are enrolled in Medicare Part A and B may have a portion of their Medicare Part A and B premiums paid by the District if they have not exceeded their maximum monthly amount available for health benefits.”*

## Health Benefits

### I. Benefit Program

The District shall pay 100% of the premiums for eligible employees for medical, dental and vision care plans of the District up to a maximum set by the Board. (Except for an employee on PDL, the District's contribution towards premiums shall cease whenever an employee is on a leave of absence for more than 90 days.) The maximum monthly amount will be adjusted from time to time as deemed necessary by the Board of Directors.

### II. Eligibility

#### A. Employees

All regular full-time employees shall be eligible to participate in the District's health benefits program. Coverage will become effective on the first of the month following 60 days of employment, as long as the employee is actively at work on that day.

#### B. Retired Employees

All retirees who apply for retirement benefits from the District's Retirement Plan within 30 days of terminating from active service with the District shall be eligible to participate in the District's health benefits program for the remainder of the retiree's life. Termination from active service must be by resignation or retirement. Employees terminated for cause, and their dependents, are not eligible for this benefit.

#### C. Surviving Family Members

Surviving family members of an eligible employee or retiree, who were covered as dependents at the time of the employee's or retiree's death may continue coverage in the District's health benefit program until one of the following occurs:

1. the surviving spouse (unless stated otherwise "spouse" includes registered domestic partner in this manual) remarries; or
2. the surviving spouse reaches age 65; or
3. the surviving spouse becomes enrolled under another group health plan; or
4. a surviving family member would have become ineligible for coverage as a dependent; or
5. coverage is canceled.

Coverage for all surviving children is canceled when coverage of the surviving spouse is canceled. The maximum monthly amount for the surviving family members of a retiree will be the same as it was for the retiree. The maximum monthly amount for the surviving family members of an eligible employee will be modified according to the employee's years of service and the table in Section III for retired employees.

### III. Program Description

An eligible employee is required to maintain health insurance coverage on the individual employee through a District sponsored plan. Coverage for dependents, retirees and surviving family members is optional, as is dental and vision insurance.

The maximum monthly amount available for the payment of health benefits premiums for eligible employees is 100% of the amount established by the Board of Directors. The maximum monthly amount available for retirees and surviving family members is modified as determined by the following table, but in no case shall it be less than the employee-only portion of the premium of the least expensive medical plan offered.

**Employees Hired Prior to September 21, 2005**

Completed years of service	% of Maximum Amount
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20	100%

**Employees Hired on or After September 21, 2005**

Completed years of service	% of Maximum Amount
10	25%
11	27.5%
12	30%
13	32.5%
14	35%
15	37.5%
16	40%
17	42.5%
18	45%
19	47.5%
20	50%
21	52.5%
22	55%
23	57.5%
24	60%
25	62.5%
26	65%
27	67.5%
28	70%
29	72.5%
30	75%
31	77.5%
32	80%
33	82.5%
34	85%
35	87.5%
36	90%
37	92.5%
38	95%
39	97.5%

The maximum cost to the District for Health Benefits is 100% of the participant's allowed premiums up to a maximum amount established by the Board of Directors. If the cost of the premiums for a participant exceeds the maximum monthly amount available for the participant, the participant shall pay the difference to the District.

#### **IV. Medicare**

Employees and retirees who are enrolled in Medicare Part **A and B** may have a portion of their Medicare Part **A and B** premiums paid by the District if they have not exceeded their maximum monthly amount available for health benefits.

#### **V. Termination of Benefits**

##### **A. Employees**

The benefits of this program shall terminate when the eligible employee is terminated, has a reduction of hours so that they are not regularly scheduled to work 40 hours per week, or enters into a non-pay status with the District, with the following exceptions. Employees who are on an approved Family Care and Medical Leave or PDL will continue to receive the benefits as set forth in those policies. Employees who are terminated (other than for gross misconduct) or who are on a leave of absence without pay, other than Family Care and Medical Leave or PDL, will have the option of continuing to obtain insurance coverage through the District's program for a period of eighteen (18) months after termination or the leave of absence without pay begins. In order to continue coverage, the individual will be required to make monthly premium payments equivalent to the current group rate, plus two percent.

##### **B. Retirees and Surviving Family Members**

The benefits shall terminate for retirees and surviving family members as previously described in Sections II B and II C.

#### **Retirement Benefits**

The District has a contract with CalPERS for the benefit of its employees. All regular employees that work more than 1000 hours in the CalPERS fiscal year shall participate in the District's retirement program. The retirement program year begins on July 1.

Employees who are hired after January 1, 2013, who are "new members" (as defined in Government Code Section 7522.04(f), or its successor, shall be enrolled in the Public Employees Retirement System 2 percent at 62 formula. All other employees will be enrolled in the 2.5 percent at age 55 formula. "New members" will pay 6.25 percent of their salary towards PERS costs. All employees who are not new members will pay 8 percent of their salary towards PERS costs.

Employees become fully vested after the completion of five years participation in the retirement program.

This program is subject to the terms and conditions that the District, in its sole discretion, may contract for. For complete program details, contact the General Manager or his designated representative.

The District does not participate in Social Security.

#### **Long-Term Disability Insurance**

A long-term disability insurance is provided to all participants of the retirement program. Short-term