



Memo

To: Board of Directors
 From: Josselyn Quine
 Date: April 30, 2025
 Subject: Consider Covering Medicare Part A for Employees

ACWA JPIA requires each employee to sign up for Medicare Part A & B when they turn 65 if they wish to keep medical coverage. Also, at 65, when they have signed up for Medicare, and choose to keep ACWA JPIA insurance, their premiums change from regular Kaiser or Anthem coverage to Kaiser Senior Advantage or United Healthcare PPO. Below are the 2025 Monthly Premiums which show the difference between premiums before and after turning 65.

| Insurance Premiums prior to turning 65yrs | | | |
|---|-------------|-------------|-------------|
| | Single | 2-Party | Family |
| Kaiser | \$ 812.70 | \$ 1,625.40 | \$ 2,259.31 |
| Anthem PPO | \$ 888.44 | \$ 1,776.88 | \$ 2,354.37 |
| Anthem HMO | \$ 1,043.50 | \$ 2,087.00 | \$ 2,765.28 |

| Insurance Premiums after turning 65yrs | | |
|--|-----------|-------------|
| | Single | 2-Party |
| Kaiser Senior Advantage | \$ 197.12 | \$ 394.24 |
| United Healthcare PPO | \$ 512.45 | \$ 1,024.90 |

The District contributes to CalPERS for retirement. When contributing to CalPERS, we do not contribute to Social Security's accruing credits. Paying into Medicare does not add credits to your Social Security. At retirement it is required to have 40 credits to receive full benefits. If you have less than 30 credits, your Part A cost is \$518.00 per month. And 31-39 credits, Part A cost is \$285.00 per month. 40 credits is no cost for Part A.

The District covers up to \$1,706 of monthly premiums. The District also reimburses Part B for all retired employees only, not their spouse. The District reimburses Part B, which is for medical coverage since medical coverage is provided by the District. In 2025, the monthly premiums for Part B are \$185.00 per month.

This has been brought to our attention by a retired employee. He is working towards getting his 40 credits, which will take about another year. During that year, or until credits are achieved, he will be charged \$285.00 per month for Part A in 2025.

Annual Financial impact per employee (Medicare costs only-does not include regular health premiums):

| | |
|--|-------------|
| Part A Reimbursement under 30 credits: | \$ 6,216.00 |
| Part A Reimbursement, 30-39 credits: | \$ 3,420.00 |
| Part B Reimbursement: | \$ 2,220.00 |
| | |
| Under 30 Annual Total(Parts A&B): | \$ 8,436.00 |
| 30-39 Annual Total(Parts A&B): | \$ 5,640.00 |
| 40 annual Total: | \$ 2,220.00 |

As a District, looking forward, we have a few options.

- Cover Medical Premiums up to District maximum and reimburse Part B (As it is now. Leaving retired employees completely responsible for Part A.)
- Cover Medical Premiums up to District maximum and reimburse Part A & B
- Cover Medical Premiums up to District Maximum and use only difference for any reimbursements
- Cover Medical Premiums up to District Maximum, Reimburse all of Part B and use any difference for reimbursement of Part A

This is the first retired employee to be in this situation. Looking towards the future, we have several employees who, potentially, will not have the credits by the time they retire if their careers have been at Crestline Village Water District. Attached are some samples of different insurance variations and costs.

Anthem PPO Employees

Employee A

| | |
|------------------------------|-----------------|
| Medical Premiums: Employee+1 | \$ 1,776.88 |
| District Max | \$ 1,706.00 |
| Employee Portion Monthly | \$ 70.88 |

Employee B

| | |
|---------------------------------|--------------------|
| Medical Premiums: Employee only | \$ 888.44 |
| District Max | \$ 1,706.00 |
| Employee Portion Monthly | \$ (817.56) |

Employee A at 65

| | |
|------------------------------|--------------------|
| Medical Premiums: Employee+1 | \$ 1,024.90 |
| Part A (under 30 credits) | \$ 518.00 |
| Part B | \$ 185.00 |
| Paid and Reimbursed | \$ 1,727.90 |
| District Max | \$ 1,706.00 |
| Employee Portion Monthly | \$ 21.90 |
| 31-39 Credits(Part A) | \$ 258.00 |
| Paid and Reimbursed | \$ 1,467.90 |
| District Max | \$ 1,706.00 |
| Employee Portion | \$ (238.10) |
| 40 Credits(Part B) | \$ - |
| Paid and Reimbursed | \$ 1,209.90 |
| District Max | \$ 1,706.00 |
| Employee Portion | \$ (496.10) |

Employee B at 65

| | |
|---------------------------------|----------------------|
| Medical Premiums: Employee Only | \$ 512.45 |
| Part A (under 30 credits) | \$ 518.00 |
| Part B | \$ 185.00 |
| Paid and Reimbursed | \$ 1,215.45 |
| District Max | \$ 1,706.00 |
| Employee Portion Monthly | \$ (490.55) |
| 31-39 Credits(Part A) | \$ 258.00 |
| Paid and Reimbursed | \$ 955.45 |
| District Max | \$ 1,706.00 |
| Employee Portion | \$ (750.55) |
| 40 Credits(Part B) | \$ - |
| Paid and Reimbursed | \$ 697.45 |
| District Max | \$ 1,706.00 |
| Employee Portion | \$ (1,008.55) |

Delta Dental: Single: \$46.23
2-Party: \$94.11

Vision Service Plan: Single: \$12.51
2-Party: \$18.14

