

4.1



Power Point Presentation for Fringe Benefit
Changes for Unrepresented Employees

City of Sacramento City Council Meeting

FRINGE BENEFIT CHANGES FOR UNREPRESENTED EMPLOYEES

February 22, 2005



Council Agenda Item 4.1

Amends certain provisions of the Personnel Resolution covering Unrepresented Officers and Employees

- **Fringe Pay Proposals**
- **Cash-back Proposals**
- **Domestic partnerships Requirements**



Medical Insurance Workshop

- Premium Cost (Family) in 1996: \$5,165
- Premium Cost (Family) in 2005: \$9,987

- In 2003, the total premiums equaled \$24.2M
 - City paid \$19.5M (Fringe Pay)
 - Enrollees paid \$4.7M (Out-of-pocket cost)

- By 2013, conservative projections estimate premium cost could reach \$68.6M (Actions will be taken to prevent such increases)



Guiding Principles

- **Take steps to ensure comprehensive health insurance coverage at rates active employees can afford**
- **Develop solutions to maintain benefit levels and affordability of retiree coverage**
- **Provide coverage to employees and help cover employees' dependents**
- **Spend health benefit dollars on healthcare insurance**



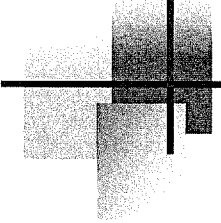
Fringe Pay Proposals

- **For employees covered by the Personnel Resolution, reduce fringe pay by \$50 for those who waive health insurance and \$25 for those who enroll as employee, only.**
- **Increase fringe pay to \$600 for employees who enroll with one dependent and to \$790 for employees who enroll two or more dependents.**



Fringe Pay Proposals

	<u>EE</u>	<u>EE+1</u>	<u>EE+2</u>
■ Charter Officers	\$595	\$600	\$790
■ Management	\$540	\$600	\$790
■ Confidential	\$510	\$600	\$790



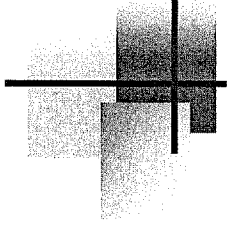
Cash-Back Proposals

	<u>2004</u>	<u>2005</u>
■ Charter Officers	\$620	\$570
■ Management	\$550	\$500
■ Confidential	\$535	\$485



Domestic Partners under AB 205

- **Effective January 1, 2005, the bill affords domestic partners same rights, entitlements and obligations of a spouse.**
- **Personnel Resolution Amendments:**
 - **Allows children of a domestic partner to enroll in City insurance plans.**
 - **Treats premium costs consistent with Federal and State tax laws.**



Staff Recommendation

- **Approve the City Manager's February 15, 2005 Report that recommends:**
 - **Adjustments to the City's Health and Welfare contributions (fringe pay);**
 - **Adjustments to Cash-Back limits;**
 - **Revisions to the health and welfare eligibility rules regarding domestic partners; and**
 - **Amendments to the Personnel Resolution Covering Unrepresented Officers and Employees.**