

HEALTH CARE PREMIUMS FOR 2011

The City has been notified that the CalPERS Board of Administration approved the 2011 health rate package that will increase overall health care premiums. Listed below are the current health care premiums and the 2011 premiums:

2011 HEALTH CARE PREMIUMS

PLAN	Employee	Employee plus 1 dependent	Family
PERS Choice (Regular Bay Area/Sacramento Region Premiums)	\$563.40 month	\$1,126.80 month	\$1,464.84 month
PERS Choice (Northern California Counties-Butte)	\$548.78 month	\$1,097.56 month	\$1,426.83 month

CURRENT HEALTH CARE PREMIUMS

PLAN	Employee	Employee plus 1 dependent	Family
PERS Choice (Regular Bay Area/Sacramento Region Premiums)	\$508.74 month	\$1,017.48 month	\$1,322.72 month
PERS Choice (Northern California Counties-Butte)	\$492.41 month	\$984.82 month	\$1,280.27 month

The City's Personnel Rules provide in part:

“Effective January 1, 2003, the City shall pay 90% of eligible employees’ health insurance premiums, as indicated in the above breakout for health insurance premiums. The 90% City contribution shall terminate on January 1, 2011, and revert back to 80% of the eligible employee’s health insurance premium, unless extended by City Council action, and the Council determines in their sole judgment that there is available funding.”

Staff is recommending Council approve extending the above health insurance provision for calendar year 2011 and continue paying 90% of the employees’ insurance premiums. Premium deductions will begin in December 2010 for the month of January 2011.