



Regional Water Authority
BUILDING ALLIANCES IN NORTHERN CALIFORNIA



Regional Water Authority

Modifying Retiree Health Benefits



Goals

- Maintain commitment to current retirees
- Maintain retirement commitment to current active employees
- Reduce long term retiree cost for future employees
- Maintain competitive benefits that allow us to recruit and retain employees



Process

- Resolution 2019-02
 - Rescinds 2007-03
- Resolution 2019-03
 - Adopts CalPERS minimum payment for retirees and active employees
- Cafeteria Plan
 - Provides balance of benefit to actives
- Health Premium Reimbursement Plan
 - Provides balance of benefit to retirees



Cafeteria Plan

- Cover full cost of median premium amount of the plans for which employees are eligible
 - Currently \$881/\$1762/\$2290
 - Reduced from previous cap of \$3064
- Opt-out payment of ½ of employee only cap
 - Currently \$440.51

Health Premium Reimbursement Plan

- Tier I - \$400 per month cap
- Tier II – Current employees
- Tier III
 - 10 years at RWA to vest
 - Based on 100/90 Amounts
 - Employee + 1 only
 - 50% with 10 years increasing to 100% at 20 years
 - Up to 5 years credit for other CalPERS Service





Timeline

- *Direction to Proceed – November 2018*
- EC Recommendations - February 27, 2019
- Board Action – March 14, 2019
- CalPERS Approval – May 1, 2019
- Effective Date – July 1, 2019



Questions and Discussion