RECOMMENDED ACTION AND JUSTIFICATION:
Adopt a Resolution establishing a health benefit vesting requirement for future retirees under the Public Employees’ Medical and Hospital Care Act (PEMHCA) to be effective January 1, 2007. Currently, newly hired individuals who serve 5 years as an employee with Mariposa County are fully vested relative to their health benefits, i.e., these employees can retire at age 50 after having served only 5 years and receive 100% of the health benefit contribution for life. With the adoption of this Resolution, a newly hired individual must have at least 10 years of service, 5 of those 10 years must be with Mariposa County, to receive a portion of the appropriate County contribution for health benefits. The vesting schedule that will apply to these employees will be as follows: After a minimum of 10 years of service, the employee will receive 50% of the County contribution upon retirement and each year thereafter, the employee is eligible to receive an additional 5% of the County contribution upon retirement. For example, an employee who serves 11 years with the County and retires, would receive 55% of the health benefit contribution, 12 years=60%, 13 years=65%, 14 years=70%, 15 years=75%, etc. At 20 years of service, the employee is eligible to receive 100% of the health benefit contribution for life. This vesting schedule is regulated by Government Code section 22893.

Adopting this vesting Resolution enables the County to reduce the retiree health benefit expenses.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
During labor negotiations with the Service Employees International Union (SEIU) Local 535, the Mariposa County Managerial and Confidential Organization (MCMCO), the Deputy Sheriffs’ Association (DSA), and the Sheriffs’ Management Association (SMA), the County and these groups agreed to a two-tier health benefit vesting requirement for future retirees.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

<table>
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<tr>
<th>Financial Impact?</th>
<th>(Yes) Yes (No) No</th>
<th>Current FY Cost: $</th>
<th>Annual Recurring Cost: $</th>
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<tr>
<td>Budgeted In Current FY?</td>
<td>(Yes) Yes (No) No</td>
<td>Partially Funded</td>
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<td>Amount in Budget:</td>
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<tr>
<td>Additional Funding Needed:</td>
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<td>Source:</td>
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<td></td>
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<td>Internal Transfer</td>
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<tr>
<td>Unanticipated Revenue</td>
<td>4/5’s vote</td>
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<tr>
<td>Transfer Between Funds</td>
<td>4/5’s vote</td>
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<td>Contingency</td>
<td>4/5’s vote</td>
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<tr>
<td>(General) (Other)</td>
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</table>

CLERK’S USE ONLY: Res. No. 5536/7<br>Vote – Ayes: 5 Noes: 0<br>Approved: Yes<br>Minute Order Attached: No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: [Date]
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: Deputy

COUNTY ADMINISTRATIVE OFFICER:
Requested Action Recommended<br>No Opinion
Comments:

CAO: [Signature]

Revised Dec. 2002
RESOLUTION NO. 06-573

RESOLUTION ELECTING TO ESTABLISH A HEALTH BENEFIT VESTING REQUIREMENT FOR FUTURE RETIREEs UNDER THE PUBLIC EMPLOYEE'S MEDICAL AND HOSPITAL CARE ACT (PEMHCA)

WHEREAS, Government Code Section 22893 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act (PEMHCA) may amend its resolution to provide a post retirement vesting requirement to employees who retire for service; and

WHEREAS, Mariposa County (Agency Code 0453) is a local agency contracting under PEMHCA for participation by members of the Mariposa County Management and Confidential Organization (MCMCO), Service Employees International Union (SEIU) Local 535, Deputy Sheriffs' Association (DSA), and Sheriffs' Management Association (SMA); and

WHEREAS, Mariposa County certifies employees are represented by a bargaining unit and subject to a memorandum of understanding; and

WHEREAS, the credited service for purposes of determining the percentage of employer contributions shall mean service as defined in section 20069, except that not less than five years of that service shall be performed entirely with Mariposa County; and

WHEREAS the contribution for active employees cannot be less than what is defined in Section 22892(b);

NOW, THEREFORE, BE IT RESOLVED, that the employer's contribution for each retired employee first hired on or after the effective date of this Resolution shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of $439 with respect to employees enrolled for self alone, $823 for an employee enrolled for self and one family member, and $1,042 for an employee enrolled for self and two or more family members plus Administrative fees and Contingency Reserve Fund, but not more than 100 percent of the premium applicable to him or her, nor less than the 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefits plans that have the largest number of enrolments; and

BE IT FURTHER RESOLVED that the percentage of employer contribution payable for post retirement health benefits for each retired employee shall be based on the employee's completed years of credited service based upon Government Code Section 22893; plus administrative fees and Contingency Reserve Fund assessments; and

BE IT FURTHER RESOLVED that coverage under PEMHCA be effective on January 1, 2007.

PASSED AND ADOPTED by the Mariposa County Board of Supervisors this 12th day of December 2006 by the following vote:

AYES: STETSON, TURPIN, BIBBY, FRITZ, PICKARD
NOES: NONE
ABSENT: NONE
ABSTAINED: NONE

LEE STETSON, Chair
Mariposa County Board of Supervisors

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

THOMAS P. GUARINO
County Counsel