

Side Letter to
Compensation Plan – Unit 8 Department Directors
Section 22 – Health Benefits – Retired Employees

June 12, 2013

Section 22 of the Unit 8 Department Directors Compensation Plan outlines provisions for retiree health benefits.

Section 22.6 of the Plan provides a retired employee with twelve to nineteen (12-19) years of service with the City of Petaluma who is not enrolled in the CalPERS health benefits program with a benefit in the amount of one-hundred-twenty dollars (\$120.00) each month.

Section 22.7 of the Plan provides a retired employee with twelve to nineteen (12-19) years of service with the City of Petaluma, who is a retired CalPERS annuitant, with a benefit in the amount of one-hundred-twenty dollars (\$120.00) each month offset by the City's monthly PEMHCA contribution.

A provision of the California Public Employees' Pension Reform Act (PEPRA) which took effective January 1, 2013 states as follows:

"A public employer shall not provide to a public employee who is elected or appointed, a trustee, excluded from collective bargaining, exempt from civil service, or a manager any health benefit vesting schedule that is more advantageous than that provided generally to other public employees, including represented employees, of the same public employer who are in related retirement membership classifications."

The Unit 8 is unrepresented, excluded from collective bargaining and the only Unit that provides a retired employee with twelve to nineteen (12-19) years of service with a monthly benefit of \$120.00. This is a health benefit vesting schedule that is more advantageous than that provided generally to other City employees.

Therefore, to comply with the provision of PEPRA, effective January 1, 2013, an employee hired or appointed to any position covered by Unit 8 will not receive the retired employee benefit that provides an employee with twelve to nineteen (12-19) years of service with a monthly benefit \$120. The retired employee shall continue to receive the PEMHCA minimum as required by CalPERS law.

City of Petaluma



John C. Brown, City Manager

6-18-13

Date