

Medical Vesting Elections

Is it the right time to elect to vest?

If you are an active employee hired before 11/1/2013, and you have not yet made your decision as to whether or not you will elect medical vesting, you might be wondering, "What are the advantages and/or disadvantages if I participate in medical vesting?"

Here are some things to consider:

- ⇒ When are you planning to retire? If you have 5 years of service with the Vallejo Flood and Wastewater District and over 10 years with CalPERS, then compare the amount of the medical contribution of one option versus the other. Which one makes more sense for your particular situation?
- ⇒ Remember, if you are not vested, the retiree District contribution for your medical benefits would be based on the terms of the MOU*, which can change from one MOU term to another.
- ⇒ CalPERS 100/90 formula rates (which are used to determine the vesting contribution amount) are set each year by CalPERS and could fluctuate as well.
- ⇒ If you plan to retire with less than 5 years of service with the District and less than 10 years with CalPERS, vesting would not be a good option for you, as there would be no District contribution toward your medical premium.

*A Resolution is passed by the Board of Trustees and filed with CalPERS to set forth active employees' medical rates each calendar year.

Medical Vesting Worksheet

Use this spreadsheet to estimate how much your retiree medical contribution would be if you are vested.

Years of CalPERS Service at Vallejo Wastewater	#1	You must have at least five (5) years to qualify
Years of Service at another CalPERS agency	#2	Include any qualifying <u>purchased</u> Service Prior to Membership years
TOTAL CalPERS SERVICE	#3	You must have at least (ten) 10 years to qualify
Using the number in Box #3, find the corresponding percentage from Percentage Contribution Table below	_____ % #4	<i>If you have more than 20 years, please enter 100%</i>
Current 100/90 rates for CY 2019	\$ #5	EE Only = \$734 EE+1 Dependent = \$1,398 EE+Family = \$1,788
TOTAL DISTRICT CONTRIBUTION TOWARD RETIREE MEDICAL UNDER VESTING	\$	Multiply: Box #4 (%) x Box #5 (100/90 rate)

Percentage Contribution Table

Years of Service	% of VSFCD contribution toward medical
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20	100%

Employer Contribution Amount

The percentage of employer contribution payable for post retirement medical benefits for a vested retiree is based on the retiree's completed years of credited CalPERS service as shown in the Percentage Contribution Table above.



Vallejo Flood and Wastewater District

What you need to know about

Medical Vesting for Post-Retirement Medical Benefits

2019 Plan Year

Important Information about the Vallejo Flood and Wastewater District Medical Vesting Program

What is Medical Vesting?

Vallejo Flood and Wastewater District (Vallejo Wastewater) offers contributions towards CalPERS retiree medical insurance premiums for qualified employees who retire from CalPERS within 120 days of separation from Vallejo Wastewater.

Under Vallejo Wastewater's retiree medical vesting plan, all retirees hired on or after 11/1/2013 must have a minimum of 10 years of service as a CalPERS member including a minimum of five (5) years of service accrued at Vallejo Wastewater to qualify for a premium contribution¹. The maximum premium contribution is based on the CalPERS 100/90 formula², and coverage level³. The percentage of the CalPERS 100/90 amount contributed by Vallejo Wastewater is determined by full years of CalPERS service.

Though new employees with Vallejo Wastewater are automatically enrolled in the medical vesting plan, an employee whose first date of employment was prior to 11/1/2013 and who has not elected medical vesting is eligible to receive medical coverage through CalPERS at the active employee rate. The maximum premium amount contributed by Vallejo Wastewater is set annually by the Board of Trustees by Resolution.

Eligible employees hired before 11/1/2013 have the option of either: a) electing to participate in medical vesting, or b) electing not to participate in medical vesting.

Non-participation in the vesting program means that once the employee retires, he/she will have the same District contribution towards the medical premium that is allowed under the employee's respective personal service agreement/bargaining unit MOU⁴.

In order to be eligible for medical vesting benefits, and in addition to meeting the eligibility criteria, a Vallejo Wastewater employee must retire from the District.

¹ Reciprocal public retirement system service does not count toward retiree medical qualification or vesting level.

² Formula is not more than 100% of the weighted average of the health benefits plan premiums for annuitants enrolled for self alone plus 90% of the weighted average of the additional premiums required for enrollment of family members in the health plans with the largest number of enrollments.

³ This formula is set annually by CalPERS.

⁴ Subject to collective bargaining at the end of the contract term.

CalPERS

Member Service Center

Phone: 1-888-225-7377

Website: www.calpers.ca.gov

How to Determine Qualifying Years of Service for Medical Vesting

Type of Service Credit	Qualifying
Air time (Add'l Retirement Service Credit)	No
Service at a non-CalPERS Employer	No
Service at other CalPERS Employers	Yes
Service at Vallejo Wastewater	Yes
Service Prior to CalPERS Membership	Yes
Sick Leave Conversion	Yes

Open Enrollment

Once a year, at the open enrollment period, an employee who was hired before 11/1/2013 and who has not elected medical vesting will have the opportunity to make his/her election. If you would like to elect the medical vesting option, please advise Human Resources

Questions?

If you have questions about how medical vesting will work for your individual situation, you may contact Human Resources to schedule a one-on-one meeting.



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