

Medical Trust Update *“Happy Sixth Birthday” continued from page 1*

However, this new amendment also limits the benefit to employees who are **eligible to retire** when they leave the City (age 50). As an example, prior to the amendment someone who worked for the City from age 20 to 25 and never worked again for a PERS employer could have collected a benefit equal to that of a long term City employee.

If you have any questions about eligibility or need to update your personal information (address, marital status etc.) please contact the Trust's administrator:

Cindi Forbes, at Cindi.Forbes@delapro.com.

General Membership Meeting

The Annual General Membership Meeting will be held in November. The time and place will be announced in the Fall.

AETNA Information

The Coalition Board has been meeting with representatives from Aetna to set up programs to educate all of us on how to improve our health and the health of our families. The Board is convinced that a healthy workforce will result in lower medical insurance premium costs overall. **Be on the lookout for future notices from the Human Resources Department concerning these programs.**

Coalition Board of Directors

ATA

Bill Zein 458-8726

Liz Bar-El 458-5058

Rod Merl 459-8706

EPP

Craig Perkins 458-8221

MEA

Lauralee Asch 458-8618

Robert Griffin 458-8693

Ed Burns 570-0646

MTA

Joan Akins 458-8221

Renee Cowhig 458-8450

PAU

Marty Tachiki 458-8340

Tony Serritella 458-8361

PALSSU

Claudia Brick 458-8365

Rent Control

Keith Kresge 458-8790

STA

Bill Bollinger 458-8963

UTU

Adhi Reddy

Martin Guerrero

AETNA Medical Information Phone Numbers

AETNA HMO Member Services 877-402-8742

AETNA Open Access Plan 877-204-9186

Other Benefit Numbers

KAISER Member Service Number 800-464.4000

VSP (Vision) 800-877-7195

Delta Dental DPO Plan 888-335-8227

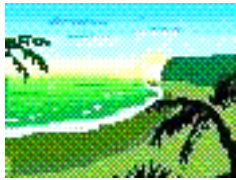
Delta Dental DeltaCare Plan 800-422-4234

Value Options/Employee Assistance Program 800-638 2769

Coalition Accomplishments

- ◆ Health Benefits Agreement with built-in cost of living increases
- ◆ Established a Medical Insurance Trust for Retirement
- ◆ Collaboration with City to avoid layoffs
- ◆ Collaborated with the City in the implementation of a flexible 125-plan to permit employees to set aside pretax earnings to pay for out of pocket medical costs
- ◆ Revised evaluation forms
- ◆ Enhanced PERS Death Benefits
- ◆ Renegotiated the umbrella agreement between the Coalition and the City for its continuing monthly contributions to the medical insurance trust and for the composite cap for health insurance premium costs that will address the needs of the employees.
- ◆ **Enhancement of PERS Retirement formula to 2.7% @ 55 – in effect May 27, 2007 (this is the second enhancement under the coalition. Initially was at 2% at 60, then secured enhancement to 2% at 55 four years ago).**
- ◆ **New three year Medical Insurance Umbrella Agreement FY 2007-8 to FY 2009-10.**

LABEL



Coalition of Santa Monica City Employees Newsletter—Summer 2007

Administrative Team Associates* Executive Pay Plan *Municipal Employees Association *
Public Attorneys Legal Support Staff Union *Public Attorneys Union *Management Team
Associates *Rent Control *Supervisory Team Associates *United Transportation Union

NEW Three Year Medical Insurance Umbrella Agreement Approved

A new three year umbrella agreement covering the period from FY 2007-08 until FY 2009-10 was approved by the Coalition, active member boards and the City.

The cap on the City's contribution towards the cost of medical insurance for active City employees under this agreement will be increased by 12% on January 1, 2008. It will be increased another 12% again on January 1, 2009 and another 12% increase on January 1, 2010.

The agreement will also provide for the continuance of the \$142 per month per employee contribution to the employee retirement medical trust plus a \$900,000 lump sum deposit to the Retiree Medical Trust within 60 days of the agreement being ratified. This will significantly enhance its the long term strength and stability.

Coalition History Revisited

The coalition began in 2000 when representatives from all City non-safety bargaining units met and formed an alliance to deal with the City's plans regarding increasing medical insurance costs. After successfully negotiating the medical insurance issue and creating the medical trust to assist with retirement medical insurance, the non-safety bargaining units decided to create a permanent body – the Coalition of Santa Monica City Employees – as an on-going force to address matters significantly affecting all City employees which transcend the narrower concerns of the nine non-safety bargaining units.

**For retirement information go to the
CalPERS website:
<http://www.calpers.ca.gov>**

Coalition e-mail address:
CoalitionSMCE@verizon.net

PERS 2.7 at 55 Went Into Effect on May 27, 2007

The improvement to the PERS pension benefit formula for **ALL** vested City employees has been completed. On May 27, 2007 the 2.7 @ 55 formula went into effect for anyone retiring on or after that date.

Medical Trust Update *“Happy Sixth Birthday”*

The Santa Monica City Employees Coalition Benefit Trust now has assets in excess of *Twenty Million Dollars*...not bad for 6 years!!! It has grown at the average rate of 8.31% per year since July 1, 2001. The trust is now paying out monthly benefits to 54 City retirees to reimburse them for insurance premiums.

The Trustees made two major changes at their quarterly meeting in May which will affect you directly. The benefit level is set annually, usually in the spring. After conferring with the Trust's actuarial consultant and intense analysis of spreadsheets and forecasts for the next 100 years, the Trustees agreed that the monthly benefit should be raised from \$200 to **\$250** per month or from \$2400 to **\$3000** per year.

The Trustees also amended the requirements for eligibility to more accurately reflect the purpose of the trust which is to subsidize the cost of retiree health insurance for long term employees. In order to receive benefits from the Trust an employee must earn 5 years of Active Service, be age 58 and retire or cease employment with the City **on or after the date he or she becomes eligible to receive retirement benefits (currently age 50).**

Prior to this amendment there was a requirement that the employee actually retire from the City as a PERS annuitant in order to receive the benefit. That meant that if there were an intervening PERS employer other than the City of Santa Monica the benefit would have been lost.

continued on page 2