

AP 7130-2 District Health and Welfare Benefits Plan

1.0 **Employee Benefits:** Eligible employees may participate in the District's health and welfare plan, which provides the following benefits:

1.1 Hospitalization and Medical Care Plan

1.1.1 The District is a participating agency in the CalPERS Hospital and Medical Care plan which allows eligible employees to select from several plans for their hospitalization and medical care.

1.1.2 The District will pay the full cost of the employee-only premium for eligible employees whose percentage of employment is at least fifty (50) percent.

1.1.3 An eligible employee who elects not to participate in the District's hospitalization and medical care plan will receive an addition of three hundred (300) dollars to the annual discretionary, fringe benefit allowance.

1.2 Discretionary Fringe Benefit Allowance

1.2.1 The District will provide an annual discretionary fringe benefit allowance to eligible employees. The amount of the allowance shall be the negotiated amount, for represented employees, or the amount established by the Board of Trustees, for unrepresented employees, and shall be prorated based on the employee's percentage of employment.

1.2.2 Except with respect to domestic partner coverage, as provided in section 3.0 of this procedure, the discretionary fringe benefit allowance may be allocated toward the premium cost of the following benefits:

1.2.1 Hospitalization and medical care plan for dependents of the employee.

1.2.2 Dental and vision insurance for the employee and/or dependents.

1.2.3 Life insurance for the employee and/or dependents.

1.2.4 Accident insurance for the employee and/or dependents.

1.2.5 Income protection insurance for the employee.

1.2.3 If the total cost of the employee's benefit choices exceeds the available discretionary fringe benefit allowance amount, the cost in excess of the allowance amount will be deducted from the employee's paycheck. If the total cost of the employee's benefit choices is less than the discretionary fringe benefit allowance amount, the unused allowance amount will be deposited in the 403(b) or 457 investment plan option selected by the employee.

1.2.3.1 Employee selection of a 403(b) investment company must be from the list of approved District vendors. The District Benefits

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Office must be provided with written notice of the selection. Employees are responsible for contacting the investment company and completing the necessary paperwork to establish an account.

- 1.2.3.2 Employee participation in some options available through the District's 457 investment account may require membership in the Schools First Federal Credit Union. Employees may obtain enrollment documents from either the Credit Union or the District Benefits Office.
- 1.2.3.3 New employees must select an investment option within ninety (90) days from the first day of paid service to provide for the deposit of any unused fringe benefit allowance amounts.

2.0 Retiree Benefits

- 2.1 The District will pay the full cost of the retiree-only premium for the CalPERS hospitalization and medical care plan selected by an eligible retiree, subject to the provisions of the California Government Code and CalPERS regulations, and contingent upon the following:
 - 2.1.1 At the time of retirement, the employee must be employed in a District position in a category of employment eligible to participate in the District's health and welfare plan, as provided in section 4.0 of this procedure.
 - 2.1.2 At the time of retirement, the employee has fulfilled the requirements to receive a retirement benefit under the Public Employees Retirement System or the State Teachers Retirement System and retires within 120 days of separation of employment from the District.
 - 2.1.3 Employees Hired Prior to May 1, 1994: An employee who was hired by the District prior to May 1, 1994, in a category of employment eligible to participate in the District's health and welfare plan as provided in section 4.0 of this procedure, shall be eligible for the District-paid post-retirement hospitalization and medical plan benefit if the employee meets the criteria specified in sections 2.1.1 and 2.1.2.
 - 2.1.4 Employees Hired On or After May 1, 1994: An employee who was hired by the District on or after May 1, 1994, in a category of employment eligible to participate in the District's health and welfare plan as provided in section 4.0 of this procedure, shall be eligible for the District-paid post-retirement hospitalization and medical plan benefit if the employee meets the criteria specified in sections 2.1.1 and 2.1.2, and either of the following:
 - 2.1.4.1 The employee has been employed full-time (100%) and retires from the District with a minimum of fifteen (15) years of credited service in a position(s) in a category of employment eligible to participate in the District's health and welfare plan as provided in section 4.0 of this procedure.

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2.1.4.2 The employee has been employed less than one hundred (100) percent and retires from the District with the accumulated pro rata equivalent of fifteen (15) years of credited service, or twenty (20) years of service, whichever occurs sooner, in a position(s) in a category of employment eligible to participate in the District's health and welfare plan as provided in section 4.0 of this procedure.

2.2 The District will pay the full cost of the retiree-only premium for the CalPERS hospitalization and medical care plan, subject to the provisions of the California Government Code and CalPERS regulations, for an annuitant who receives a pension benefit under the Public Employees Retirement System or the State Teachers Retirement System as a result of the death of a District retiree's death.

3.0 Domestic Partners

3.1 Domestic partners of eligible employees or annuitants of the District, as defined by section 297 of the California Family Code, shall be eligible to enroll in the District's CalPERS Hospital and Medical Care plan, subject to the provisions of the California Government Code and CalPERS regulations.

3.2 Domestic partners of eligible employees or annuitants of the District, as defined by section 297 of the California Family Code, shall be eligible to enroll in the District's dental and vision insurance plans, subject to the regulations of the plan providers.

3.3 Where an eligible employee elects to enroll a qualified domestic partner in the CalPERS Hospital and Medical Care plan, or in a District dental or vision insurance plan, the cost of the premiums for the domestic partner's dependent coverage shall be paid by after-tax salary deductions from the employee's paycheck. Deductions will be made in accordance with District payroll procedures. No portion of the employee's discretionary fringe benefit allowance may be used to pay premium costs for hospital and medical care, dental or vision coverage, or other benefits for a domestic partner.

4.0 Categories of Employees Eligible to Participate in Health and Welfare Benefits Plan

4.1 The following categories of employees are generally eligible to participate in the District's Health and Welfare Benefits plan:

4.1.1 Regular and probationary (tenure-track) faculty.

4.1.2 Classified employees.

4.1.3 Confidential employees.

4.1.4 Administrators employed in regular (nontemporary) management positions.

4.2 Individual employees in positions within the above categories shall be eligible to participate in the District's hospital and medical care plan and to receive the

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discretionary fringe benefit allowance in accordance with the provisions of sections 1.1 and 1.2 of this procedure.

5.0 Categories of Employees Ineligible to Participate in Health and Welfare Benefits Plan:

5.1 The following categories of employees are not eligible to participate in the District's Health and Welfare Benefits plan:

5.1.1 Faculty employed on a temporary basis.

5.1.2 Short-term employees, substitute employees, professional experts and student employees employed pursuant to the provisions of Education Code section 88003.

5.1.3 Temporary (nonregular) management employees.

5.1.4 Other persons employed on a temporary or short-term basis, regardless of the category of employment.

5.2 Individual employees in positions within the above categories shall be ineligible to participate in the District's hospital and medical care plan and shall be ineligible to receive the discretionary fringe benefit allowance, regardless of the percentage of employment, unless otherwise specifically provided by the policies and procedures of the Board of Trustees.

6.0 **Effective Date:** This revised procedure becomes effective July 1, 2013.

Date of Adoption: January 28, 2008 Chancellor's Cabinet

Date of last Revision: March 25, 2013 District Consultation Council