

Katy Lyon

From: Katy Lyon
Sent: Thursday, September 05, 2019 11:36 AM
To: Rene; 'freevcnet@aol.com'; Harry Culotta; John Woolley; Marie Soo Hoo; Pat Gage; Larry Manson; 'Joy Kobayashi'
Cc: Greg Gillespie; Laura Barroso; David El Fattal; Janice Endo
Subject: Message from Greg Gillespie
Attachments: VCCCD Proposal to AFT 7-18-19.pdf; VCCCD Health Benefits Committee Meetings Summary 2018-2019.docx; Overview - Key Points - Joint Benefit Committee Meetings 2018-2019.docx; Attachment to Overview of Key Points Final.pdf

Dear Rene and VCCCDRA Executive Board,

The VCCCD is currently in negotiations with SEIU and AFT and the discussions include salary and benefit items. The VCCCD's current linked salary and benefits proposal is attached for your review. Item 2 in the proposal states "The District will enter into an agreement with CalPERS to purchase medical benefits beginning July 1, 2020." Should this change occur, the District will be purchasing medical benefits for active employees through CalPERS. This would necessitate a change for retirees as well. The CalPERS coverage options include Kaiser as well as Anthem plans. Under CalPERS, all Medicare eligible Tier I and Tier II retirees would be required to be participating in Medicare parts A and B and will also be covered by a CalPERS Medicare Supplement Plan. **Please note that the VCCCD will cover the Medicare B premiums for eligible Tier I and Tier II retirees along with the CalPERS Medicare Supplement Plan.** This combination provides coverage that is equivalent to or exceeds the level of coverage for active employees under CalPERS. Tier I retirees who are not eligible for Medicare would be covered under the CalPERS options for active employees. The VCCCD, Burnham (benefits broker), and CalPERS will work together to assist retirees in signing up for Medicare.

The VCCCD is proposing this change in the medical benefits provider to reduce the costs of medical insurance. We are proposing changes that maintain quality medical benefits coverage for active and retired employees at a reasonable cost resulting in a sustainable balance of revenue with expenses moving forward.

The attached documents provide you with the detailed information that was discussed during joint meetings of the AFT/SEIU/Management benefits committees last year. The overviews include links to all of the presentations and information shared during these meetings.

Please contact Katy Lyon or Janice Endo in the Benefits Department, Human Resources at the VCCCD with any questions regarding this potential change.

We would truly appreciate it if you would forward this information to all retirees.

Thank you,

Greg

GREG GILLESPIE, PH.D.

CHANCELLOR

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VCCCD Proposal to AFT
Articles 3 & 4 Benefits Proposal Linked with Salary Increase
July 18, 2019

1. Employees will receive a 3% off-schedule bonus effective upon agreement for 2019-20. Then a 6% increase for 2020-21, effective on the one year anniversary of the agreement and a 1% increase for 2021-22 effective on the two year anniversary of the agreement.
2. The District will enter into an agreement with CalPERS to purchase medical benefits beginning July 1, 2020.
3. Effective July 1, 2020, the District will contribute an amount towards the health benefit premium equal to the CalPERS PERS Choice premium amount for the term of this agreement.
4. The foregoing off-schedule bonus and on-schedule salary increases are contingent upon the District entering CalPERS as set forth above.

FAQ

Note: These FAQs and general responses were created by the District and included with the proposal for clarity purposes.

1. **Q: Can I keep my current doctor?**
A: Yes. The District's current plan and proposed CalPERS plan both use Anthem and Kaiser as their medical service providers.
2. **Q: Will the coverage be the same?**
A: The coverage will be comparable. In the proposed CalPERS plan, some coverages are better and some are less. (See attached comparisons)
3. **Q: Will full-time employees have to pay more in health care premiums?**
A: The District has offered to pay 100% of the health care premiums for all CalPERS plans up to the cost of the PERS Choice plan during the term of this Collective Bargaining Agreement. At the expiration of this Collective Bargaining Agreement, the contribution by the District for medical would be negotiable, as would salary.
4. **Q: Will I have to pay more in co-pays and deductibles?**
Yes. However, these costs will be covered by the proposed salary increase.
5. **Q: I am a part-time employee, will I receive a salary increase also?**
A: Yes. The proposed salary increase would be offered to all employees.
6. **Q: Will the proposed salary increases have an impact on my retirement?**
A: Yes. An increase in salary will increase an employee's retirement benefit for his/her entire life.
7. **Q: Why are we changing medical plans?**
A: The District is changing medical plans to generate savings that would be used to provide salary increases, while maintaining comparable benefits coverage.
8. **Q: As a retiree, will I be able to buy medical insurance at a reasonable rate?**
A: Yes. Currently, employees who retire from the District cannot buy their existing health insurance upon retirement. However, the new plan will allow for this.