



**Human Resources Department**  
311 Vernon Street  
Roseville, California 95678

July 8, 2015

Retiree Name  
Address  
City/State/Zip

RE: Retiree Medical Insurance Optional Benefit

Dear Retiree:

On June 3, 2015, the City Council adopted Ordinance 5496 which enacted a new option for the payment of the City's retiree medical contribution to retirees.

The Ordinance does not change your current benefits but does provide you with another option for the payment of those benefits. As you know, the City contracts with the California Public Employees Retirement System (CalPERS) for the purpose of providing retired employees and their eligible dependents with medical insurance benefits. Retirees currently receive City medical contributions that are the same as negotiated for active employees as part of the terms and conditions of each respective Memorandum of Understanding (MOU). This practice will continue, however, you now have an additional option to consider.

Effective January 1, 2017, the City of Roseville is offering to retirees who are eligible for Tier 1 or Tier 2 benefits, to elect one of the following options:

- 1) Remain covered by their respective MOU, meaning any future adjustments to City contributions will be based on the terms negotiated; OR
- 2) Choose an irrevocable election of one of the following schedules based on eligibility:
  - a. **Schedule 1** – Employees, whose hire date places them in Tier 1, will receive a \$1296 per month City contribution toward their post-retirement medical insurance benefit. The \$1296 will increase by 2% each subsequent year. The set schedule of contributions is attached.
  - b. **Schedule 2** - Employees, whose hire date places them in Tier 2, will receive a monthly City contribution toward their post-retirement medical insurance benefit based on the following vesting schedule (percentage of \$1296):

CITY VESTING SCHEDULE	
Total Credited Years of Service	% of City Contribution
10	50%
11	55%
12	60%
13	65%
14	70%

<b>CITY VESTING SCHEDULE (continued)</b>	
<u>Total Credited Years of Service</u>	<u>% of City Contribution</u>
15	75%
16	80%
17	85%
18	90%
19	95%
20+	100%

Effective January 1 of each subsequent year, the City's contribution shall be increased by two (2) percent.

The City has scheduled a series of informational meetings beginning later this month to provide you with detailed information regarding the Ordinance and answer any questions you may have. Additionally, we plan to record one of the informational sessions to make available electronically for those who may no longer live in the area. The goal, before October, 2016, is to have provided one-on-one feedback to each and every one of our retirees; answering your questions to ensure you have the necessary information to make an informed decision regarding the option that is best for your unique situation.

The Retired City of Roseville Employees (RCORE) Board has worked closely with City staff over the last five years to see this option come to fruition as is reflected in the attached letter of support dated May 12, 2015. The City plans to continue this collaborative effort and will have Information available via the RCORE website as well.

Please plan to attend one of the following informational sessions:

July 22, 2015 from 10:00 am – 11:00 am in the City Council Chambers  
 August 20, 2015 from 9:00 am – 10:00 am in the City Council Chambers  
 September 22, 2015 from 4:00 pm – 5:00 pm in the City Council Chambers

Lisa Achen and Michele Voelkert from my staff will join me in presenting this information. I look forward to meeting with you personally and explaining the ordinance and the new option details as you begin the process of gathering information in your decision making process.

Sincerely,



Gayle Satchwell  
 Human Resources Director

cc: City Council  
 City Manager