



Public Employees Union, Local One

THE UNION FOR PUBLIC EMPLOYEES
ORGANIZED 1941

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Health Care Questions and Answers

Question: What is the health care reopener?

Answer: The health care reopener is part of the current Memorandum of Understanding between Public Employees Union, Local One and Contra Costa County. Section 19.19 reads, in its entirety, as follows:

19.19 Health Plan Re-Opener. This agreement will open on April 1, 2015, for the limited purpose of bargaining over Section 19, Health, Life, and Dental Care, to explore changes effective in the 2016 Plan Year.

The County is committed to evaluating alternative approaches to sharing health care premiums for the 2016 Plan year, taking into consideration any effect on its budget.

During the reopener, the County will not propose reducing the current dollar amount of the County's premium subsidy for health care plans and will not unilaterally impose a reduction in the current dollar amount of the County's health plan premium subsidy for the 2016 Plan year.

In the event the parties fail to reach an agreement by January 1, 2016, and notwithstanding Section 25.7 (Strike/Work Stoppage) the Union reserves the right to strike with respect to the subject of the reopener.

Question: Is Local One the only Union in the County with a health care reopener?

Answer: No. AFSCME Local 512, AFSCME Local 2700, IFPTE Local 21, SEIU Local 1021, and the Western Council of Engineers also had a health care reopener in their contracts. Those unions decided to bargain health care together and are referred to as the "coalition."

Question: Why isn't Local One part of the coalition?

Answer: The unions that make up the coalition wanted each union to have one, equal vote. That did not serve Local One members' interests, as Local One is the largest union in the County and such a deal would have diluted our strength at the bargaining table.

Question: Has the coalition settled with the County on health care?

Answer: Yes. On September 30, 2015, the coalition and the County entered into a side letter agreement on the health care reopener. On October 6, 2015, the County's Board of Supervisors voted in favor of a resolution to adopt the side letter agreement between the coalition and County on the healthcare reopener. The resolution passed unanimously.

Question: What did the coalition settle for on health care?

Answer: The full side letter agreement is available to view here:

http://64.166.146.245/docs/2015/BOS/20151006_644/23444_COALITION%20Health%20Re-Opener%20Signed%20TA.pdf

The side letter agreement between the coalition and County provides for the following:

- Employees will have access to the following medical plans:
 - CCHP Plan A & Plan B
 - Kaiser Permanente Plan A & Plan B
 - Health Net HMO Plan A & Plan B
 - Health Net PPO Plan A
 - Kaiser High Deductible Health Plan
- Health Net PPO Plan B will be eliminated for all employees beginning January 1, 2018.
- The Unions and County agreed to create a Joint Labor/Management Benefit Committee (“Benefit Committee”) to convene no later than February 1, 2016.
- In the event one of the medical plans is subject to the Cadillac tax, the Benefit Committee will meet to consider plan design. If the Committee is unable to agree, such plan(s) will be eliminated for all employees beginning January 1, 2018.
- In lieu of “Family”, the addition of “Employee + 1 Dependent” and “Employee + 2 or More Dependents” options.
- In plan year 2016, coalition members will pay the following monthly share:

	Employee	Employee + 1	Employee + 2 or more
CCHP Plan A	\$126.52	\$264.34	\$324.34
CCHP Plan B	\$178.96	\$388.12	\$448.12
Kaiser Plan A	\$314.42	\$695.64	\$755.60
Kaiser Plan B	\$140.64	\$289.68	\$349.64
Kaiser –	\$23.06	\$23.49	\$22.92

High Deductible			
Health Net HMO Plan A	\$539.42	\$1,286.18	\$1,346.18
Health Net HMO Plan B	\$178.54	\$400.90	\$460.90
Health Net PPO Plan A	\$915.46	\$2,174.77	\$2,174.77
Health Net PPO Plan B	\$763.83	\$1,814.54	\$1,814.54

- In the plan year 2017, the County and employee will each pay fifty percent (50%) of the monthly increase that is above the amount of the 2016 plan premium.

Question: Why didn't Local One take the agreement that the coalition did on health care?

Answer: Your Local One health care bargaining team (comprised of elected Local One members) voted to reject the County's last proposal (the same deal as the coalition agreed to), because it did not bring enough relief to Local One members who have borne 100% of increased health care costs for years.

Question: What is the "Cadillac tax?"

Answer: The Cadillac tax is part of the Affordable Care Act (ACA), also known as "Obamacare." It provides that certain plans (those that exceed \$10,200 for individual coverage and \$27,500 for family coverage) will trigger a 40 percent tax. The tax is paid for by employers. The 40% tax is levied on the cost of employer-provided health coverage that exceeds \$10,200 for individual coverage and \$27,500 for family coverage.

For example, if a plan costs \$13,185.60 annually for an individual, it would trigger the Cadillac tax because it exceeds the threshold of \$10,200 for individual coverage. The \$2,985.60 above the threshold (\$13,185.50 - \$10,200.00) would then be taxed at a rate of 40%:

Plan Annual Cost	= \$13,185.60
<u>Individual Coverage Threshold</u>	<u>= \$10,200.00</u>

Amount Over Threshold	= \$2,985.60
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40% Tax on \$2,985.60	= \$1,194.24
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The employer would have to pay a tax of \$1,194.24 for each employee on that plan. So, for example, if there were 250 employees on that plan, the employer would have to pay a total of \$298,560.00 in taxes, based on the Cadillac tax.

Question: When does the “Cadillac tax” go into effect?

Answer: The Cadillac tax does not go into effect until the year 2018.

Question: When do new health care rates for 2016 go into effect?

Answer: Plan changes and rates are effective on January 1, 2016.

Question: When is open enrollment for the 2016 plan year?

Answer: October 12, 2015 through October 30, 2015. If you are not making changes, you do not need to return the enrollment form. You will continue to keep your current health and dental plan for the 2016 plan year.

Question: I want to make changes to my benefits for the 2016 plan year. Who do I notify?

Answer: If you would like to make a plan change for 2016, please be sure Employee Benefits Service Unit receives your completed original enrollment forms no later than 5:00 PM on October 30, 2015 to the address below:

Employee Benefits Services Unit
651 Pine Street, 5th Floor
Martinez, CA 94553
TEL: (925) 335-1746
FAX: (925) 335-1798
Email: Benefits@hrd.cccounty.us

Question: Can we strike?

Answer: Yes, but not now. As stated in Section 19.19, “In the event the parties fail to reach an agreement by January 1, 2016, and notwithstanding Section 25.7 (Strike/Work Stoppage) the Union reserves the right to strike with respect to the subject of the reopener.” Thus, assuming no deal is reached, Local One members can strike starting January 1, 2016.