

September 10, 2012

Robert Sapien, President
San Jose Fire Fighters, IAFF, Local 230
425 E. Santa Clara Street, Suite 300
San Jose, CA 95113

RE: 2013 Health Plan Rates

Dear Robert:

Please find the 2013 Health Plan Semi-Monthly Rates, effective January 1, 2013, enclosed. These rates were distributed at the August 29, 2012, Benefits Review Forum and reflect the most current premium rates for active employees, including the low cost Kaiser 1500 deductible plan.

As you know, the City made several proposals to make the Kaiser 1500 deductible plan available to IAFF Local 230 active employees, but we were unable to come to an agreement. Instead, active employees in IAFF Local 230 have access to the Blue Shield Plans and the Kaiser \$25 co-pay plan with the premium shared between the City and active employees on an 85/15 ratio.

The enclosed rate sheet shows that active employees who select the Kaiser 1500 deductible plan may not be required to make any contributions for the premium due to the lower cost of the plan. As we were not able to reach an agreement regarding healthcare options, the Kaiser 1500 deductible plan will not be available to active members of IAFF Local 230. As you know, all the healthcare plans available to active employees are also made available to retirees, and in accordance with the City's Municipal Code, the retirement plan pays for the lowest priced plan available to any active employee.

The City continues to be willing to make the Kaiser 1500 plan available to active employees in IAFF Local 230 with the modification to the 85/15 cost sharing such that the cost sharing will be based the Kaiser \$25 co-pay plan. Please let me know no later than September 14, 2012, if IAFF Local 230 is interested in pursuing that option. If we do not hear from you, we will be proceeding without offering the Kaiser 1500 deductible plan to active employees represented by IAFF Local 230.

Sincerely,



Alex Gurza
Deputy City Manager

Enclosure

2013 Health Plan Semi-Monthly Rates

Effective from 1/1/2013 (PP 1) through 12/31/2013 (PP 25)

Health Plan Options																			
Health premiums are deducted the first 2 paydays of each month, and are pre-tax.																			
BLUE SHIELD OF CALIFORNIA																			
KAISER PERMANENTE		KAISER		KAISER		BSC HMO		BSC HMO		BSC HMO		BSC PPO		BSC PPO					
1500 DED		\$25 OV		\$25 OV		\$45 OV		\$45 OV		\$25 OV		\$25 OV		3500 DED					
Single	Family	Single	Family	Single	Family	Single	Family	Single	Family	Single	Family	Single	Family	Single	Family				
100% Benefits: Full-Time Employees Including RWW Employees who work 35 - 39 Hrs																			
Employee Contribution	0.00	43.78	109.02	11.94	50.21	63.66	183.08	45.81	137.54	129.48	352.58	45.81	137.54	129.48	352.58				
City Contribution	228.85	569.85	248.12	617.83	248.12	617.83	248.12	617.83	248.12	617.83	248.12	617.83	248.12	617.83	248.12				
Total	228.85	569.85	291.90	726.85	260.06	668.04	800.91	293.93	755.37	377.60	970.41	293.93	755.37	377.60	970.41				
75% Benefits: Part-Time Employees who work 30 - 39 Hrs & RWW Employees who work 30 - 34 Hrs																			
Employee Contribution	57.21	142.46	105.81	73.97	204.67	125.69	337.53	107.84	292.00	191.51	507.03	107.84	292.00	191.51	507.03				
City Contribution	171.64	427.39	186.09	463.38	186.09	463.38	186.09	463.38	186.09	463.38	186.09	463.38	186.09	463.38	186.09				
Total	228.85	569.85	291.90	726.85	260.06	668.04	800.91	293.93	755.37	377.60	970.41	293.93	755.37	377.60	970.41				
62.5% Benefits: Part-Time & RWW Employees who work 25 - 29 Hrs																			
Employee Contribution	85.82	213.69	136.83	104.99	281.90	156.71	414.76	138.86	369.23	222.53	584.26	138.86	369.23	222.53	584.26				
City Contribution	143.03	356.16	155.08	386.14	155.08	386.14	155.08	386.14	155.08	386.14	155.08	386.14	155.08	386.14	155.08				
Total	228.85	569.85	291.90	726.85	260.06	668.04	800.91	293.93	755.37	377.60	970.41	293.93	755.37	377.60	970.41				
50% Benefits: Part-Time & RWW Employees who work 20 - 24 Hrs																			
Employee Contribution	114.42	284.93	167.84	136.00	359.13	187.72	491.99	158.93	446.46	253.54	661.49	158.93	446.46	253.54	661.49				
City Contribution	114.43	284.925	124.06	124.06	308.92	124.06	308.92	124.06	308.92	124.06	308.92	124.06	308.92	124.06	308.92				
Total	228.85	569.85	291.90	260.06	668.04	311.78	800.91	293.93	755.37	377.60	970.41	293.93	755.37	377.60	970.41				
Health In-Lieu Plan Payments																			
Payment in-lieu of coverage is available for qualified enrollees (full-time and RWW who work 35+ hours). Payments are made every payday, are taxable, and are subject to tax withholding.																			
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">If eligible for family coverage</td> <td style="text-align: right;">221.84</td> </tr> <tr> <td></td> <td style="text-align: right;">If not eligible for family coverage</td> <td style="text-align: right;">89.09</td> </tr> </table>															If eligible for family coverage	221.84		If not eligible for family coverage	89.09
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