

September 10, 2012

Jim Unland, President  
San Jose Police Officers' Association  
1151 N. Fourth Street  
San Jose, CA 95112

**RE: 2013 Health Plan Rates**

Dear Jim:

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 POA active employees, but we were unable to come to an agreement. Instead, active employees in the POA 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 the POA. 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 the POA 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 the POA 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 the POA.

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												
KAISER PERMANENTE			KAISER			KAISER \$25 OV			BLUE SHIELD OF CALIFORNIA			
KAISER 1500 DED Single	KAISER 1500 DED Family	KAISER \$25 OV Single	KAISER \$25 OV Family	BSC HMO \$45 OV Single	BSC HMO \$45 OV Family	BSC HMO \$25 OV Single	BSC HMO \$25 OV Family	BSC HMO 3500 DED Single	BSC HMO 3500 DED Family	BSC PPO 3500 DED Single	BSC PPO 3500 DED Family	BSC POS/PO Family
<b>100% Benefits: Full-Time Employees Including RWW Employees who work 35 - 39 Hrs</b>												
Employee Contribution	0.00	43.78	109.02	11.94	50.21	63.66	183.08	45.81	137.54	129.48	352.58	
City Contribution	228.85	569.85	248.12	248.12	617.83	248.12	617.83	248.12	617.83	248.12	617.83	617.83
Total	228.85	569.85	291.90	260.06	668.04	311.78	800.91	293.93	755.37	377.60	970.41	
<b>75% Benefits: Part-Time Employees who work 30 - 39 Hrs &amp; RWW Employees who work 30 - 34 Hrs</b>												
Employee Contribution	57.21	142.46	105.81	73.97	204.67	125.69	337.53	107.84	292.00	191.51	507.03	
City Contribution	171.64	427.39	186.09	186.09	463.37	186.09	463.38	186.09	463.37	186.09	463.38	463.38
Total	228.85	569.85	291.90	260.06	668.04	311.78	800.91	293.93	755.37	377.60	970.41	
<b>62.5% Benefits: Part-Time &amp; RWW Employees who work 25 - 29 Hrs</b>												
Employee Contribution	85.82	213.69	136.83	104.99	281.90	156.71	414.76	138.86	369.23	222.53	584.26	
City Contribution	143.03	356.16	155.08	155.08	386.14	155.08	386.15	155.08	386.14	155.08	386.15	386.15
Total	228.85	569.85	291.90	260.06	668.04	311.78	800.91	293.93	755.37	377.60	970.41	
<b>50% Benefits: Part-Time &amp; RWW Employees who work 20 - 24 Hrs</b>												
Employee Contribution	114.42	284.93	167.84	136.00	359.13	187.72	491.99	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	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	
<b>Health In-Lieu Plan Payments</b>												
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.												
											If eligible for family coverage	221.84
											If not eligible for family coverage	89.09