



To: Board of Directors
From: Ellie Beals, Vice President of the Board
Date: August 31, 2020
Subject: Board Member Insurance Benefit Review

Background:

In May of 2011, the Board of Directors unanimously approved a second tier of benefits for both employees and directors, which also included a vesting period for directors. Following are the changes made to board member benefits:

- The maximum contribution will be 50% of a board member's premium, when fully vested (after completion of 4 years in office).
- If a director is currently serving on the board, is fully vested and of Medicare age, the district will provide a supplemental policy which the District will select. The full health insurance policy will not be provided to those who qualify for medicare at 65.
- A board member may elect to stay on the group policy after they retire, however, they will be required to pay the entire premium.
- A board member may also adopt to pay premiums for their dependents.

In January 2012, the Board made the following decisions:

It was moved by Director Hyde and seconded by Director Massie for the District to cover 2/3 of the premiums for Parts B & D of Medicare Insurance, but will not contribute towards Medi-Gap supplemental insurance which covers the cost of all deductibles and co-pays for Medicare recipients. The motion passed unanimously.

It was moved by Director Hyde and seconded by Vice-President Kromydas to authorize basic prescription drug plan (Part D) not to exceed the lowest base rate for a "local" pharmacy. The motion passed unanimously.

Staff confirmed with legal counsel that it is not legal to provide a higher level of insurance coverage for board members than staff members (GC 53208.5).

Recommendation:

For discussion only.