

LOMEA/AFSCME LOCAL 1546
 TIERED VS COMPOSITE
 HEALTH INSURANCE PREMIUM RATE INFORMATION FOR PART-TIME EMPLOYEES
 27 JULY 2012

Currently, LOMEA employees are on a composite rate system where everyone pays the same insurance premiums. If we choose, we have the option of paying on a tiered rate system where members would pay a different premium based on who they cover on their plan. Because LOMEA employees now pay 5% (minimum) of their medical insurance premium, the choice of tiered or composite rates would have an impact on the amount employees pay for insurance each month.

PART-TIME EMPLOYEES

Represented part-time employees who choose to purchase medical coverage through the City pay their medical and dental insurance premiums in a prorated amount that is based on the proportion that the number of hours they work bears to full-time employment. The Employer and Employee portions are shown in the following table:

AVERAGE HOURS WORKED PER WEEK	EMPLOYER PORTION (% of full time)	EMPLOYEE PORTION
39	97.5%	2.5%
38	95%	5%
37	92.5%	7.5%
36	90%	10%
35	87.5%	12.5%
34	85%	15%
33	82.5%	17.5%
32	80%	20%
31	77.5%	22.5%
30	75%	25%
29	72.5%	27.5%
28	70%	30%
27	67.5%	32.5%
26	65%	35%
25	62.5%	37.5%
24	60%	40%
23	57.5%	42.5%
22	55%	45%
21	52.5%	47.5%
20	50%	50%

The next table shows the July 1, 2012 – June 30, 2013 composite premium rates for the City’s insurance benefits:

	PACIFICSOURCE MEDICAL + VSP	KAISER MEDICAL	ODS DENTAL	KAISER DENTAL
Composite Rate:	\$1,506.14	\$1,111.22	\$138.43	\$152.08

Part-time employees can select either of the medical plans, either of the dental plans, or any combination of medical & dental plan; or they have the option of choosing no coverage at all.

Part-time employees who only choose one of the dental plans have 100% of that premium paid by the City.

PACIFICSOURCE MEDICAL COVERAGE: Employees can estimate their monthly insurance payment based on the average number of hours they work per week by applying the 'Employee Portion' percentage to the total premiums for the coverage they've selected. Because full-time employees pay 5% of the medical premium, part-time employees purchasing medical insurance pay a minimum of 5% of their selected medical premium.

EXAMPLE: An employee who works an average of 36 hours per week chooses PacificSource Medical and ODS Dental coverage:

	\$1,506.14	[PacificSource Medical + VSP Premium]
+	\$138.43	[ODS Dental Premium]
	\$1,644.57	[Total premium]
x	10%	[Employee Portion]
	\$164.46	[Estimated monthly employee insurance payment]

KAISER MEDICAL COVERAGE: The City applies the same dollar amount they pay for employees with PacificSource medical coverage to the medical and dental premiums of employees who have selected Kaiser medical coverage. Because full-time employees pay 5% of the medical premium, part-time employees purchasing medical insurance pay a minimum of 5% of their selected medical premium. The employee monthly insurance payment can be estimated as follows:

		[Kaiser Medical Premium]
–		[PacificSource Medical + VSP Premium x Employer Portion]
+		[Kaiser or ODS Dental Premium (if any) x Employee Portion]
		Estimated monthly employee insurance payment (\$55.56 minimum)

EXAMPLE: An employee who works an average of 36 hours per week chooses Kaiser Medical and Kaiser Dental coverage:

	\$1,111.22	[Kaiser Medical Premium]
–	\$1,355.53	[= \$1,506.14 x 90%; Employer Portion of PS Medical + VSP Premium]
+	\$15.21	[= \$152.08 x 10%; Employee Portion of Kaiser Dental Premium]
	(–\$229.10)	[In this case, the minimum would apply]
	\$55.56	[= \$1,111.22 x 5%; estimated monthly employee insurance payment]

TIERED RATE SYSTEM: Under a tiered rate system, all of the above calculations would be based on the following tiered benefit rates:

Tiered Rates:	PACIFICSOURCE MEDICAL + VSP	KAISER MEDICAL	ODS DENTAL	KAISER DENTAL
Employee Only:	\$647.23	\$566.42	\$63.45	\$75.59
Employee + Spouse:	\$1,291.32	\$1,132.83	\$126.88	\$151.18
Employee + Child(ren):	\$1,163.73	\$1,019.55	\$101.51	\$136.06
Employee + Family:	\$1,810.94	\$1,699.25	\$177.65	\$226.77

EXAMPLE: An employee who works an average of 36 hours per week chooses PacificSource Medical and ODS Dental coverage. The employee and their spouse are covered:

	\$1,291.32	[PacificSource Medical + VSP Premium]
+	\$126.88	[ODS Dental Premium]
	<u>\$1,418.20</u>	[Total premium]
x	10%	[Employee Portion]
	\$141.82	[Estimated monthly employee insurance payment]

EXAMPLE: An employee who works an average of 36 hours per week chooses Kaiser Medical and Kaiser Dental coverage. The employee and their spouse are covered:

	\$1,132.83	[Kaiser Medical Premium]
-	\$1,162.19	[= \$1,291.32 x 90%; Employer Portion of PS Medical + VSP Premium]
+	\$15.12	[= \$151.18 x 10%; Employee Portion of Kaiser Dental Premium]
	<u>(-\$14.24)</u>	[In this case, the minimum would apply]
	\$56.64	[= \$1,132.83 x 5%; estimated monthly employee insurance payment]

EXAMPLE: An employee who works an average of 20 hours per week chooses Kaiser Medical coverage. The employee is only covering him/her self:

	\$566.42	[Kaiser Medical Premium]
-	\$323.62	[= \$647.23 x 50%; Employer Portion of PS Medical + VSP Premium]
	<u>\$242.80</u>	[Estimated monthly employee insurance payment]

EXAMPLE: An employee who works an average of 28 hours per week chooses PacificSource Medical and Kaiser Dental coverage. The employee and his/her spouse and children ("family") are covered:

	\$1,810.94	[PacificSource Medical + VSP Premium]
+	\$226.77	[Kaiser Dental Premium]
	<u>\$2,037.71</u>	[Total premium]
x	30%	[Employee Portion]
	\$611.31	[Estimated monthly employee insurance payment]

Visit lomeaonline.com for the tiered vs composite information pertaining to FULL-TIME EMPLOYEES, and some answers to common questions.

There will be discussion of this issue and a poll of the membership will be taken at the next

LOMEA/AFSCME General Membership Meeting

Thursday, August 2nd 2012

5:30 PM

at West Linn Round Table Pizza

19121 Willamette Drive (AKA Highway 43) West Linn OR 97068

Please email your questions to lomea@live.com

