

Date: September 29, 2009

Code: TECHNICAL LETTER
HR/Benefits 2009-11

To: Human Resources Directors
Benefits Representatives

From: Evelyn Nazario 
Assistant Vice Chancellor
Human Resources Management

Subject: CalPERS 2009 Self-Funded Health Plan Premium Offset

Overview

Audience: Human Resources Directors, Benefits Representatives, and/or campus designee(s) responsible for health benefits administration

Action Item: Information

Affected Employee Group(s)/Unit(s): Employees enrolled in a CalPERS Self-Funded Health Plan

Summary

CalPERS is authorizing the use of excess reserves in its Self-Funded Preferred Provider Organization (PPO) Health Plans (PERSCare, PERS Choice, and PERS Select) to offset employer and employee premium payments for a two month period in calendar year 2009. For the months of September and October, employee and employer deductions will be reduced to zero.

Campus designees responsible for health benefits administration should read this technical letter in its entirety.

On April 22, 2009, the California Public Employees' Retirement System (CalPERS) Board of Administration directed the use of excess reserves in its Self Funded Preferred Provider Organization (PPO) Health Plans (PERSCare, PERS Choice, and PERS Select) to offset employer and employee premium payments for a two month period in calendar year 2009. The passage of the State Budget provided CalPERS with the authority to implement the premium holiday. The CSU has confirmed with the State Controller's Office that the premium holiday is scheduled for the months of September and October. For employees enrolled in these three plans, both the employee and employer deductions will be reduced to zero on the two monthly pay warrants. No campus action is required other than to notify employees of the premium holiday.

Distribution:

Chancellor
Executive Vice Chancellor, CFO
Vice Chancellor, Human Resources
All Campus Vice Presidents

Associate Vice Presidents/Deans of Faculty
Budget Officers
Payroll Managers

CMS Baseline Information

For benefit deductions occurring in September and October, campuses reconciling benefits data using the payroll deduction audit report will notice that employees enrolled in PERSCare, PERS Choice or PERS Select will appear.

Questions regarding this memorandum may be directed to Human Resources Management at (562) 951-4411. This document is also available on the Human Resources Management Web site at:
<http://www.calstate.edu/HRAdm/memos.shtml>.

EN/pc