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Chief Benefits Officer

To: Retired Members of SCERS

Date: June 3, 2009

Subject: Retiree Health Subsidy

On May 22, 2009, the County of Sacramento sent correspondence to all SCERS retirees and beneficiaries alerting them that on June 12, 2009 the Sacramento County Board of Supervisors will be discussing recommendations by the County Executive regarding funding for the County retiree health insurance subsidy for the health care plan year beginning January 1, 2010. The letter advised retirees and beneficiaries that it is anticipated the County Executive will be recommending that the County retiree health insurance subsidy be reduced by 50% through the elimination of the dental subsidy and the reduction of other funding support. The following letter provides information on how interested parties can obtain further information about the proposed actions.

The County retiree health insurance subsidy is not administered or funded by SCERS, and SCERS has no control over the terms of the retiree health insurance subsidy program. The proposed changes to the retiree health insurance subsidy will not alter the retirement benefits provided to retirees and beneficiaries by SCERS, but a lower retiree health insurance subsidy could increase the amount that must be taken out of the monthly SCERS benefit payment for those retirees and beneficiaries who pay their health insurance premium via payroll deduction.

If retirees or beneficiaries have any questions about the County retiree health insurance subsidy program, they should contact the Sacramento County Employee Benefits Office at (916) 874-2020.



Internal Services Agency

Department of Personnel Services

David Devine, Director

Terry Schutten, County Executive

Mark Norris, Agency Administrator

County of Sacramento

May 22, 2009

NOTICE OF PUBLIC HEARING
RETIREE HEALTH INSURANCE BENEFITS AND SUBSIDY
June 9 and June 12, 2009

Dear County Retiree,

The Sacramento County Board of Supervisors will be considering retiree medical insurance issues and recommendations for the calendar year 2010 at their annual proposed budget meetings. It is anticipated that the County Executive will introduce the following recommendations at the June 9th meeting and **the discussion of this topic will take place on June 12th at the meeting which begins at 9:30 am:**

- Reduce the total cost of the County subsidy for retirees by 50% by eliminating the dental subsidy and reducing the health insurance subsidy by approximately 41.5% effective January 1, 2010.

If you are currently enrolled in one of the County-sponsored retiree medical plans, are currently deferring your retirement to a future date, or if you previously waived coverage under the County-sponsored plans, this action may be of interest to you.

The full detailed agenda and supporting documents for this item will be available 3 business days prior to the scheduled meeting date. These documents may be obtained online at the following web address: http://saccounty.granicus.com/viewpublisher.php?view_id=4. For individuals without access to the worldwide web, the agenda and supporting materials may be obtained in person from the Employee Benefits Office, 700 H Street, Room 6750, Sacramento, CA 95814, (916) 874-2020, starting on Friday, June 5, 2009.

The County has been in communication with the Sacramento County Retired Employees Association (SCREA) about these recommendations and their possible impact(s). If you would like to provide SCREA with your input or comments, please contact a SCREA representative:

Name	Phone	Name	Phone
Pat Adachi	(916) 966-0904	Dee McKenzie	(916) 966-1006
Mike DeBord	(530) 642-1234	Barbara Smith	(916) 684-5344
Ron Hines	(916) 728-2914	Nancy Wolford-Landers	(916) 457-3002

Sincerely,

David Devine, Director
Department of Personnel Services

IMPORTANT NOTICE:

Legal instruments under which the Sacramento County Retiree Medical and Dental Insurance Program for Plan Year 2010 is created provide that the plan does not create any contractual, regulatory, or other vested right or entitlement to either present or future retirees, their spouses, domestic partners, or dependents to any particular level of subsidization cost, or subsidization at all. Whether health plan offerings continue is vested within the sole discretion of the Sacramento County Board of Supervisors. Whether or not subsidization continues, and if so, the level of the subsidy, or whether or not a participating employer continues participation in the County Retiree Medical and Dental Insurance Program is vested within the sole discretion of each eligible, participating employer through agreement with the County of Sacramento.