

NDWA Staff Report – ACWA Retirement Health Plan  
Item 5B - October 6, 2024

**BACKGROUND**

The NDWA currently provides healthcare benefits to its two employees through the Association of CA Water Agencies (ACWA). Each employee can choose from multiple health plans provided by ACWA. Health insurance is also available to retirees if the contracting agency/ district has a Retirement Policy, but the insurance is only available to retirees if insurance is also available to employees. NDWA does not currently have a policy for retirees. If retirees are covered, the employer must contribute at least 50% of the retiree only monthly premium for the least cost plan for which the retiree is eligible.

**PROPOSAL**

NDWA Manager is requesting the Board of Directors to consider offering ACWA health benefits/insurance to retirees. The ACWA JPIA health benefits has base requirements for agencies/districts to comply with for Retirement Policies that require action by the Board:

- Employers are required to establish and maintain a Retiree Policy in its Employee Handbook.
- Employer must require a minimum of five years of service;
- Employer must contribute at least 25% of the retiree only premium for the least cost plan for which the retiree is eligible. (If the employer is on the Incentive rating system, the employer must contribute at least 50% of the retiree only monthly premium for the least cost plan for which the retiree is eligible).
- Having the employee reimburse for the employer share of the health insurance premium is prohibited.
- Employees must enroll in the plan they wish to retire in during the Open Enrollment period prior to retirement, unless the employer’s policy offers Open Enrollment annually to all retirees.
- Employer must provide a Surviving Spouse Policy.
- There can be no lapse in coverage between loss of Active coverage and the date retiree benefits begin.

**ACTION**

No action would be taken by the Board at the October 2, 2024 meeting. Instead, the Board can discuss the pros and cons of offering health insurance to retirees. To implement such a policy would additionally require the Board to pass a resolution and to amend the employee handbook. To allow the health insurance to be utilized by the current Manager upon her retirement, the Board would need to adopt this new policy at a Special Board meeting in mid-October. Offering health insurance to retirees may be an employee benefit that is of interest to candidates to replace the current Manager.