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MEMORANDUM

DATE: February 12, 2020

TO: All Employees Eligible for City Health Insurance

FROM: Sarah Eddy, Human Resources Manager

CC: Michael Cooke, Interim City Manager

SUBJECT: Pending Healthcare and Deferred Compensation in Lieu of Benefits Changes

The purpose of this memorandum is to notify all employees that the City has completed the 2019-2020 labor negotiation process with each of the employee groups. The pending changes include the following important items:

- 1) Effective July 1, 2020, the City will be changing its health benefits plan and offering the following options to employees:
 - PPO Plan (\$250/\$500 deductible with \$2,500/\$5,000 annual out-of-pocket maximum); or,
 - HDHP/HSA (\$1,350/\$2,700 deductible with \$3,000/\$6,000 annual out-of-pocket maximum).
- 2) Effective March 2020, the deferred compensation contribution in lieu of receiving City health benefits will be reduced to \$475 per month. (Note: This change is only applicable to employees who do not receive City health benefits.)

We know that you may have many questions regarding these pending changes, and how the new health benefit plan offerings will work. While open enrollment won't occur until June 1, 2020, the City will be holding informational meetings where employees can learn more about these changes and details related to the new health benefit plan offerings.

We will send out dates related to the informational meetings soon. We look forward to making the transition to the new health benefit plan offerings as smooth as possible