



**HUMAN RESOURCES COMMITTEE MEETING
LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS**

**Tuesday, September 10, 2024 ♦ 5:00 P.M.
1201 S. Washington Ave., Lansing, MI 48910**

Human Resources Committee: Tracy Thomas, Committee Chairperson; DeShon Leek, Beth Graham, Sandra Zerkle; Alternates: Tony Mullen, Dale Schrader; Non-Voting Members: J.R. Beauboeuf, Stuart Goodrich, Robert Worthy

BWL full meeting packets and public notices/agendas are located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

AGENDA

Call to Order

Roll Call

Public Comments on Agenda Items

- 1. Human Resources Committee Meeting Minutes of July 16, 2024..... **TAB 1**
- 2. 2025 PA 152 Healthcare Premium Sharing Update..... **TAB 2**
 - a. PA 152 Healthcare Premium Sharing Resolution **TAB 2a**

Other

Adjourn

**A quorum of the Board of Commissioners may be in attendance.*

HUMAN RESOURCES COMMITTEE
Meeting Minutes
July 16, 2024

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, July 16, 2024.

Human Resources (HR) Committee: Commissioner Tony Mullen, Committee Chairperson; Commissioners Semone James, DeShon Leek and Tracy Thomas; Alternates: Beth Graham, Sandra Zerkle; Non-Voting Members: Commissioners J. R. Beauboeuf, Brian Pillar and Robert Worthy.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:01 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Semone James, DeShon Leek, Tony Mullen, and Tracy Thomas; also present: Alternates: Beth Graham and Sandra Zerkle; Dale Schrader; Non-Voting Commissioners J. R. Beauboeuf (East Lansing) and Bob Worthy (Delta Township).
Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to approve the HR Committee meeting minutes of June 4, 2024.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Appointee Re-Appointment Next Steps

A brief discussion was held on the Appointee Re-Appointment next steps. Commissioner Mullen asked if board members had any questions or concerns regarding the employee contracts, he and Commissioner James had discussed with the three appointed employees, that were then emailed to the full Board by HR Ex. Dir. Michael Flowers. There were no questions or concerns shared. Commissioner Mullen presented a motion to forward the three agreements for reappointments to the July 23, 2024 Regular Board Meeting for approval.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Semone James to forward the agreements for the reappointments of the three Board of Commissioner appointees to the full Board for approval.

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Other

There was no other business.

Adjourn

Meeting adjourned at 5:05 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee



Public Employer Contributions to Medical Benefit Plans

Committee of the Whole Meeting

September, 2024

Agenda

- PA 152 of 2011, Employer Caps or 80/20 on Healthcare Cost
- Affordability Requirements of the Patient Protection & Affordability Care Act

2011 Public Act 152 - Publicly Funded Health Insurance Contribution Act

- Adopted by the Legislature and signed into law by the Governor as Act 152 of 2011.
- The Act caps the amount a public employer, including municipal utility systems, may pay for employee health care insurance.
- Required public employees to be responsible for a larger portion of their health care cost after September 1, 2012.

PA 152 Components

- The BWL has three options:
 - Comply with PA 152 and limit expenditures on health care cost based on a schedule of dollars provided in the Act using the Hard Cap as updated annually every April; or
 - Limit expenditures on health care cost based on a 80/20 percentage split, requiring a majority vote; or
 - Exempt itself entirely from the Act & choose some other percentage of Premium sharing, requiring a 2/3 vote.

Alternatives to PA 152

The Union contract states that effective November 1, 2012 premium sharing for applicable insurance premium for hospital, medical and surgical, and prescription drug insurance plans will be approved and directed by the Board of Commissioners as prescribed by Public Act 152 of 2011.

Blue Option

Benefit Plan	2025 Annual Rate	2025 PA 152 Hard Cap	Difference	Annual Employer Cost	Annual Employee Cost	Employee Per Pay Period Premium (24 pays)		
						Opt Out	20%	Hard Cap
	LBWL Illustrative Rates	As set annually by the State	Amount here represents how much over / under hard cap	@ 80%	@ 20%			
Single	\$14,903.30	\$7,718.26	(\$7,185.04)	\$11,922.64	\$2,980.66	\$186 per month	\$124.19	\$299.38
Employee + 1	\$33,532.77	\$16,141.28	(\$17,391.49)	\$26,826.22	\$6,706.55		\$279.44	\$724.65
Family	\$41,729.51	\$21,049.85	(\$20,679.66)	\$33,383.61	\$8,345.90		\$347.75	\$861.65

Green Option

Benefit Plan	2025 Annual Rate	2025 PA 152 Hard Cap	Difference	Annual Employer Cost	Annual Employee Cost	Employee Per Pay Period Premium		
						Opt Out	20%	Hard Cap
	LBWL Illustrative Rate	As set annually by the State	Amount here represents how much over / under hard cap	@ 80%	@ 20%			
Single	\$11,054.48	\$7,718.26	(\$3,336.22)	\$4,971.30	\$2,210.90	\$186 per month	\$92.12	\$139.01
Employee + 1	\$24,872.85	\$16,141.28	(\$8,731.57)	\$10,916.02	\$4,974.57		\$207.27	\$363.82
Family	\$30,952.76	\$21,049.85	(\$9,902.91)	\$13,584.32	\$6,190.55		\$257.94	\$412.62

PA 152 State Hard Cap Numbers for 2025 finalized and reflected in chart above.

As BWL employees now pay 20% premium sharing, opt out is no longer necessary.

Same as last year, BWL can now comply with PA 152 with a Majority vote of its Board.

Resolution included.

Opt out is shown per pay above, annually an individual who opts out receives \$186 per month or \$2,232 annually

Hard cap is showing as amount **over** or under hard cap if BWL accepts hard cap as is.

2011 Public Act 152 - Publicly Funded Health Insurance Contribution Act

- BWL no longer needs to opt out of Michigan's 2011 Public Act 152.
- Recommendation to pass the resolution to adopt 80%/20% employer/employee health care cost option as set forth in 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act. Resolution was passed in 2021 for 2022 to adopt 80%/20% cost share. Also passed in 2022 for 2023 and 2023 for 2024.
- Resolution must be passed by a majority vote in order to be considered valid for 2025 plan year prior to January 1, 2025.
- Resolution needs to be passed annually and certified by the Corporate Secretary prior to the upcoming benefit plan year.

Affordable Care Act

Affordability Provisions

- Affordability provision for 1/1/2025 in the Act stipulates Health Insurance premiums cannot exceed 8.5% up from 8.39% in 2024 of the employee's income. This chart on the next page shows the maximum safe Premium Sharing while still complying with the Affordable provision of the ACA.
- In 2025, entities must add Cash in Lieu/Opt Out Waiver pay in affordability calculations unless confirmation of other coverage is done. Under ACA guidelines, it is required that entities count dollars paid for waivers as a lost cost to employees. Therefore, the Cash in Lieu / Opt Out Waiver amount must be added to any premiums being paid by the employees to calculate affordability unless group requires documentation showing other plans enrolled in are not Marketplace plans.

ACA Affordability

AFFORDABILITY utilizing W-2 SAFE HARBOR-based on hours worked 30-40

-- Using the 1/1/25 BWL Single monthly health care rate of **\$370.24 for the Green Plan**

--Using the 2025 Affordability percentage of 8.5% of an individual's salary

Lowest Paying Positions	Hourly Salary Rate	Annual Salary	Monthly Salary	Monthly Premium Sharing allowed 8.5% (a)	Monthly Total Opt Out and Single Premium Share (b=c+d)	Maximum Opt out monthly (c)	Monthly Single Premium Sharing Green Plan @ 20% (d)
Water Production Helper	\$25.13	\$52,270	\$4,355.87	\$370.25	\$370.24	\$186.00	\$184.24
Construction Mechanic Ast	\$25.30	\$52,624	\$4,385.33	\$372.75	\$370.24	\$186.00	\$184.24
Laborer	\$26.07	\$54,226	\$4,518.80	\$384.10	\$370.24	\$186.00	\$184.24
IT Security System Admin	\$26.31	\$54,725	\$4,560.40	\$387.63	\$370.24	\$186.00	\$184.24

@ 40 Hours							
w/o Opt Out	\$12.51	\$26,011	\$2,167.55	\$184.24	\$184.24	\$0.00	\$184.24
w Opt Out	\$25.13	\$52,269	\$4,355.78	\$370.24	\$370.24	\$186.00	\$184.24

Minimum pay for a 40 hour worker to still be affordable is **\$25.13 (with Opt Out)**

@ 30 Hours							
w/o Opt Out	\$16.67	\$26,011	\$2,167.55	\$184.24	\$184.24	\$0.00	\$184.24
w Opt Out	\$33.51	\$52,269	\$4,355.78	\$370.24	\$370.24	\$186.00	\$184.24

Minimum pay for a 30 hour worker to still be affordable is **\$33.51 (with Opt Out)**

If a < b, then plan is not affordable. This plan passes affordability test.

Minimum hourly wage at 30 hours for affordability is \$.

Minimum hourly wage at 40 hours for affordability is \$.

Thank you

RESOLUTION 2024-XX-XX
PA 152 Health Care Premium Sharing

WHEREAS, Governor Rick Snyder, on September 27, 2011, signed legislation known as the “Public Funded Health Insurance Contribution Act”, Public Act 152 of 2011 (the “Act”) limiting the amount public employers may pay for government employee medical benefits, and;

WHEREAS, the Act took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

WHEREAS, the Act contains three options for complying with the requirements of the Act;

WHEREAS, the three options are as follows:

- 1) Section 3 - “Hard Caps” Option - limits a public employer’s total annual health care costs for employees based on coverage levels, as defined in the Act;
- 2) Section 4 - “80%/20%” Option - limits a public employer’s share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;
- 3) Section 8 - “Exemption” Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body;

WHEREAS, the Board of Commissioners desires to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2025 through December 31, 2025;

RESOLVE that the Board of Commissioners by a majority vote has decided to adopt the 80%/20% option as its choice of compliance under the Act;

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2025, through December 31, 2025.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the PA 152 Health Care Premium Sharing Resolution at a Board Meeting held on _____.

Roll Call Vote:

Yeas: Commissioners

Nays:

Action: Motion