Retiree Health Premium Supplement Program
Bargaining Units: 7, 8, F, L, N, O, P, Q, R, S, T, V, W and Y
(“RHPSP” or “Supplement”)
2017 Plan Year

Overview/Applicability

The RHPSP applies to represented employees under bargaining units: 7, 8, F, L, N, O, P, Q, R, S, T, V, W and Y.

Eligibility

Rules - General

In order to be eligible to receive the RHPSP (“Supplement”), you must:

- Choose retiree medical coverage with the County upon retirement, in most instances.
- Have worked for the County (not a special district) for at least 20 continuous ¹ "years of service"².
- Take active retirement from service (since separating from service and deferring your retirement to a later date will make you ineligible for the program).
- Be at least 50 years of age, but no greater than 64 years of age at retirement, and
- Have contributed to the program by payroll deduction during the qualified years of employment.

Notes:

- If you began work for the County at or after age 45, you will never be eligible for the Supplement because you will not accumulate 20 qualified years of service before reaching age 65.
- If you terminate employment, retire before age 50, retire after age 64, or otherwise do not qualify for Supplement benefits, you will not be reimbursed for any amount you may have paid into this program through payroll deduction.
- The Supplement benefit ends on the 1ˢᵗ of the month during which a retiree turns age 65.

Rules - Retirement for Work-related Disability:

If you are granted a service-connected disability retirement by the Kern County Employees' Retirement Association, you will qualify for the full benefit under this program if you:

- Have five years of qualified County service.
- Have applied for the disability retirement prior to separating from County service.
- Have contributed to the program by payroll deduction during the qualified years of employment, and
- Enroll in retiree medical coverage with the County upon retirement

Notes:

1. Continuous service means consecutive years worked for the County during which the employee was earning retirement credit. Years worked prior to a break in service will NOT be counted for this program unless the break in service either:
   - Is less than one year in length
   - Occurred after July 1, 1994
   In other words, a break in service over one year in length prior to July 1, 1994 will cause all time worked prior to the break to be ineligible time.

2. "Years of service" is calculated in accordance with the policies of the Kern County Employees' Retirement Association, except that the only years counted for this program are years of actual County benefited service (i.e., certain types of retirement service credit, such as prior public service, military time, Golden Handshake credit, County extra-help time, are NOT counted). Service begins at the date of entry into the retirement system, so "years of service" for this program will not exceed years of service for retirement credit.
Premium Amount

Listed below are the monthly premium contributions for medical plans available to retirees under age 65.

These rates are in effect beginning January 1, 2017, but it is assumed that these premiums will increase annually.

<table>
<thead>
<tr>
<th>2017 PLAN YEAR</th>
<th>SINGLE</th>
<th>TWO-PARTY</th>
<th>FAMILY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kern Legacy Health Plan Network Plus</td>
<td>$ 692.00</td>
<td>$ 1,335.00</td>
<td>$ 2,062.00</td>
</tr>
<tr>
<td>Kaiser Permanente HMO</td>
<td>$ 932.00</td>
<td>$ 1,863.00</td>
<td>$ 2,637.00</td>
</tr>
<tr>
<td>Health Net HMO</td>
<td>$ 1,068.24</td>
<td>$ 2,136.40</td>
<td>$ 2,578.78</td>
</tr>
<tr>
<td>Managed Care System EPO Plan</td>
<td>$ 794.00</td>
<td>$ 1,525.00</td>
<td>$ 2,428.00</td>
</tr>
<tr>
<td>Point-Of-Service (POS) Plan</td>
<td>$ 1,314.00</td>
<td>$ 2,412.00</td>
<td>$ 3,508.00</td>
</tr>
</tbody>
</table>

Benefit Amount

The Supplement benefit amount is calculated at the time of retirement and does not change after that, even though premiums may increase. The base amount of the Supplement is equal to the current medical premium for single coverage for active employees on the Point-Of-Service (POS) plan. The base amount is multiplied by a percentage between 50 and 100, depending on years of service. (See actual current amounts below.) If the monthly Supplement benefit plus the monthly Stipend benefit is greater than 100% of the monthly medical premium, in no event will the “excess” be refunded to the member.

For illustrative purposes, the following chart shows the current amount of the Supplement based on the number of years of service at retirement:

<table>
<thead>
<tr>
<th>For employees retiring January 1, 2017 thru December 31, 2017</th>
<th>Full Years of Service</th>
<th>Amount of Supplement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20</td>
<td>$ 458.56</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>$ 550.27</td>
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<tr>
<td></td>
<td>22</td>
<td>$ 641.98</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>$ 733.70</td>
</tr>
<tr>
<td></td>
<td>24</td>
<td>$ 825.41</td>
</tr>
<tr>
<td></td>
<td>25+</td>
<td>$ 917.12</td>
</tr>
</tbody>
</table>

The amount used as the basis for calculating the monthly Supplement benefit will be the County of Kern POS Plan single medical premium for active employees on the day an employee retires. Once the monthly Supplement benefit is calculated at the time of retirement, the benefit is fixed for that retiree. That amount will be available to the retiree monthly until age 65 or until medical plan coverage with the County ends. (Note: You can continue to receive the Stipend after age 65.)