



City Council Staff Report

Subject: Public Employees' Medical and Hospital Care Act Plan Change

Date: August 25, 2026

Submitted By: Meagan Bushey, Administrative Services Manager
Tameka Usher, Administrative Services Director

Department: Administrative Services - Human Resources

Recommendation:

Adopt a Resolution of the City Council of the City of Rocklin Fixing the Employer Contribution under the Public Employees' Medical and Hospital Care Act at an Equal Amount for Employees and Annuitants.

Background:

The City participates in the CalPERS medical program, which is governed under California Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (PEMHCA). Among other requirements, PEMHCA mandates equal employer contributions for active employees and retirees.

Staff has conducted extensive research on ways to improve medical benefits for active employees and to reduce financial exposure associated with retiree medical costs. On August 11, 2026, the City Council approved a Memorandum of Understanding (MOU) transitioning AFSCME Council 57, Local 146 AFL-CIO, representing Rocklin Public Services Employees Bargaining Unit, to the PEMHCA minimum. The City negotiated a second tier for retiree medical contributions for AFSCME Council 57, Local 146 AFL-CIO, representing Rocklin Public Services Employees Bargaining Unit, providing that the the new second tier applies to new hires effective July 1, 2026, and does not affect current employees or retirees. The City is transitioning the health contribution from the prior \$1,200 per month contribution to the PEMHCA minimum contribution. Transitioning to the PEMHCA minimum, currently \$162 per month and increasing to \$167 per month in the 2027 benefit year, gives the City the flexibility to increase the medical contribution (up to 100% of the Kaiser Employee + one premium for the calendar year 2026) into a cafeteria plan for active employees without affecting the contribution to retirees.

California Government Code Section 22892(a) requires that the City Council approve any change to the employer contribution amount through a resolution.

Fiscal Impact:

There is no direct fiscal impact from the staff recommendation. The estimated annual fiscal impact for AFSCME, approximately \$379,000, was addressed during the approval of the AFSCME MOU and is included in the Fiscal Year 2026/27 Operating Budget.

ATTACHMENTS:

[1. Resolution](#)