Thomas Jefferson
Planning District Commission
Regional Vision ▪ Collaborative Leadership ▪ Professional Service

March 6, 2025

TO: TJPDC Finance/Executive Committee

FROM: TJPDC Staff

RE: Employee Benefit Recommendations

Purpose: To consider and approve recommended changes to the TJPDC employee benefits.

Background: In the fall of 2024, staff proposed a Phase II for updating the Employee Handbook. Phase two consists of three parts: 1) review and approval of changes to the TJPDC benefit package 2) incorporate approved benefit changes into the FY26 revised budget and 3) incorporate approved benefit changes into the Employee Handbook for the Commission to approve.

Issue #1: Health Insurance Plans and Premiums Over the last few years, the TJPDC has found recruiting and retaining employees challenging. We have engaged Gallagher to perform a Classification and Compensation Study to provide current information on what the market and our comparable organizations are providing. While these results are not yet fully available, we have determined that we are slightly behind our comparator organization in our health insurance plan offering.

Health Insurance Plan - TJPDC participates in The Local Choice Health Benefits Program. The FY2026 renewal elections are due by April 1, 2025. This year's renewal involves a 12% increase in premiums in our current plan.

Groups with 15 to 99 employees may offer two plans. TJPDC has 16 eligible employees and recommends renewing the existing plan (Key Advantage 1000) and adding a second plan (Key Advantage 500).

The policy to contribute 100% of the Singe Rate for the KA1000 plan would stay the same. We recommend contributing 100% of the Single Rate for the KA500 plan. Employees electing either plan will pay the additional premium costs for dual or family premiums through pre-tax payroll deductions. All formulas for calculating premiums for grandfathered employees would remain the same.

Budgetary Impact of Base Rate Increase: The Total Employer Annualized Costs using FY25 rates and assuming the current level of enrollment for 12 months would be $152,982.00. Using the FY26 rates and assuming the same level of enrollment for 12 months, the Total Employer Annualized Costs for the KA1000 would be $171,420.00. An increase of $18,438 or 12.05%.

401 East Water Street ▪ Post Office Box 1505 ▪ Charlottesville, Virginia 22902-1505
Telephone (434) 979-7310 ▪ **Fax** (434) 979 1597 ▪ **Virginia Relay Users:** 711 (TDD) ▪ **email:** info@tjpdc.org ▪ **web:** www.tjpdc.org

These additional costs are primarily passed through to programs through increased employee fringe rates. Any staff time not billed as budgeted to programs means some additional costs may have an impact on the organizations indirect cost rate.

Budgetary Impact of Policy Change to add second KA500 plan: Using the FY26 rates and assuming the same level of enrollment for 12 months, the Total Employer Annualized Costs for the KA500 would be $179,754.00. An additional increase of $8,334 or 4.86% over the KA1000 plan.

Health Insurance Stipend - Should an employee elect to waive coverage and not participate in the Group Health Insurance plans, an employee could request a health insurance stipend to apply toward the cost of a single insurance plan secured through private insurance or the cost of being added to a spouse's insurance plan. The amount of the stipend would depend on the cost of the insurance, but in no circumstance would the value of the stipend - including the associated employee and employer payroll taxes - be greater than the rate the TJPDC contributes under the group insurance plan. Per IRS regulations, the stipend is considered taxable income and must be paid through payroll.

Budgetary Impact of Policy Change to add health insurance stipend – If the amount of a stipend including payroll taxes is less than the rate TJPDC contributes towards an employee's group health plan election, then the TJPDC Total Employer Annualized Costs would be reduced by that amount.

Issue #2: Gym Membership Premiums Over the last few years, the monthly membership rates have been increasing, however the amount the TJPDC contributes has not changed.

Gym Membership Plan – TJPDC participates in the ACAC Corporate Rate Program. Membership rates are covered 100% by the employee through after-tax payroll deductions. If an employee utilizes the facilities 8 or more times per month, TJPDC contributes a flat dollar amount ($34.50/month) toward the fees. This contribution is a taxable benefit and is run through payroll. As of March 1st, the single rate is $95.50/month.

Monthly membership rates have been increasing, however the amount the TJPDC contributes has not changed. Staff recommend revising the policy to allow the TJPDC contribution to increase when the rates increase, setting it to 50% of the single rate, instead of a flat dollar amount. All other policy provisions would stay the same.

Budgetary Impact of Policy Change: This policy change would result in a $47.75/month contribution. In FY24 employer contributions were made 27 times at a cost of $931.50. Assuming the same number of employer contributions in FY26, the costs would be $1,289.25; an increase of $357.75.

Attached to this memo are the Health Insurance Rates for FY26.

Recommendation: Staff recommend that the Finance/Executive Committee recommend to the full Commission approval of the proposed changes to the TJPDC benefits to become effective July 1, 2025. Once approved, staff will incorporate these changes into the revised FY26 annual budget and Employee Handbook to be presented at future Finance/Executive Committee meetings.

TLC Health Plan Elections	Key Advantage 1000*		Key Advantage 1000*		Key Advantage 500*	
*Eligibility: Full-time employees working > 30 hours / week only						
ER pays: 100% of Single Rate/mo ; EE pays remaining $ /mo						
Grandfathered Plans: ER pays 100% Single rate + 50% of remaining balance/mo	FY25 Rates		FY26 Renewal Rate		FY26 Renewal Rate	
Monthly Premiums						
Single Premiums	$ 738.00		$ 827.00		$ 867.00	
Dual Premiums	$ 1,365.00		$ 1,529.00		$ 1,605.00	
Family Premiums	$ 1,992.00		$ 2,231.00		$ 2,344.00	
Employer Share of Premium		% of Cost		% of Cost		% of Cost
Single Premiums	$ 738.00	100%	$ 827.00	100%	$ 867.00	100%
Dual Premiums	$ 738.00	54%	$ 827.00	54%	$ 867.00	54%
Family Premiums	$ 738.00	37%	$ 827.00	37%	$ 867.00	37%
Dual Premiums (Grandfathered)	$ 1,051.50	77%	$ 1,178.00	77%	$ 1,236.00	77%
Family Premiums (Grandfathered)	$ 1,365.00	69%	$ 1,529.00	69%	$ 1,605.50	68%
Employee Share of Premium						
Single Premiums	$ -	0%	$ -	0%	$ -	0%
Dual Premiums	$ 627.00	46%	$ 702.00	46%	$ 738.00	46%
Family Premiums	$ 1,254.00	63%	$ 1,404.00	63%	$ 1,477.00	63%
Dual Premiums (Grandfathered)	$ 313.50	23%	$ 351.00	23%	$ 369.00	23%
Family Premiums (Grandfathered)	$ 627.00	31%	$ 702.00	31%	$ 738.50	32%
Total EE Monthly Cost	$ 940.50		$ 1,053.00		$ 1,107.50	
Total ER Monthly Cost	$ 12,748.50		$ 14,285.00		$ 14,979.50	
Total Monthly Cost	**$ 13,689.00**		**$ 15,338.00**		**$ 16,087.00**	
Total Employer Annualized Cost	**$ 152,982.00**		**$ 171,420.00**		**$ 179,754.00**	
$ increase over Key1000 @ FY25 rates			**$ 18,438.00**			
% increase over Key1000 @ FY25 rates			**12.05%**			
$ increase over Key1000 @ FY26 rates					**$ 8,334.00**	
% increase over Key1000 @ FY26 rates					**4.86%**	