

Legacy Cost Committee

Other Post-Employment Benefits (Retiree Health Care-AKA OPEB)

Generally

1. Establish a qualified medical trust for funding of non-police & fire pay-as-you-go stipends (P&F currently have trusts created). This trust would be designated for retirement health system funding.
2. Ensure there is a system to require retirees to use health plans of current employers if available, and spouses to utilize benefits from their employer, if available. Require an annual statement from City-plan participants that they do not have those other plans/benefits available.
3. Phase out health insurance stipends for all non-police & fire retirees.
 - Effective 1/1/20 reduce the \$200 to \$150
 - Effective 1/1/21 reduce the \$150 to \$100
 - Effective 1/1/22 reduce the \$100 to \$50
 - Effective 1/1/23 stipends are eliminated

Active Employees

1. Eliminate the health insurance stipend for non-represented employees effective 7/1/19. This is the only group with new hires eligible for this benefit.
2. Work towards the elimination of the ability for retirees to purchase health insurance from the City.
3. For fire union members hired prior to 5/14/07 and retiring after 7/1/04, work to change the full funding of retiree health care from the trust fund or the pension fund if funds are not available in the trust.
 - Migrate this group to a defined contribution system.
 - Raise the eligibility for retiree health care to age 55 after 25 years of service.
 - Negotiate mandatory retiree premium sharing (10% or 20%).
 - Place a fixed contribution rate on these benefits

Retirees

1. Consider directing 401H retirees to purchase Medicare supplemental insurance in the marketplace while maintaining the subsidy program (\$500,000 per year).
2. Consider a buy-out program for 401H retirees.
3. Eliminate the Community Blue PPO plan from the offerings to employees. Find a lower cost plan for retirees to choose.