

M-E-M-O-R-A-N-D-U-M

TO: PTRC Board of Delegates
 FROM: Matt Reece, Assistant Director
 DATE: June 14, 2016
 RE: Request to adjust the retiree health plan.
 ITEM #: Handout

The Board of Delegates approved a schedule of benefits as a part of the merger process on May 31, 2011. This schedule of benefits included retiree health benefits. The intention of the retiree benefits was to supplement the expense of retiree coverage thereby allowing retirees to purchase coverage for themselves at the cost of group coverage. As PTRC has changes to self-funded health insurance plan, a change in the authorizing language of the retiree health provisions is recommended. The italic emphasized text below is the recommended addition.

Employees who have a service retirement with the LGERS are eligible to participate in the retiree portion of PTRC's health plan. *Retirees can continue their participation until becoming Medicare eligible. Only retirees and not dependent(s) or spouse are eligible for coverage.* Rates and corresponding PTRC paid contributions are set annually by the Board of Delegates. Employees who have 20 or more years of service (with NWP/PT-COGs and/or PTRC) and a service retirement that is not reduced by more than 15% are offered a monthly contribution according to the following schedule:

Previous years of service NW/PT-COGs and/or PTRC		Amount of service retirement reduction allowed due to early retirement		Monthly contribution to PTRC's retiree group health plan	Monthly Retiree Rates Non-Tobacco FY 2017*	Monthly Retiree Rates Tobacco Use FY 2017*
30	+	Not to exceed 15%	=	\$200.00	\$634.70	\$684.70
29	+		=	\$190.00	\$644.70	\$694.70
28	+		=	\$180.00	\$654.70	\$704.70
27	+		=	\$170.00	\$664.70	\$714.70
26	+		=	\$160.00	\$674.70	\$724.70
25	+		=	\$150.00	\$684.70	\$734.70
24	+		=	\$140.00	\$694.70	\$744.70
23	+		=	\$130.00	\$704.70	\$754.70
22	+		=	\$120.00	\$714.70	\$764.70
21	+		=	\$110.00	\$724.70	\$774.70
20	+		=	\$100.00	\$734.70	\$784.70
0-19		No contribution is made. Employee may participate.			\$834.70	\$884.70

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The contribution may not result in retirees paying less for coverage than the costs to cover an employee. (* Note: these rates are pending confirmation with our benefits consultants. The base rate, \$634.70, should be equivalent to our COBRA rate. The COBRA rate is being confirmed with the healthcare plan's underwriters at the time of this memo's composition.)

The Executive Director concurs and recommends the adoption of this change to the PTRC retiree health contribution.