



Program Description

The Arlington Retirement Board is an autonomous 5-person board which oversees the Town pension system under Massachusetts General Law, Chapter 32. Members of the Arlington Contributory Retirement System are active employees for the Town of Arlington, and the Arlington Housing Authority, who qualify for membership and retired employees who have fulfilled the requirements to be eligible to retire and have retired.

The Retirement Office is responsible for processing retirement and disability applications, a monthly retiree payroll, processing of refunds and transfers of annuity savings accounts, employee estimates of potential future benefits and the accounting for expenses, members' deductions and investment activities for the system as mandated by the Public Employees Retirement Administration Commission guidelines.

Non-Contributory Retirees are living retirees or survivors of retirees who had municipal employment that occurred prior to 1939, and are not members of the Arlington Contributory Retirement System. The Non-Contributory Retirees payroll and appropriation are under the jurisdiction of the Town of Arlington.

PROGRAM COSTS

	FY2013 Actual	FY2014 Budget	FY2015 Request	FY2015 Fin Com
Pensions				
Personnel Services				
Non Contributory	96,790	107,123	107,123	
Contributory	7,603,643	8,052,909	8,556,245	
Total	7,700,433	8,160,032	8,663,368	-

Performance / Workload Indicators

	FY2012 Actual	FY2013 Estimated	FY2014 Estimated	FY2015 Estimated
Pensions				
Contributory Enrollees				
Active Employees	699	682	769	750
Retired Employees	636	637	626	630
Non-Contributory Enrollees	5	5	5	5

Budget Statement

The contributory pension budget for FY2015 has been increased by \$503,336. The non-contributory pension budget is projected to remain level at \$107,123, with 5 remaining retirees.



Retirement Board

John J. Bilafer, Chairman
Richard Keshian
Kenneth Hughes
Kenneth Steele
Ruth Lewis, Ex Officio

Retirement Administrator

Richard Greco

Assistant Retirement Administrator

Maria Freitas



Program Description

The insurance budget comprises the cost of providing the following coverage:

- Health** insurance for town and school active and retired employees.
- Life** insurance is required to be provided to all employees in the amount of \$5,000 which is split 50% town funded and 50% employee funded.
- Medicare** costs are the federally required 1.45% of the salary of all employees hired after April 1986. Employees must also contribute 1.45% of their salary.
- Indemnity** insurance includes property insurance and automobile insurance coverage. Property insurance is provided for all of the town and school buildings and those that are rented are covered for general liability. Automobile insurance is required for all the town and school vehicles.
- Public Official Liability** insurance covers all public officials, who in the performance of their official duties, may be sued for those actions.
- Unemployment** insurance is paid for the actual employees who have been laid off from their positions. Unlike private employers, the town does not pay a premium. The Town hires an outside firm to closely monitor our claims and to appeal any irregularities.
- Workers' Compensation** covers the costs of employees injured as a result of their employment.
- The Flexible Benefit Plan** is a Section 125 plan which is provided to the employees for dependent care and health care costs not provided through health insurance coverage. Employees contribute tax free to this plan through payroll deductions. This budget pays for the administration of that plan.

Budget Statement

FY2015 will be the third full fiscal year that town employees will be part of the Commonwealth's Group Insurance Commission (GIC). The FY2015 GIC rates have an overall increase of 1%. Due to plan migration and modest rate increases, the group health budget request will increase by just 2.5% from FY2014 and the overall insurance budget will increase by 4.53%. Additionally the Town's opt-out program, whereby existing enrollees are given payment to incentivize them off the plan, has been very successful with an annual savings of over \$600,000.

FY 2015 Objectives

- Provide excellent customer service to employees and retirees in Group Health Commission health plans through information and education.
- Audit enrollment in all benefits plans to ensure Town is keeping costs in check.
- Further enhance the new First Point of Medical Contact Program for work-related injuries, saving time and costs in the medical treatment of our employees.
- Administer the Employee Health Mitigation Fund including successfully educating and supporting employees in the proper utilization of the Health Reimbursement Arrangement.
- Continue to offer opt out program for employees and retirees, which is now utilized by over 50 subscribers, thereby providing the Town significant savings.
- Explore options for reducing retiree health care costs.

PROGRAM COSTS

Insurance	FY2013 Actual	FY2014 Budget	FY2015 Request	FY2015 Fin Com
Group Life	45,850	55,000	55,000	
Group Health	12,421,856	13,118,565	13,331,208	
Unemployment Ins.	191,864	200,000	200,000	
Medicare	857,155	825,000	974,723	
Indemnity	183,476	250,000	250,000	
Liability	57,849	50,000	55,000	
Workers' Compensation	413,694	490,000	490,000	
Flexible Benefit Plan	53,326	50,800	50,800	
OPEB Offset	-	(300,000)	-	
Total	14,225,069	14,739,365	15,406,731	-



Program Description

The **Health Insurance** budget provides for the Town's portion of the cost for providing health insurance benefits to all town employees, retirees and surviving spouses. The Town is a member of the Commonwealth's Group Insurance Commission, and therefore Town employees are enrolled in the same health plans as all state employees. The Town pays differing contribution splits based upon plan selection and bargaining unit, as demonstrated below.*

Indemnity Plans (75% employer /25% employee):

- Unicare State Indemnity Plan Basic with CIC
- Unicare State Indemnity Plan Basic without CIC

HMO Plans (85/15% employees and retirees w/o Medicare):

- Fallon Community Health Plan Direct Care
- Fallon Community Health Plan Select Care
- Harvard Pilgrim Primary Choice Plan
- Health New England
- Neighborhood Health Plan
- Tufts Health Plan Spirit

PPO Plans (80/20% employees and retirees w/o Medicare)

- Harvard Pilgrim Independence Plan
- Tufts Health Plan Navigator
- Unicare State Indemnity Plan/Community Choice
- Unicare State Indemnity Plan/PLUS

Medicare Extension Plans:

- Fallon Senior Plan (85/15%)
- Harvard Pilgrim Medicare Enhance (75/25%)
- Health New England MedPlus (85/15%)
- Tufts Health Plan Medicare Complement (85/15%)
- Tufts Health Plan Medicare Preferred (85/15%)
- Unicare State Indemnity Plan/Medicare Ext. with CIC (75/25%)
- Unicare State Indemnity Plan/Medicare Ext. without CIC (75/25%)

Dental Plan:

- Delta Dental - Two levels of plan offerings – these plans are paid 100% by the employee.

*Employees hired after December 1, 2011 are required to pay 25% toward the cost of their plan. Surviving spouses pay 50%.

FY 2015 Objectives

- Continue to work collaboratively with employee unions and retirees in the administration of health plans, including a review of the structure and utilization of employee mitigation fund Health Reimbursement Account (HRA).
- Support scribes of the Group Insurance Commission health plans through information, education and customer service.
- Continually monitor enrollment to ensure Town is keeping costs in check.
- Continue to offer opt out program for employees and retirees, which is now utilized by over 50 subscribers, thereby providing the Town significant savings.
- Explore options for reducing retiree health care costs.

Budget Statement

FY2015 will be the third full fiscal year that town employees will be part of the Commonwealth's Group Insurance Commission (GIC). The FY2014 GIC rates have an overall increase of 1%. Due to plan migration and modest rate increases the group health budget request will increase by just over 2.5% in FY2014. Additionally the Town's opt-out program, whereby existing enrollees are given payment to incentivize them off the plan, has been very successful with an annual savings of over \$600,000.



Major Accomplishments for 2013

- Educated and assisted employees in accessing GIC health plan benefits and reimbursements for copayments covered under the HRA.
- Conducted comprehensive audit of basic and voluntary life insurance plans for all active and retired subscribers.
- Offered additional voluntary plans to employees for cancer and option life insurance giving employees the benefit of group purchase cost with no additional taxpayer cost.

Performance / Workload Indicators

	FY2012 Actual	FY2013 Actual	FY2014 Estimated	FY2015 Estimated
Health & Life Insurance				
Health Insurance Contracts Managed	1,853	1,857	1,873	1,900
Life Insurance Contracts Managed	999	987	992	990
Life Insurance Claims Processed	20	35	23	25



THIS PAGE INTENTIONALLY LEFT BLANK

