



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

Pensions	FY2014 Actual	FY2015 Budget	FY2016 Request	FY2016 Fin Com
Personnel Services				
Non Contributory	90,507	87,123	87,000	
Contributory	8,052,909	8,556,245	9,053,241	
Total	8,143,416	8,643,368	9,140,241	-

Performance / Workload Indicators

Pensions	FY2013 Actual	FY2014 Actual	FY2015 Estimated	FY2016 Estimated
Contributory Enrollees				
Active Employees	699	769	774	774
Retired Employees	636	626	609	615
Non-Contributory Enrollees	5	5	4	4

Budget Statement

The FY2016 Town Appropriation increased by \$ 527,501 or approximately 5.5% over FY2015. The Non Contributory Budget for FY2016 is \$87,000 a decrease of \$20,123 from FY2015 due to a death of a retiree.



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 \$10,000 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.

FY2016 Objectives

- Work with the employee unions and retiree leadership to successfully restructure Employee Health Mitigation Trust Fund to best offset GIC plan design changes and copay increases.
- 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.
- Explore options for reducing retiree health care costs.
- Investigate new options for administration of the flexible benefit and health reimbursement account programs.

Budget Statement

FY2016 will be the fourth full fiscal year that town employees will be part of the Commonwealth's Group Insurance Commission (GIC). The FY2016 GIC rates and our present enrollment in various plans and programs will result in an increase of 6.6% over 2015. Additionally the Town's opt-out program, whereby existing enrollees are given payment to incentivize them off the plan continues to be very successful with an annual savings of over \$750,000. In FY2016 the GIC will be implementing the first plan design changes in five years including changing two very popular Preferred Provider Organization plans into Point of Service plans requiring enrollees to select and coordinate care through their primary care physician. This change is in line with the GIC's patient centered care initiative. There are also increases in deductibles, hospital, drugs, and specialists copays.

PROGRAM COSTS

Insurance	FY2014 Actual	FY2015 Budget	FY2016 Request	FY2016 Fin Com
Group Life	51,744	55,000	63,633	
Group Health	12,496,877	13,331,208	14,222,978	
Unemployment Ins.	156,890	200,000	200,000	
Medicare	929,926	974,723	974,723	
Indemnity	235,692	250,000	250,000	
Liability	56,863	55,000	55,000	
Workers' Compensation	437,868	490,000	490,000	
Flexible Benefit Plan	46,084	50,800	103,248	
OPEB Offset	(300,000)			
Total	14,111,944	15,406,731	16,359,582	-

FY2016 Objectives (cont.)

- 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.
- Continue to offer opt out program for employees and retirees, which is now utilized by over 70 subscribers, thereby providing the Town significant savings.



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, 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/POS 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%.

FY2016 Objectives

- Work with employee unions and retiree leadership to successfully restructure Employee Health Mitigation Trust Fund to best offset GIC plan design changes and copay increases.
- Conduct regular stringent audits of payrolls and GIC bills to ensure appropriate funding.
- Explore new options for employee dental program.
- Support employees and retirees in understanding the new plan design changes from GIC.
- Continue to offer opt out program for employees and retirees, which is now utilized by 75 subscribers, thereby providing the Town with significant savings.

Budget Statement

In FY2016 the GIC will be implementing the first plan design changes in five years including changing two very popular Preferred Provider Organization plans into Point of Service plans requiring enrollees to select and coordinate care through their primary care physician. This change is in line with the GIC's patient centered care initiative. There are also increases in deductibles, hospital, drugs and specialist copays. The year over year cost increase for health insurance enrollment is 6.6%.



Major Accomplishments for 2014

- Educated and assisted employees in accessing GIC health plan benefits and reimbursements for copayments covered under the HRA. Developed and filmed informational online videos to assist enrollees in better understanding 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.
- Addressed the high loss ratio on our life insurance claims by restructuring the plan offering bringing stability to the program and an enhanced benefit to employees. A town-wide open enrollment was conducted in the spring of 2015.

Performance / Workload Indicators

	FY2013 Actual	FY2014 Actual	FY2015 Estimated	FY2016 Estimated
<i>Health & Life Insurance</i>				
Health Insurance Contracts Managed	1,857	1,934	1,969	1,999
Life Insurance Contracts Managed	987	987	977	1,000
Life Insurance Claims Processed	35	35	40	40



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