



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

	FY2015 Actual	FY2016 Budget	FY2017 Request	FY2017 Fin Com
Pensions				
Personnel Services				
Non Contributory	82,782	87,000	87,000	
Contributory	9,571,203	10,098,704	10,659,652	
Total	9,653,985	10,185,704	10,746,652	-

Performance / Workload Indicators

	FY2014 Actual	FY2015 Actual	FY2016 Estimated	FY2017 Estimated
Pensions				
Contributory Enrollees				
Active Employees	769	774	774	768
Retired Employees	626	609	610	605
Non-Contributory Enrollees	5	4	4	4

Budget Statement

The FY2017 Town Appropriation increased by \$560,968 or approximately 5.5% over FY2016. The Non Contributory Budget for FY2017 remained at \$87,000 with 4 Non Contributory Retirees.



Retirement Board

John J. Bilafer, Chairman
Richard Keshian
Kenneth Hughes
Kenneth Steele
Rich Viscay, 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.

FY2017 Objectives

- Work with new vendor to streamline and simplify use of the Town's Health Reimbursement Account.
- 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.

Budget Statement

FY2017 will be the fifth full fiscal year that town employees will be part of the Commonwealth's Group Insurance Commission (GIC). The FY2017 GIC rates and our present enrollment in various plans and programs will result in an increase of 4.3% over FY2016. 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 net savings of over \$750,000. The Town went out to bid for flexible spending account (FSA)/health reimbursement account (HRA) vendors in the fall of 2015 and was able to select a new vendor offering enhanced online and mobile tools to employees with a decrease in annual cost of almost \$20,000.

PROGRAM COSTS

Insurance	FY2015 Actual	FY2016 Budget	FY2017 Request	FY2017 Fin Com
Group Life	53,579	63,633	63,633	
Group Health	12,834,384	14,222,978	14,628,563	
Unemployment Ins.	105,336	200,000	200,000	
Medicare	1,000,714	974,723	1,100,000	
Indemnity	233,395	250,000	250,000	
Liability	55,379	55,000	55,000	
Workers' Compensation	472,299	490,000	540,000	
Flexible Benefit Plan	52,938	103,248	83,368	
OPEB Offset				
Total	14,808,024	16,359,582	16,920,564	-

FY2017 Objectives (cont.)

- Continue to offer opt out program for employees and retirees, which is now utilized by over 75 subscribers, thereby providing the Town significant savings.
- Explore options for reducing retiree health care costs.



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%.

FY2017 Objectives

- Work with new vendor to streamline and simplify use of the Town's Health Reimbursement Account and assist employees in taking advantage of HRA program.
- 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.
- Continue to offer opt out program for employees and retirees, which is now utilized by over 75 subscribers, thereby providing the Town significant savings.

Budget Statement

In FY2017 the GIC will be closing enrollment to the Harvard Pilgrim Independence Plan, citing poor cost containment on the part of Harvard Pilgrim. The Harvard Pilgrim Independence Plan went up 9% for FY2017 despite changing from a PPO to a POS plan with mandatory referrals in FY2016. The year over year cost increase for all health insurance is 4.3%.



Major Accomplishments for 2015

- Worked successfully with employee Unions to restructure the HRA to mitigate the impact of the GIC transition to a fiscal year based deductible.
- Educated and assisted employees in accessing GIC health plan benefits and reimbursements for copayments covered under the HRA. Utilized department developed and filmed informational online videos to assist enrollees in better understanding the HRA.
- Went out to bid for dental plan and maintained rate stability while offering enhanced benefits to enrollees including limited coverage toward orthodontics.
- Enjoyed rate stability in the second year of our three year contract for life insurance after restructuring the program, conducting an open enrollment and offering an enhanced benefit to our employees.

Performance / Workload Indicators

	FY2014 Actual	FY2015 Actual	FY2016 Estimated	FY2017 Estimated
<i>Health & Life Insurance</i>				
Health Insurance Contracts Managed	1,873	1,909	1,888	1,924
Life Insurance Contracts Managed	987	977	982	990
Life Insurance Claims Processed	40	40	28	20



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