



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	FY2016 Actual	FY2017 Budget	FY2018 Request	FY2018 Town Meeting
Personnel Services	-	-	-	-
Non Contributory	80,160	87,000	81,266	55,322
Contributory	10,098,704	10,659,672	11,268,184	11,268,183
Total	10,178,864	10,746,672	11,349,450	11,323,505

Performance / Workload Indicators

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

Budget Statement

The FY2018 Town total pension appropriation increased by \$576,883 over FY2017. The Non Contributory portion of the budget for FY2018 is at \$55,322 with three Non-Contributory Retirees, former employees or their surviving spouses who worked for the town before 1939 and who therefore never contributed to the Town retirement system but nevertheless receive retirement benefits.



Retirement Board

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

Budget Statement

FY2018 will be the sixth full fiscal year that Arlington has received its health insurance through the Commonwealth's Group Insurance Commission (GIC). Should the Town elect to leave the GIC, it must notify the State in writing by December 1, 2017 in order to leave the GIC on July 1, 2018. The Town and the Union and Retiree leadership have initiated the process to examine whether it makes sense for the Town to leave the GIC commencing in FY2019.

FY2018 Objectives

- Work with Union and Retiree leadership to make an informed decision about continuing a relationship with the Group Insurance Commission.
- Partner with FSA/HRA vendor to refine more user friendly claim forms.
- Work to continue increased use of the Health Reimbursement Account.
- 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 an opt out program for employees and retirees, which is now utilized by over 70 subscribers, thereby providing the Town significant savings.

PROGRAM COSTS				
Insurance	FY2016 Actual	FY2017 Budget	FY2018 Request	FY2018 Town Meeting
Group Life	71,423	63,633	63,633	63,633
Group Health	13,606,973	15,105,907	15,351,035	15,351,035
Unemployment Ins.	117,687	200,000	200,000	200,000
Medicare	1,053,815	1,100,000	1,155,000	1,155,000
Indemnity	273,058	270,625	297,443	297,443
Liability	54,986	55,000	55,000	55,000
Workers' Compensation	457,219	540,000	500,000	500,000
Flexible Benefit Plan	75,599	83,368	83,368	83,368
Medicare Penalty	15,970	18,000	18,000	18,000
Opt Out Program	234,762	245,995	221,996	221,996
Total	15,961,492	17,682,528	17,945,475	17,945,475



Major Accomplishments for 2016

- Successfully recruited and trained new Benefits Coordinator.
- Successfully transitioned the HRA program from a calendar to fiscal year basis.
- Successfully transitioned to a new HRA/FSA vendor and achieved significant savings to the Town for this administration of these programs.
- 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.
- In the fall of 2016, the Town engaged with a new vendor, located in Arlington, for its First Point of Medical Contact Program for work-related injuries, saving time and costs in the medical treatment of our employees.

	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Estimated
Health & Life Insurance				
Health Insurance Contracts Managed	1,873	1,909	1,888	1,923
Life Insurance Contracts Managed	987	977	992	991
Life Insurance Claims Processed	40	40	16	20



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%.

Budget Statement

In March 2017, the Group Insurance Commission (GIC) released its rates and due to the current plan enrollment of Arlington the result was an increase of less than 2% over the previous fiscal year. In order to create rate stability for FY2018 the GIC will, for the second time in two years, implement plan design changes further shifting costs to employees and retirees. Among the changes is the introduction of an annual prescription plan deductible as well as increases in general plan deductibles for individuals and families.

FY2018 Objectives

- Further refine and tighten audits of enrollment in all benefits plans to ensure Town is keeping costs in check. Conduct quarterly person to person audits of GIC enrollment and deductions.
- Further streamline administration of Affordable Care Act reporting requirements.
- Strategize and implement new ways to provide excellent customer service to employees and retirees in Group Health Commission health plans through information and education.

Major Accomplishments for 2016

- Educated and assisted employees in accessing GIC health plan benefits and reimbursements for copayments covered under the HRA resulting in a significant increase in utilization over prior years.
- Successfully met all reporting requirements under the Affordable Care Act within all deadlines.
- Successfully teamed with School HR staff on administration benefit plans and auditing practices ensuring fair and consistent treatment of employees.



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