



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	FY2018 Actual	FY2019 Budget	FY2020 Request	FY2020 Town Mtg.
Personnel Services	-	-	-	
Non-Contributory	13,970	18,018	18,467	18,468
Contributory	11,268,184	11,887,479	12,543,872	12,543,872
Total	11,282,154	11,905,497	12,562,339	12,562,340

Performance / Workload Indicators

Pensions	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY19 Estimated
Contributory Enrollees				
Active Employees	774	756	814	808
Retired Employees	610	601	603	603
Non-Contributory Enrollees	4	1	1	1

Budget Statement

The FY2020 Town total pension appropriation increased by \$656,842 over FY2019. The Non-Contributory portion of the budget for FY2020 is at \$18,467 with one Non-Contributory Retiree, a former employees or surviving spouse who worked for the town before 1939 and who therefore never contributed to the Town retirement system but nevertheless receives retirement benefits.



Retirement Board

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

Retirement Administrator

Richard Greco

Assistant Retirement Administrator



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

In March of 2019 the GIC approved rates that resulted in an aggregate rate increase of 3.3%. However, due to increased enrollment in our plans and the specific plans our employees and retirees are enrolled in, we are projecting an increase of about 4.7%. After four years of level funded life insurance rates, due to high loss ratios, there will be a significant increase in life insurance plans of 26%.

FY2020 Objectives

- Work with Union and Retiree Leadership to make an informed decision on the question of whether or not the Town continues to get health insurance through the Group Insurance Commission.
- Seek new ways to entice employees into the Town's life insurance programs in an effort to stabilize rates.
- Continue to enhance the new First Point of Medical Contact Program for work-related injuries, saving time and costs in the medical treatment of our employees.
- Review the structure of and continue to offer an opt out program for employees and retirees, which is now utilized by 70 subscribers, thereby providing the Town significant savings.

PROGRAM COSTS

Insurance	FY2018 Actual	FY2019 Budget	FY2020 Request	FY2020 Town Mtg.
Group Life	61,670	63,633	86,230	86,230
Group Health	14,197,649	15,020,788	15,859,137	15,859,137
Unemployment Ins.	67,600	200,000	200,000	150,000
Medicare Payroll Tax	1,191,761	1,364,821	1,358,923	1,358,923
Property Insurance	274,632	297,443	297,443	297,443
Officials Liability	56,506	55,000	55,000	55,000
Workers' Compensation	481,396	540,000	540,000	540,000
Flexible Benefit Plan	29,907	75,000	33,000	33,000
Medicare Penalty	13,454	18,000	18,000	18,000
Opt Out Program	235,403	215,996	217,996	217,996
Total	16,609,978	17,850,681	18,665,729	18,615,729



Major Accomplishments for 2018

- Successfully met all reporting requirements under the Affordable Care Act.
- Provided quick and detailed turnaround of requested insurance information for GASB and other reporting purposes.
- Have successfully put redundancies in place to ensure health insurance rolls are closely monitored and audited to protect against revenue loss.
- Went out to bid for dental options for our employees and retirees; successfully negotiated 0% rate increase on dental plans for calendar 2019.

Performance / Workload Indicators

Health & Life Insurance	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY19 Estimated
Health Insurance Contracts Managed	1,888	1,923	1,910	1,930
Life Insurance Contracts Managed	992	985	976	980
Life Insurance Claims Processed	16	36	27	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:
 - Harvard Pilgrim Medicare Enhance (75%/25%)
 - Health New England MedPlus (75%/25%)
 - Tufts Health Plan Medicare Complement (75%/25%)
 - 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

FY2020 will be the eighth full fiscal year that Arlington has received its health insurance through the Commonwealth's Group Insurance Commission (GIC). In June of 2020 the Town will be up for renewal with the GIC. This means that we will soon be requesting data from the GIC on the claims experience of the Town in order to solicit quotations from other health insurance carriers. We will be meeting with Union and Retiree Leadership in the summer of 2019 to weigh our options and make a determination on whether or not remaining in the GIC is the best decision for the Town.

FY2020 Objectives

- Strategize and implement new ways to provide excellent customer service to employees and retirees in Group Health Commission health plans through information and education.
- Continue to partner with Retiree and Union Leadership to keep abreast of changes, and make informed decisions about health care options.

Major Accomplishments for 2018

- Successfully teamed with the School Human Resources staff on the administration of benefit plans and auditing practices ensuring fair and consistent treatment of employees.
- The Department partnered with the School Human Resources team and Payroll Department to refine its data and streamline administration of Affordable Care Act reporting requirements.



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