



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

	FY2019 Actual	FY2020 Budget	FY2021 Request	FY2021 Town Mtg.
Pensions				
Personnel Services	-	-		
Non-Contributory	16,010	18,468	18,468	18,468
Contributory	11,887,479	12,543,872	13,246,911	13,246,911
Total	11,903,489	12,562,340	13,265,379	13,265,379

Performance / Workload Indicators

	FY2017 Actual	FY2018 Actual	FY19 Estimated	FY20 Estimated
Pensions				
Contributory Enrollees				
Active Employees	756	814	808	808
Retired Employees	601	603	603	603
Non-Contributory Enrollees	1	1	1	1

Budget Statement

The FY2021 Town total pension appropriation increased by \$703,039 over FY2020. The Non-Contributory portion of the budget for FY2021 is at \$18,468 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

Ida Cody, Ex Officio
Kenneth Hughes, Chair
Robert Jefferson
Richard Keshian
Kenneth Steele

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

Due to years of school enrollment increases and corresponding hires of school staff the number of those enrolled in our health plans has increased significantly. For FY2021 we are projecting a 5.7% increase in our Group Health request.

FY2021 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	FY2019 Actual	FY2020 Budget	FY2021 Request	FY2021 Town Mtg.
Group Life	76,211	86,230	90,542	90,542
Group Health	14,454,558	15,859,137	16,762,497	16,762,497
Unemployment Ins.	72,433	150,000	150,000	150,000
Medicare Payroll Tax	1,209,887	1,358,923	1,415,143	1,415,143
Property Insurance	283,544	297,443	297,443	297,443
Officials Liability	53,855	55,000	55,000	55,000
Workers' Compensation	536,418	540,000	540,000	540,000
Flexible Benefit Plan	38,643	33,000	38,880	38,880
Medicare Penalty	14,377	18,000	18,000	18,000
Opt Out Program	211,533	217,996	219,997	219,997
Total	16,951,458	18,615,729	19,587,502	19,587,502



Major Accomplishments for 2019

- Successfully navigated two IRS audits of the Town's Affordable Care filings and met all filing deadlines for the current year.
- Implemented redundancies to ensure health insurance rolls are closely monitored and audited to protect against revenue loss.

Performance / Workload Indicators

	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Estimated
Health & Life Insurance				
Health Insurance Contracts Managed	1,923	1,910	1,930	1,981
Life Insurance Contracts Managed	985	976	980	976
Life Insurance Claims Processed	36	27	20	28



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

FY2021 will be the ninth full fiscal year that Arlington has received its health insurance through the Commonwealth’s Group Insurance Commission (GIC). In June of 2022 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 2021 to weigh our options and make a determination on whether or not remaining in the GIC is the best decision for the Town.

FY2021 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 make informed decisions about health care options.

Major Accomplishments for 2019

- 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 further refine its data and streamline administration of Affordable Care Act reporting requirements.



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