



NON-DEPARTMENTAL

RETIREMENT • INSURANCE



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

	FY2021 Actual	FY2022 Actual	FY2023 Budget	FY2024 Request
Pensions				
Personnel Services	-	-	-	-
Non-Contributory	16,986	11,530	-	-
Contributory	13,246,911	14,041,972	14,846,687	15,676,279
Total	13,263,897	14,053,502	14,846,687	15,676,279

Performance / Workload Indicators

	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Estimated
Pensions				
Contributory Enrollees				
Active Employees	838	818	841	835
Retired Employees	598	620	616	617
Non-Contributory Enrollees	1	1	0	0

Budget Statement

The FY2024 Town total pension appropriation increased by \$829,592 over FY2023.



Retirement Board

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

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 town and school buildings and those 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.
- Employee Mitigation** is a benefit the Town included in the operating budget as part of the agreement to move to the Group Insurance Commission (GIC). This money is a protection for employees who experience high out-of-pocket claim costs.

Budget Statement

The Insurance Budget is relatively stable. As it does every five years, in early 2023 the GIC completed requests for proposals on their plans. Tufts Health Plan and Harvard Pilgrim have merged, impacting the majority of the GIC active employee and retiree health plans. Enrollment went up modestly from the previous fiscal year, due in large part to the large number of vacant benefit-eligible positions. Due to a very competitive labor market the Town has averaged between 30 and 50 vacancies in the past year.

FY2024 Objectives

- Utilize claims data to solicit alternative health insurance bids, work with Employee Union and Retiree Leadership to review alternatives to the GIC, and ensure we are getting the best care for the best price.
- Support employees and retirees in successful transition to new GIC plans.

PROGRAM COSTS

	FY2021 Actual	FY2022 Actual	FY2023 Budget	FY2024 Request
Insurance				
Group Life	85,962	89,897	99,823	99,823
Group Health	16,552,722	17,671,003	19,321,552	19,546,768
Unemployment Ins.	144,869	97,952	150,000	150,000
Medicare Payroll Tax	1,420,574	1,588,233	1,659,715	1,818,716
Property Insurance	344,788	300,497	375,900	394,695
Officials Liability	56,258	56,856	55,000	55,000
Workers' Compensation	536,662	548,825	580,000	580,000
Flexible Benefit Plan	34,886	34,981	38,880	38,880
Medicare Penalty	12,410	13,058	15,000	15,000
Employee Mitigation	-	-	50,000	50,000
Opt Out Program	215,306	200,864	205,996	213,996
Total	19,404,436	20,602,166	22,551,866	22,962,878



Major Accomplishments for 2022

- Successfully met all Affordable Care Act Filing deadlines. This is a highly technical and complex process that done incorrectly exposes the town to significant fines.
- Provided significant amounts of data to support the production of the town's Other Post- Employment Benefits (OPEB) report.



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 Total Choice

HMO Plans (85/15% employees and retirees w/o Medicare)
 Health New England
 Harvard Pilgrim Quality
 Mass General Brigham Health Plan Complete

PPO/POS Plans (80/20% employees and retirees w/o Medicare)
 Harvard Pilgrim Access America
 Harvard Pilgrim Explorer
 UniCare Community Choice
 UniCare Plus

Medicare Extension Plans
 Tufts Health Plan Medicare Preferred (85/15%)
 Harvard Pilgrim Medicare Enhance (75/25%)
 UniCare Medicare Extension (75/25%)
 Health New England Medicare Supplement Plus (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

FY2024 will be the 12th full fiscal year that Arlington has received its health insurance through the Commonwealth’s Group Insurance Commission (GIC). The Town’s HR Department not only serves as the primary contact point for health plan enrollment, administration, and general questions, it is charged with the responsibility of paying the GIC (about \$20 million annually) and accounts for all employer, employee, and retiree contributions. There are 15 GIC health plans offered for families and individuals, with contributions set at multiple levels depending on hire date

Budget Statement (cont).

and through multiple deduction cycles.

In the spring of 2023 the Town initiated the process of seeking claims data from the GIC to enable us to seek proposals from other health insurance carriers. Two years ago the Town had gone through a similar process but claims activity during the COVID-19 Pandemic was highly irregular and made forecasting future insurance rates especially challenging. Ultimately it was decided that staying within the GIC was the safest option. The Town continues to partner with Union and Retiree Leadership in weighing carrier options and determining whether or not remaining in the GIC is the best decision for the Town.

FY2024 Objectives

- Successfully communicate about and support employees and retirees in transition to new GIC plan offerings.
- Continue to strategize and implement new ways to provide excellent customer service to employees and retirees in Group Health Commission health plans through information and education.
- Partner with Retiree and Union Leadership to explore potential health care plan alternatives.
- Communicate and keep employees informed in new ways utilizing the latest technology along with traditional methods.

Major Accomplishments for 2022

- 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 reporting requirements under the Affordable Care Act continue. A failure to accurately produce employee statements and submit corresponding data to the Federal Government would subject the town to significant fines. Managing and producing the data is labor intensive and complex. For the 11th year the Department partnered with the School Human Resources team to successfully meet our Affordable Care Act reporting requirements
- Distributed \$86K in funds to enrollees of active health plans for high out-of-pocket costs and copays. Since the inception of the Health Reimbursement Account in 2012 the department has facilitated the distribution of over \$900K.



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