



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

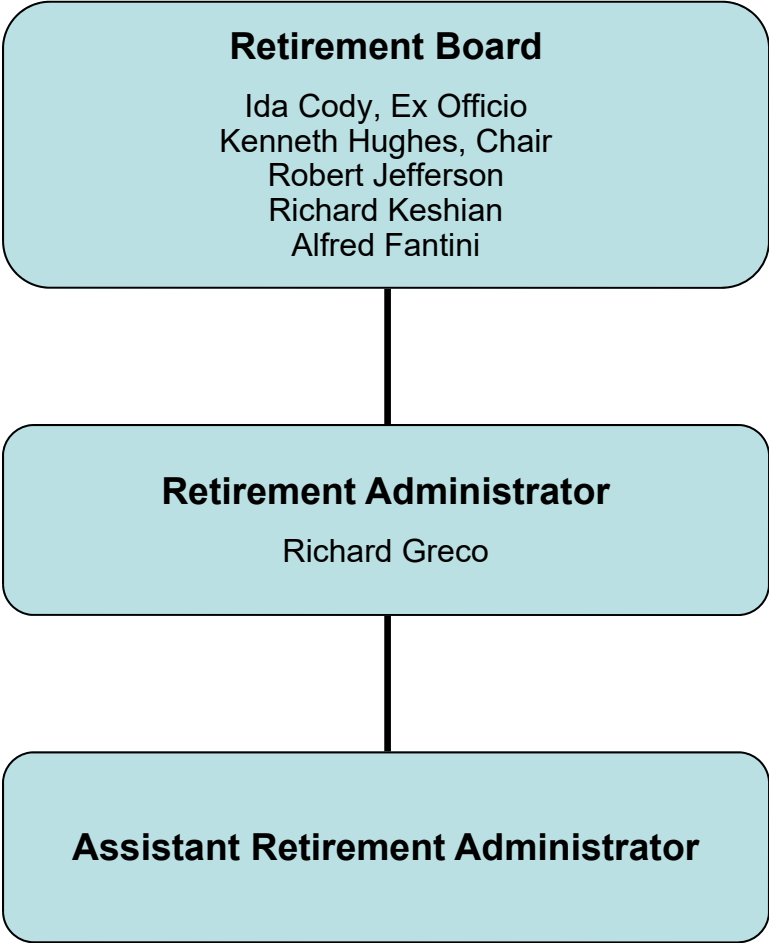
	FY2022 Actual	FY2023 Actual	FY2024 Budget	FY2025 Request
Pensions				
Personnel Services	-	-	-	
Non-Contributory	11,530	-	-	
Contributory	14,041,972	14,846,687	15,676,279	16,555,650
Total	14,053,502	14,846,687	15,676,279	16,555,650

Performance / Workload Indicators

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Estimated
Pensions				
Contributory Enrollees				
Active Employees	818	841	854	856
Retired Employees	620	616	610	607
Non-Contributory Enrollees	1	0	0	0

Budget Statement

The FY2025 Town total pension appropriation increased by \$879,371 over FY2024.





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.

Program Description (cont.)

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

FY2025 will be a year of greater health insurance cost increases than in the past five years. Costs for active employee plans went up the range of 10% while Medicare Supplement Plans increased closer to an average of 4%. Due to continued challenges in hiring personnel for both Town and School positions enrollment in the Town's health insurance plans remained flat from the previous fiscal year.



FY2025 Objectives

- Augment employee communications regarding Insurance and other benefits through Town and School digital monthly newsletters.
- Successfully implement shortened waiting period for new employee enrollment of GIC health insurance plans, modify other benefit waiting periods for consistency.

Major Accomplishments for 2023

- 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.
- The Town, Union and Retiree Leadership conducted its every other year solicitation of bids for alternative health insurance plans ensuring employees and retirees are getting the best care for the best price.

PROGRAM COSTS

	FY2022 Actual	FY2023 Actual	FY2024 Budget	FY2025 Request
Insurance				
Group Life	89,897	92,872	99,823	99,823
Group Health	17,671,003	18,397,619	19,546,768	20,905,086
Unemployment Ins.	97,952	66,100	150,000	150,000
Medicare Payroll Tax	1,588,233	1,576,152	1,818,716	1,975,489
Property Insurance	300,497	369,912	394,695	413,238
Officials Liability	56,856	57,713	55,000	65,100
Workers' Compensation	548,825	532,091	580,000	580,000
Flexible Benefit Plan	34,981	49,297	38,880	52,000
Medicare Penalty	13,058	13,569	15,000	15,000
Employee Mitigation	-	50,000	50,000	75,000
Opt Out Program	200,864	219,805	213,996	207,996
Total	20,602,166	21,425,131	22,962,878	24,538,732



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)

Wellpoint 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
 Wellpoint Community Choice
 Wellpoint Plus

Medicare Extension Plans

Tufts Health Plan Medicare Preferred (85/15%)
 Harvard Pilgrim Medicare Enhance (75/25%)
 Wellpoint 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

FY2025 will be the 13th 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

Budget Statement (cont).

(over \$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 and through multiple deduction cycles. Due to increased costs from providers and hospitals, costs in the upcoming year will rise more than average.

FY2025 Objectives

- 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 2023

- Identified over \$150,000 in health insurance costs savings offset by fee-based program.
- Successfully teamed with the School Human Resources staff on the administration of benefit plans and auditing practices ensuring fair and consistent treatment of employees.
- Successfully communicated with and transitioned employees and retirees to new GIC Plan offerings.
- Successfully navigated and submitted the Town's Affordable Care Act filing. Failure to accurately produce employee statements and submit corresponding data to the Federal Government expose the town to significant fines. Managing and producing the data is labor intensive and complex. For the 12th year the Department partnered with the School Human Resources team to successfully meet our Affordable Care Act reporting requirements.
- Distributed \$100K 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 \$1 million.



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