

RETIREE HEALTH INSURANCE

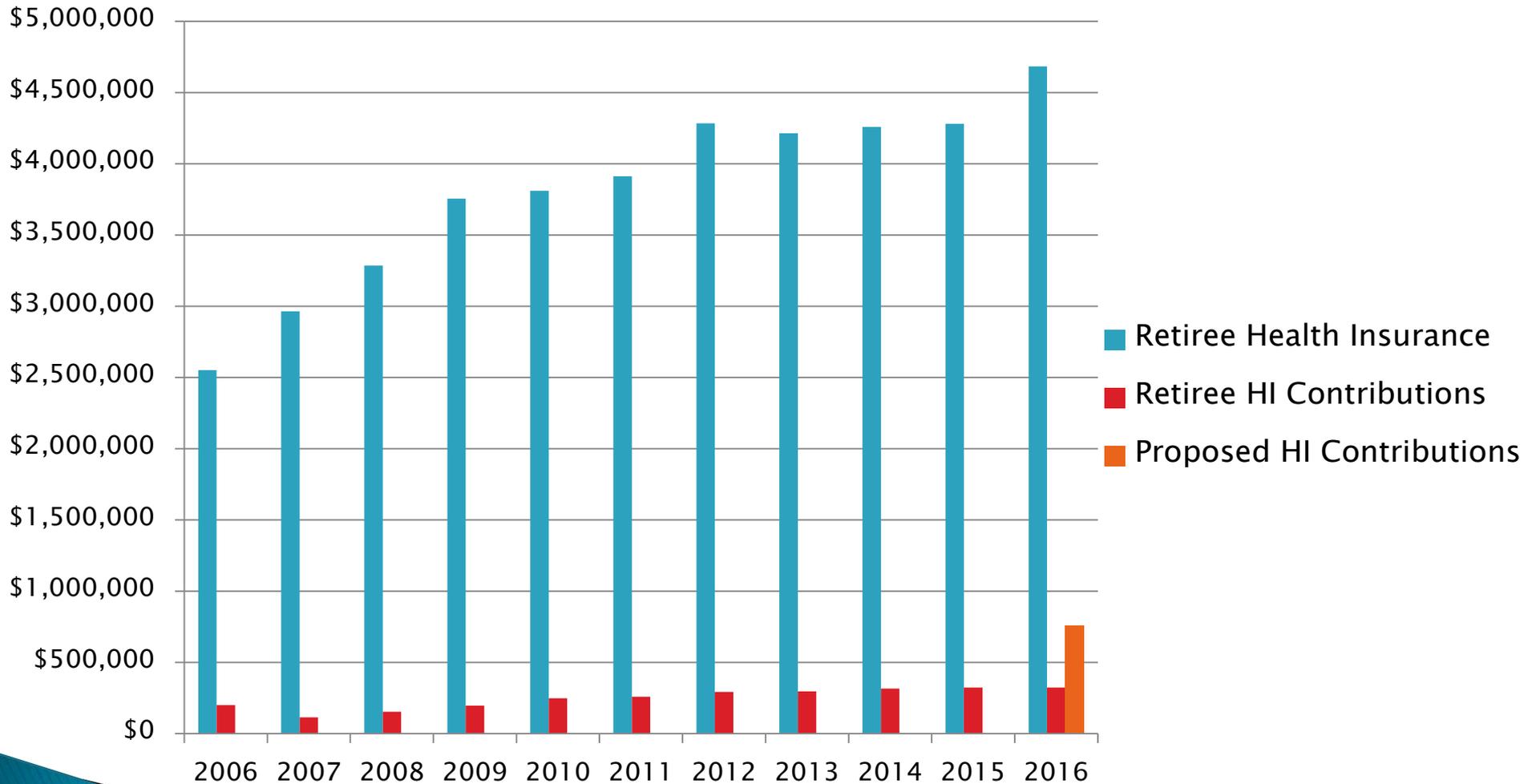
PRESENTATION TO PERSONNEL COMMITTEE
10/14/15

OPENING REMARKS

Cost of Retiree Health Insurance 2007–2016

Year	Gross RHI insurance costs	Cost to taxpayers	Taxpayer Cost %
2007	\$ 2,704,881	\$ 2,444,880	90%
2008	\$ 2,944,414	\$ 2,651,617	90%
2009	\$ 3,054,786	\$ 2,729,024	89%
2010	\$ 3,318,315	\$ 2,917,861	88%
2011	\$ 3,738,796	\$ 3,344,359	89%
2012	\$ 3,724,055	\$ 3,317,724	89%
2013	\$ 3,808,663	\$ 3,556,802	93%
2014	\$ 4,020,154	\$ 3,731,831	93%
2015 (projected)	\$ 4,279,264	\$ 3,956,793	92%
2016 (proposed)	\$ 4,683,733	\$ 3,925,132	84%

RETIREE HEALTH INSURANCE BUDGET 2007-2016



NYSHIP ANNUAL PREMIUM

PLAN	2007	2016 (PROJECTED)	% INCREASE
INDIVIDUAL	\$ 6,778.08	\$10,419.00	54%
FAMILY	\$14,376.84	\$23,420.40	63%
INDIVIDUAL – MEDIPRIME	\$ 3,998.16	\$ 5,523.72	38%
FAMILY – MEDIPRIME (1)	\$11,597.28	\$18,525.24	60%
FAMILY – MEDIPRIME (2)	\$ 8,817.72	\$13,629.84	55%

PROPOSED CONTRIBUTION 2016

ANNUAL PENSION INCOME	RETIREE PREMIUM CONTRIBUTION RATE	Number of Retirees Affected
\$ 0 – \$ 19,999	10%	116
\$ 20,000 – \$ 29,999	15%	62
\$ 30,000 – \$ 39,999	20%	64
\$ 40,000 – \$ 59,999	25%	49
\$ 60,000 AND OVER	30%	25

CONTRIBUTION RATES FOR PBA OFFICERS COVERED BY ARBITRATION AWARD (10%) & DEPENDENT SURVIVORS (50%) REMAIN THE SAME.

2016 PROPOSED PAYMENT INDIVIDUAL MEDICARE RETIREE 146 OF 376 (39%)

PROJECTED ANNUAL PREMIUM	PROJECTED MEDICARE PART B PREMIUM REIMBURSEMENT PAID BY COUNTY TO RETIREE	TOTAL GROSS COST TO COUNTY TAXPAYERS	ANNUAL RETIREE PREMIUM CONTRIBUTION	NET COST TO TAXPAYERS	CASH TO (FROM) RETIREE	ACTUAL ANNUAL PREMIUM INCREASE TO RETIREE FROM CURRENT TO PROPOSED PLAN	PROPOSED RETIREE CONTRIBUTION PERCENTAGE (#of retirees)
(A)	(B)	(A+B)	(C)	(A+B-C)	(B-C)		
<u>CURRENT</u>							
\$5,523.72	\$1,258.80	\$6,782.52	\$ 276.19	\$6,509.33	\$ 982.61		
<u>PROPOSED</u>							
\$5,523.72	\$1,258.80	\$6,782.52	\$ 552.37	\$6,230.15	\$ 706.43	\$ 276.18	10% (68)
\$5,523.72	\$1,258.80	\$6,782.52	\$ 828.56	\$5,953.96	\$ 430.24	\$ 552.37	15% (27)
\$5,523.72	\$1,258.80	\$6,782.52	\$1,104.75	\$5,677.77	\$ 154.05	\$ 828.56	20% (22)
\$5,523.72	\$1,258.80	\$6,782.52	\$1,380.93	\$5,401.59	\$(122.13)	\$1,104.74	25% (22)
\$5,523.72	\$1,258.80	\$6,782.52	\$1,657.11	\$5,125.41	\$(398.31)	\$1,380.92	30% (7)

2016 PROPOSED PAYMENT FAMILY MEDICARE (2) RETIREE 104 OF 376 (28%)

PROJECTED ANNUAL PREMIUM	PROJECTED MEDICARE PART B PREMIUM REIMBURSEMENT PAID BY COUNTY TO RETIREE	TOTAL GROSS COST TO COUNTY TAXPAYERS	ANNUAL RETIREE PREMIUM CONTRIBUTION	NET COST TO TAXPAYERS	CASH TO (FROM) RETIREE	ACTUAL ANNUAL PREMIUM INCREASE TO RETIREE FROM CURRENT TO PROPOSED PLAN	PROPOSED RETIREE CONTRIBUTION PERCENTAGE (#of retirees)
(A)	(B)	(A+B)	(C)	(A+B-C)	(B-C)		
CURRENT							
\$13,629.84	\$2,517.60	\$16,147.44	\$ 681.49	\$15,465.95	\$ 1,836.11		
PROPOSED							
\$13,629.84	\$2,517.60	\$16,147.44	\$1,362.98	\$14,784.46	\$ 1,154.62	\$ 681.49	10% (42)
\$13,629.84	\$2,517.60	\$16,147.44	\$2,044.48	\$14,102.96	\$ 473.12	\$1,362.99	15% (19)
\$13,629.84	\$2,517.60	\$16,147.44	\$2,725.97	\$13,421.47	\$ (208.37)	\$2,044.48	20% (29)
\$13,629.84	\$2,517.60	\$16,147.44	\$3,407.46	\$12,739.98	\$ (889.86)	\$2,725.97	25% (12)
\$13,629.84	\$2,517.60	\$16,147.44	\$4,088.95	\$12,058.49	\$(1,571.35)	\$3,407.46	30% (2)

2016 PROPOSED PAYMENT FAMILY MEDICARE (1) RETIREE 21 OF 376 (6%)

PROJECTED ANNUAL PREMIUM	PROJECTED MEDICARE PART B PREMIUM REIMBURSEMENT PAID BY COUNTY TO RETIREE	TOTAL GROSS COST TO COUNTY TAXPAYERS	ANNUAL RETIREE PREMIUM CONTRIBUTION	NET COST TO TAXPAYERS	CASH TO (FROM) RETIREE	ACTUAL ANNUAL PREMIUM INCREASE TO RETIREE FROM CURRENT TO PROPOSED PLAN	PROPOSED RETIREE CONTRIBUTION PERCENTAGE (#of retirees)
(A)	(B)	(A+B)	(C)	(A+B-C)	(B-C)		
<u>CURRENT</u>							
\$18,525.24	\$1,258.80	\$19,784.04	\$ 926.26	\$18,857.78	\$ 331.84		
<u>PROPOSED</u>							
\$18,525.24	\$1,258.80	\$19,784.04	\$1,852.52	\$17,931.52	\$ (593.72)	\$ 926.26	10% (4)
\$18,525.24	\$1,258.80	\$19,784.04	\$2,778.79	\$17,005.25	\$(1,519.99)	\$1,852.53	15% (4)
\$18,525.24	\$1,258.80	\$19,784.04	\$3,705.05	\$16,078.99	\$(2,446.25)	\$2,778.79	20% (4)
\$18,525.24	\$1,258.80	\$19,784.04	\$4,631.31	\$15,152.73	\$(3,372.51)	\$3,705.05	25% (4)
\$18,525.24	\$1,258.80	\$19,784.04	\$5,557.57	\$14,226.47	\$(4,298.77)	\$4,631.31	30% (5)

2016 PROPOSED PAYMENT INDIVIDUAL RETIREE 14 OF 376 (4%)

PROJECTED ANNUAL PREMIUM – GROSS COST TO TAXPAYERS	ANNUAL RETIREE PREMIUM CONTRIBUTION	NET COST TO TAXPAYERS	ACTUAL ANNUAL PREMIUM INCREASE TO RETIREE FROM CURRENT TO PROPOSED PLAN	PROPOSED RETIREE CONTRIBUTION PERCENTAGE (#of retirees)
<u>CURRENT</u>				
\$10,419.00	\$ 520.95	\$9,898.05		
<u>PROPOSED</u>				
\$10,419.00	\$1,041.90	\$9,377.10	\$ 520.95	10% (2)
\$10,419.00	\$1,562.85	\$8,856.15	\$1,041.90	15% (6)
\$10,419.00	\$2,083.80	\$8,335.20	\$1,562.85	20% (3)
\$10,419.00	\$2,604.75	\$7,814.25	\$2,083.80	25% (3)
\$10,419.00	\$3,125.70	\$7,293.30	\$2,604.75	30% (0)

2016 PROPOSED PAYMENT FAMILY RETIREE

28 OF 376 (7%)

PROPROJECTED ANNUAL PREMIUM – GROSS COST TO TAXPAYERS	ANNUAL RETIREE PREMIUM CONTRIBUTION	NET COST TO TAXPAYERS	ACTUAL ANNUAL PREMIUM INCREASE TO RETIREE FROM CURRENT TO PROPOSED PLAN	PROPOSED RETIREE CONTRIBUTION PERCENTAGE (#of retirees)
<u>CURRENT</u>				
\$23,420.40	\$1,171.02	\$22,249.38		
<u>PROPOSED</u>				
\$23,420.40	\$2,342.04	\$21,078.36	\$1,171.02	10% (0)
\$23,420.40	\$3,513.06	\$19,907.34	\$2,342.04	15% (2)
\$23,420.40	\$4,684.08	\$18,736.32	\$3,513.06	20% (8)
\$23,420.40	\$5,855.10	\$17,565.30	\$4,684.08	25% (8)
\$23,420.40	\$7,026.12	\$16,394.28	\$5,855.10	30% (10)

2016 PROPOSED PAYMENT INDIVIDUAL MEDICARE RETIREE 146 OF 372 (39%)

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\$5,523.72	\$1,258.80	\$6,782.52	\$1,380.93	\$5,401.59	\$(122.13)	\$1,104.74	25% (22)
\$5,523.72	\$1,258.80	\$6,782.52	\$1,657.11	\$5,125.41	\$(398.31)	\$1,380.92	30% (7)

RETIREES COVERED BY DSPBA CONTRACT & DEP SURVIVIORS 60 OF 376 (16%)

- ▶ EMPLOYEES COVERED BY DSPBA ARBITRATION AWARD & POLICE CAPTAINS (10%)
- ▶ DEPENDENT SURVIVORS AFTER 1 / 1 / 05 (50%)

THESE PEOPLE WILL REMAIN UNAFFECTED BY THIS PROPOSAL. THEIR CONTRIBUTION PERCENTAGES REMAIN THE SAME.

20 YEAR – PAY AS YOU GO– PROJECTION ARMORY ASSOCIATES (ACTUARY)

Fiscal Year Ending	Total	Fiscal Year Ending	Total
2017	\$ 4,555,191	2026	\$ 8,265,233
2018	\$ 4,889,398	2027	\$ 8,673,495
2019	\$ 5,230,928	2028	\$ 9,054,285
2020	\$ 5,613,017	2029	\$ 9,508,688
2021	\$ 6,058,461	2030	\$ 9,988,772
2022	\$ 6,503,384	2031	\$10,501,564
2023	\$ 6,942,030	2032	\$11,143,955
2024	\$ 7,382,653	2033	\$11,990,663
2025	\$ 7,805,154		

FUTURE MEDICARE PART B

INCOME LIMITS, MEDICARE PART B PREMIUMS FOR 2016

SINGLE	MARRIED	2015	2016 (Held Harmless)	2016 (Not Held Harmless)
\$85,000 or less	\$170,000 or less	\$104.90	\$104.90	\$159.30
\$85,001 to \$107,000	\$170,001 to \$214,000	\$146.90	0	\$223.00
\$107,001 to \$160,000	\$214,001 to \$320,000	\$209.80	0	\$318.60
\$160,001 to \$214,000	\$320,001 to \$428,000	\$272.70	0	\$414.20
Above \$214,000	Above \$428,000	\$335.70	0	\$509.80

NOTE: Premiums are based on your modified adjusted gross income as reported on your IRS tax return from two years ago, or 2014 for 2016 premiums.

SOURCE: Medicare.gov and Center for Retirement Research at Boston College.

SUMMARY

- ▶ The Cost of Retiree Health Insurance has gone from \$4.3 million in 2015 to \$4.7 million in 2016 – an increase of 9.3%.
 - ▶ The increased contributions from Retirees to offset this cost (from \$357,000 to \$759,000) is an increase of \$402,000 which still only represents 16% of the total cost.
 - ▶ We believe that modest increases based on pension income, is a firm but fair way to confront escalating costs without further overburdening the real property taxpayer.
 - ▶ Future unaddressed growth in Retiree Health Insurance Costs is UNSUSTAINABLE. For example, the entire 2016 tax cap is \$432,000!
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