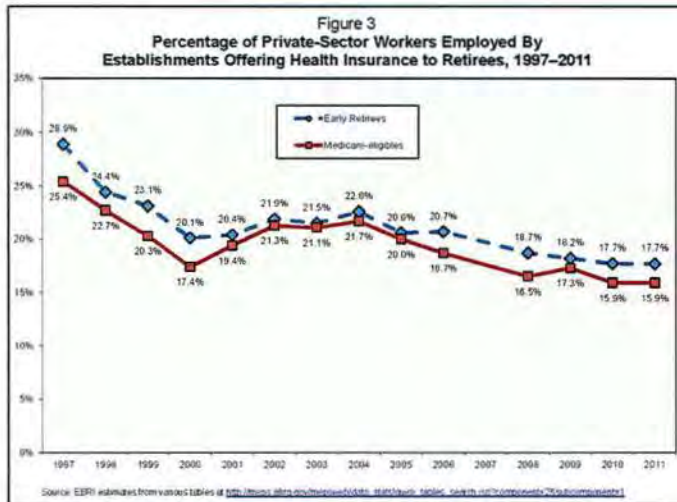


Comparison of District Post-Retirement Medical Benefits with other Public Agencies



October 29, 2014



Trends in Retiree Health Benefits:

Private Sector: Less than 18% of employers now provide retiree health benefits and trending downward.

Public Sector: More than 60% of agencies offer retiree health care but also trending downward in recent years.



Overview of District Retiree Health Benefits

- District offers retiree health, dental, and vision benefits to Service and Disability retirees.
- For retirees who were represented the premiums are deducted from their pension checks and the medical trust partially reimburses the retirees at the applicable Early Retiree or Medicare rate.
- Reimbursement rates are ultimately established by the Trustees but the union and District can recommend a rate in their CBA.
- For unrepresented employees the District directly pays a portion of the premium and the balance, if any, is deducted from their pension checks.



Overview of AC Transit Retiree Health Benefits - Kaiser

Unit	Status	District Pays	Trust Pays	Retiree Pays	Dependent Coverage
ATU	Early Retiree		\$635.00	\$420.86	Retiree pays
	Medicare		\$335.00	\$42.48	Retiree pays
IBEW	Early Retiree		\$635.00	\$395.86	Retiree pays
	Medicare		\$335.00	\$42.48	Retiree pays
AFSCME	Early Retiree		\$601.00	\$429.86	Retiree pays
	Medicare		\$282.00	\$95.48	Retiree pays
Unrep	Early Retiree	\$515.43 - \$1,030.86		\$0 - \$515.43	Retiree pays \$100.00
	Medicare	\$188.74 - \$377.48		\$0 - \$188.74	Retiree pays \$100.00



Overview of AC Transit Retiree Health Benefits – Health Net

Unit	Status	District Pays	Trust Pays	Retiree Pays	Dependent Coverage
ATU	Early Retiree		\$635.00	\$639.62	Retiree pays
	Medicare Part B		\$335.00	\$212.37	Retiree pays
IBEW	Early Retiree		\$635.00	\$565.08	Retiree pays
	Medicare Part B		\$335.00	\$212.37	Retiree pays
AFSCME	Early Retiree		\$601.00	\$599.08	Retiree pays
	Medicare Part B		\$282.00	\$265.37	Retiree pays
Unrep	Early Retiree	\$515.43 - \$1,030.86		\$169.22 - \$684.65	Retiree pays \$100.00
	Medicare Part B	\$188.74 - \$377.48		\$169.89 - \$358.63	Retiree pays \$100.00



Overview of AC Transit Retiree Dental/Vision Benefits

Unit	Status	District Pays	Retiree Pays	Dependent Coverage
ATU	Dental	\$20.00	\$49.72	Retiree pays
	Vision	\$13.40	\$0.00	Retiree pays
IBEW	Dental	\$20.00	\$49.72	Retiree pays
	Vision	\$13.40	\$0.00	Retiree pays
AFSCME	Dental	\$20.00	\$49.72	Retiree pays
	Vision	\$13.40	\$0.00	Retiree pays
Unrep	Dental	\$69.72	\$0.00	Retiree pays
	Vision	\$13.40	\$0.00	Retiree pays



Comparison of District's Retiree Health Care Costs*

ATU Bus Operator (30 year career)

\$1.10 per hour x 9.5 avg. hours x 260 days/yr. x 30 yrs. = **\$81,500**

Unrepresented Employee (retires age 62 with 10+ yrs. service)

Male (*life expectancy = 76 years*):

\$1,030.86 per month x 36 months = \$37,111

\$377.48 per month x 132 months = \$49,827

Total **\$86,938**

Female (*life expectancy = 81 years*):

\$1,030.86 per month x 36 months = \$37,111

\$377.48 per month x 192 months = \$72,476

Total **\$109,587**

* based on current costs



Benchmarking of Other Public Agencies

We collected retiree health benefit data from other Bay Area public agencies.

5 Transit Agencies:

- BART
- Golden Gate Bridge, Highway & Trans District
- San Mateo County Transit (SamTrans)
- SFMTA (Muni)
- Valley Transit Authority (VTA)



Comparison to Other Properties – Early Retirees –ATU

Property (Kaiser plan)	District or Trust Pays	Retiree Pays	Dependent Coverage	Dental		Vision	
				District	Ret	District	Ret
VTA	\$782.90	\$0.00	Unknown	\$163.73	\$0.00	\$18.60	\$0.00
Golden Gate	\$640.51	\$0.00	Unknown	\$81.01	\$0.00	\$8.33	\$0.00
AC Transit	\$635.00	\$420.86	Retiree pays	\$20.00	\$49.72	\$13.40	\$0.00
BART	\$572.57	\$132.01+ above cap	Unknown	\$0.00	COBRA	\$0.00	COBRA
SamTrans	\$564.79	\$282.39	Unknown	\$0.00	COBRA	\$0.00	COBRA
Muni	\$553.98	Balance	50% of premium	\$0.00	100%	\$0.00	100%



Benchmarking of Other Public Agencies

5 County Agencies:

- Alameda
- Contra Costa
- Marin
- Sonoma
- Santa Clara



Comparison of County Early Retirees to ATU Early Retirees

Property (Kaiser plan or equivalent)	Agency or Trust Pays	Retiree Pays	Dental		Vision	
			Agency	Retiree	Agency	Retiree
Marin	\$737.75	remainder	\$53.40	\$0.00	\$10.51	\$0.00
Alameda	\$658.96	\$136.80	\$76.20	\$0.00	\$4.24	\$0.00
AC Transit	\$635.00	\$420.86	\$20.00	\$49	\$13.00	\$0.00
Contra Costa	\$633.99	remainder	\$44.27	\$45.18	n/a	Retiree pays
Sonoma	\$500 for all benefits	remainder				
Santa Clara	\$303.30	remainder	n/a	n/a	n/a	n/a



Benchmarking of Other Public Agencies

8 City Agencies:

- Corte Madera
- Fremont
- Mill Valley
- Piedmont
- San Leandro
- San Jose
- Santa Clara
- Walnut Creek



Comparison to City Agencies – Early Retirees

Property (Kaiser plan or other HMO)	Agency or Trust Pays:	Retiree Pays:	Dental:		Vision:	
			Agency	Ret	Agency	Ret
City of Piedmont	\$742.72	\$114.41	N/A	N/A	N/A	N/A
City of Fremont	\$640.51	\$0.00	\$81.01	\$0.00	\$8.33	\$0.00
AC Transit	\$635.00	\$420.86	\$20.00	\$49.72	\$13.40	\$0.00
City of Mill Valley	\$619.13	\$0.00	\$61.80	\$0.00	N/A	N/A
City of San Jose	\$471.12	\$0.00	27.16	\$0.00	\$0.00	100%
City of San Leandro	\$360.00	\$297.33	\$50.00	\$0.00	N/A	N/A
City of Santa Clara	\$317.00	Over \$317.00	N/A	N/A	N/A	N/A
City of Walnut Creek	\$75.00	Over \$75.00	Included in \$75.00	Above \$75.00	Included in \$75.00	Above \$75.00
City of Corte Madera	\$50.00	Above \$50.00	Included in \$50.00	Above \$50.00	Included in \$50.00	Above \$50.00



QUESTIONS?

