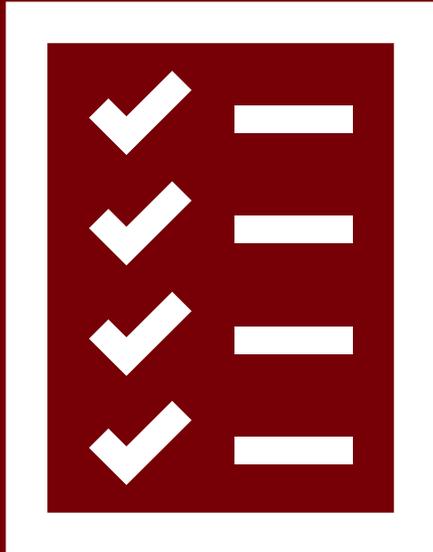


RECOSA Brown Bag



Renée Frieda, Director Human Resources
August 16, 2022



Agenda

- Healthcare Plans
- TMRS COLA

2023 Healthcare Benefits- Pre 65



- No plan design changes
- No rate increases
- **New Dental vendor (Humana) – *must* enroll for 2023 coverage**
 - Average 7% decrease in premiums
- VSP will continue to be the Vision Plan provider



Rates for Pre-65

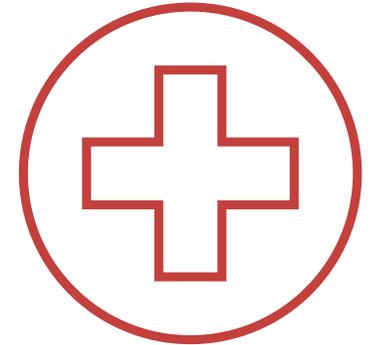


Hired before 10/1/2007					Hired on/after 10/1/2007	
Years of Service	30+	25-29	20-24	19 & Under	10+	5-9
Consumer Choice PPO						
Retiree Only	\$139.00	\$153.00	\$166.00	\$201.00	\$557.00	\$1,114.02
Retiree + 1	\$261.00	\$281.00	\$309.00	\$389.00	\$1,114.00	\$2,228.05
Retiree + 2 or More	\$362.00	\$390.00	\$430.00	\$544.00	\$1,448.00	\$2,896.46
Blue Essentials HMO						
Retiree Only	\$180.00	\$199.00	\$215.00	\$261.00	\$614.00	\$1,227.12
Retiree + 1	\$339.00	\$365.00	\$401.00	\$506.00	\$1,227.00	\$2,454.24
Retiree + 2 or More	\$471.00	\$507.00	\$559.00	\$707.00	\$1,595.00	\$3,190.51
New Value PPO						
Retiree Only	\$277.00	\$306.00	\$331.00	\$401.00	\$682.00	\$1,363.47
Retiree + 1	\$522.00	\$561.00	\$617.00	\$778.00	\$1,363.00	\$2,726.93
Retiree + 2 or More	\$724.00	\$780.00	\$860.00	\$1,088.00	\$1,773.00	\$3,545.01

2023 Healthcare Benefit- Post 65



- No medical plan design changes
- Monthly medical premium Increases between \$2.14 to \$21.00
- **New Dental vendor (Humana)**– *must* enroll for 2023 coverage
 - Average 7% decrease in premiums
- VSP will continue to be the Vision Plan provider



Rates for Post-65



Retiree Costs - 2022 vs 2023

		2022	2023	\$ chg	% chg.			2022	2023	\$ chg	% chg.
30+ yrs.					25-29 yrs.						
	Std. PPO	Std. PPO					Std. PPO	Std. PPO			
Retiree only	\$25.86	\$28.00	\$2.14	8.3%	Retiree only	\$27.55	\$29.83	\$2.28	8.3%		
Retiree + 1 dep	\$51.04	\$55.27	\$4.23	8.3%	Retiree + 1 dep	\$55.94	\$60.57	\$4.63	8.3%		
Retiree + 2 or more	\$76.56	\$82.90	\$6.34	8.3%	Retiree + 2 or more	\$84.41	\$91.40	\$6.99	8.3%		
	Enhanced PPO	Enhanced PPO				Enhanced PPO	Enhanced PPO				
Retiree only	\$132.76	\$134.90	\$2.14	1.6%	Retiree only	\$134.45	\$136.73	\$2.28	1.7%		
Retiree + 1 dep	\$264.84	\$269.07	\$4.23	1.6%	Retiree + 1 dep	\$269.74	\$274.37	\$4.63	1.7%		
Retiree + 2 or more	\$397.26	\$403.60	\$6.34	1.6%	Retiree + 2 or more	\$405.11	\$412.10	\$6.99	1.7%		
	Rx only	Rx only				Rx only	Rx only				
Retiree only	\$38.36	\$40.50	\$2.14	5.6%	Retiree only	\$40.05	\$42.33	\$2.28	5.7%		
Retiree + 1 dep	\$76.04	\$80.27	\$4.23	5.6%	Retiree + 1 dep	\$80.94	\$85.57	\$4.63	5.7%		
Retiree + 2 or more	\$114.06	\$120.40	\$6.34	5.6%	Retiree + 2 or more	\$121.91	\$128.90	\$6.99	5.7%		

Rates for Post-65



Retiree Costs - 2022 vs 2023

	2022	2023	\$ chg	% chg.		2022	2023	\$ chg	% chg.
20-24 yrs					19 and under				
	Std. PPO	Std. PPO				Std. PPO	Std. PPO		
Retiree only	\$29.66	\$32.12	\$2.46	8.3%	Retiree only	\$37.94	\$41.08	\$3.14	8.3%
Retiree + 1 dep	\$59.66	\$64.60	\$4.94	8.3%	Retiree + 1 dep	\$76.22	\$82.53	\$6.31	8.3%
Retiree + 2 or more	\$89.23	\$96.62	\$7.39	8.3%	Retiree + 2 or more	\$115.47	\$125.04	\$9.57	8.3%
	Enhanced PPO	Enhanced PPO				Enhanced PPO	Enhanced PPO		
Retiree only	\$136.56	\$139.02	\$2.46	1.8%	Retiree only	\$144.84	\$147.98	\$3.14	2.2%
Retiree + 1 dep	\$273.46	\$278.40	\$4.94	1.8%	Retiree + 1 dep	\$290.02	\$296.33	\$6.31	2.2%
Retiree + 2 or more	\$409.93	\$417.32	\$7.39	1.8%	Retiree + 2 or more	\$436.17	\$445.74	\$9.57	2.2%
	Rx only	Rx only				Rx only	Rx only		
Retiree only	\$42.16	\$44.62	\$2.46	5.8%	Retiree only	\$50.44	\$53.58	\$3.14	6.2%
Retiree + 1 dep	\$84.66	\$89.60	\$4.94	5.8%	Retiree + 1 dep	\$101.22	\$107.53	\$6.31	6.2%
Retiree + 2 or more	\$126.73	\$134.12	\$7.39	5.8%	Retiree + 2 or more	\$152.97	\$162.54	\$9.57	6.3%

Rates for Post-65



Retiree Costs - 2022 vs 2023

	2022	2023	\$ chg	% chg.		2022	2023	\$ chg	% chg.
10+ (after 10/01/2007)					5-9 (after 10/01/2007)				
	Std. PPO	Std. PPO				Std. PPO	Std. PPO		
Retiree only	\$42.25	\$45.75	\$3.50	8.3%	Retiree only	\$84.50	\$91.50	\$7.00	8.3%
Retiree + 1 dep	\$84.50	\$91.50	\$7.00	8.3%	Retiree + 1 dep	\$169.00	\$183.00	\$14.00	8.3%
Retiree + 2 or more	\$126.75	\$137.25	\$10.50	8.3%	Retiree + 2 or more	\$253.50	\$274.50	\$21.00	8.3%
	Enhanced PPO	Enhanced PPO				Enhanced PPO	Enhanced PPO		
Retiree only	\$149.15	\$152.65	\$3.50	2.3%	Retiree only	\$191.40	\$198.40	\$7.00	3.7%
Retiree + 1 dep	\$298.30	\$305.30	\$7.00	2.3%	Retiree + 1 dep	\$382.80	\$396.80	\$14.00	3.7%
Retiree + 2 or more	\$447.45	\$457.95	\$10.50	2.3%	Retiree + 2 or more	\$574.20	\$595.20	\$21.00	3.7%
	Rx only	Rx only				Rx only	Rx only		
Retiree only	\$54.75	\$58.25	\$3.50	6.4%	Retiree only	\$97.00	\$104.00	\$7.00	7.2%
Retiree + 1 dep	\$109.50	\$116.50	\$7.00	6.4%	Retiree + 1 dep	\$194.00	\$208.00	\$14.00	7.2%
Retiree + 2 or more	\$164.25	\$174.75	\$10.50	6.4%	Retiree + 2 or more	\$291.00	\$312.00	\$21.00	7.2%

TMRS Cost of Living Adjustment (COLA)

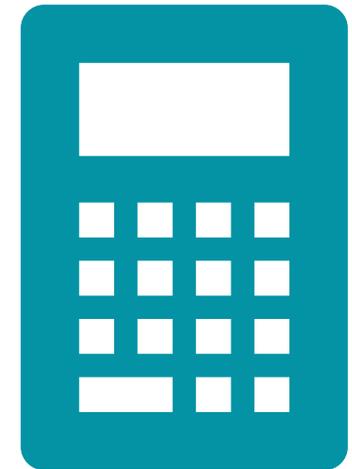


- 4.9% proposed for FY 2023
- Highest proposed adjustment in the last 30 years



Determining COLA

- Under State Law, if electing a COLA, the City can choose 30%, 50%, or 70% of the change in the Consumer Price Index (CPI)
- Proposed Budget includes a COLA of 70% of CPI to be effective January 1, 2023



Who is eligible for COLA?

- Individuals who retired through TMRS prior to December 1, 2021 (defined by statute)



Calculating COLA

- CPI-Measure of the change in prices consumers pay for goods and services
- COLA is calculated at 70% of the increase in CPI for the prior calendar year
- Dec 2020 CPI= 260.474
- Dec 2021 CPI = 278.802
- 70% of increase = 4.92%

CALCULATION

- 18.328 is a 7.03% increase in CPI
 - $(278.802 - 260.474) / 260.474$
- Seventy percent of a 7.03% increase is 4.92%

Applying COLA- 2020 Retiree



- Joe's monthly benefit when he retired in 2020 was \$100
Currently it is **\$100.95** (FY 2022)
- CPI at the time of his retirement was 256.974 (CY 2019)
- Current CPI is 278.802 (CY 2021)
- CPI has increased 8.4% since his retirement
- 70% of 8.4% is 5.95% meaning his
FY 2023 benefit will be **\$105.95**
- This is a 4.95% increase over
his current monthly benefit



CALCULATION

- $(278.802 - 256.974) / 256.974 = 8.49\%$
- $8.49\% \times 70\% = 5.95\%$
- $\$100 + 5.95\% = 105.95$
- $(105.95 - 100.95) / 100.95 = 4.95\%$

Applying COLA- 2008 Retiree



- Sally's monthly benefit when she retired in 2008 was \$100. Currently it is **\$116.81** (FY 2022)
- CPI at the time of her retirement was 210.036 (CY 2007)
- Current CPI is 278.802 (CY 2021)
- CPI has increased 32.7% since her retirement
- 70% of 32.7% is 22.92% meaning her FY 2023 benefit will be **\$122.92**
- This is a 5.23% increase over her current monthly benefit



CALCULATION

- $(278.802 - 210.036) / 210.036 = 32.74\%$
- $32.74\% \times 70\% = 22.92\%$
- $\$100 + 22.92\% = \122.92
- $(122.92 - 116.81) / 116.81 = 5.23\%$



Got
Questions?

Contact TMRS

1-800-924-8677