

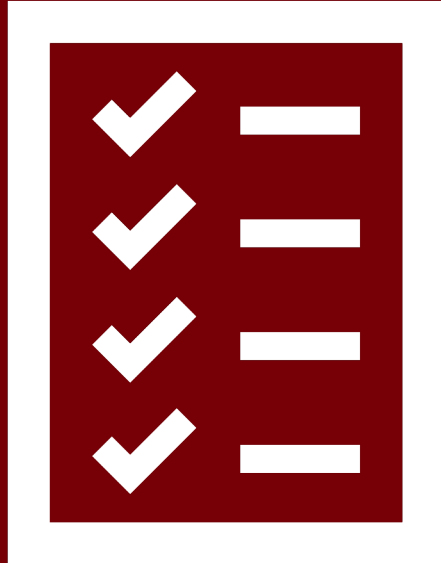
COSA Brown Bag



Renée Frieda, Director Human Resources
August 11, 2023

Agenda

- Healthcare Plans
- TMRS COLA



2024 Healthcare Benefits- Pre 65



- No plan design changes
- No rate increases
- Humana and VSP will continue to be the Dental and Vision Plan provider, respectively



2024 Healthcare Benefit- Post 65 (Aetna)



- No medical plan design changes
- No monthly medical premium increases



TMRS Cost of Living Adjustment (COLA)



- 4.5% proposed for FY 2024
- Second 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, 2024



Who is eligible for COLA?

- Individuals who retired through TMRS prior to December 31, 2022 (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 2021 CPI= 278.802
- Dec 2022 CPI = 296.797
- 70% of increase = 4.52%



CALCULATION

- 17.995 is a 6.5% increase in CPI
 - $(296.797 - 278.802) / 278.802$
- Seventy percent of a 6.5% increase is 4.52%

Applying COLA- 2020 Retiree

- Joe's monthly benefit when he retired in 2020 was \$100
Currently it is **\$105.95** (FY 2023)
- CPI at the time of his retirement was 256.94 (CY 2019)
- Current CPI is 296.797 (CY 2022)
- CPI has increased 15.51% since his retirement
- 70% of 15.51% is 10.86% meaning his
FY 2024 benefit will be **\$110.86**
- This is a 4.6% increase over
his current monthly benefit



CALCULATION

- $(296.797 - 256.94) / 256.94 = 15.51\%$
- $15.51\% \times 70\% = 10.86\%$
- $\$100 + 10.86\% = 110.86$
- $(110.86 - 105.95) / 105.95 = 4.6\%$

Applying COLA- 2008 Retiree

- Sally's monthly benefit when she retired in 2008 was \$100. Currently it is **\$122.92** (FY 2023)
- CPI at the time of her retirement was 210.036 (CY 2007)
- Current CPI is 296.797(CY 2022)
- CPI has increased 41.3% since her retirement
- 70% of 41.3% is 28.92% meaning her FY 2024 benefit will be **\$128.92**
- This is a 4.88% increase over her current monthly benefit



CALCULATION

- $(296.797 - 210.036) / 210.036 = 41.3\%$
- $41.3\% \times 70\% = 28.92\%$
- $\$100 + 28.92\% = \128.92
- $(128.92 - 122.92) / 122.92 = 4.88\%$



Got
Questions?

Contact TMRS

1-800-924-8677