



Retiree Health Insurance Ordinance Changes



Retiree Health Ordinance Overview

- Terminates Current Retiree Health Insurance Program and Trust Fund
- Establishes New Retiree Health Insurance Program and Trust
 - Includes Technical Changes to Comply with GASB 43 and 45
- Reflects the Formula Changes Discussed with City Commission (Option 4c)
- Provides Limited Transition/"Grandfathering" for Individuals, Including Employees in Drop, Retired before September 1, 2008



Retiree Health Overview Transition Provisions

- Current Retirees under 65
 - Formula is calculated using Age at 1/1/09
 - Still Uses Credited Years of Service
- Current Retirees 65 and Older
 - Provides for a grandfathering provision
 - Contribution will be the greater of Current or New Formula
 - Apply the same inflation protection once established
- Current Employees (Retirees) in the DROP as of 9/1/08
 - DROP Years will be included in Credited Service
 - Does not apply to Current or Future Retirees



Retiree Health Overview Opt In/Out Provisions

- Codifying the Rules Associated with the Opt In/Out
 - No Change in the Rules
 - Moves Rules from the Procedure Manual to Ordinance
 - Maintains Transfer of Risk Theory for Recalculation



Retiree Health Ordinance Recommendation

- The City Commission Adopt the Proposed Ordinance