

Retiree Health Insurance Proposal

NC Conference Board of Pension
NC Conference Insurance Committee

Current Retiree Health Plan

- Conference Claimants budget - \$2,700,000
- Retiree personal portion
 - Retired before Jan. 1, 2004 - \$20/month/person
 - Retired after Jan. 1, 2004 – sliding scale based on years of service and years in insurance plan
 - Maximum benefit 90% of premium for 40 years of service
- Current plan – Medicare Companion plan secondary to Medicare

Retiree Health Benefit Liability

- Expected Postretirement Benefit Obligation (EPBO)
 - \$67,859,155
- Accumulated Postretirement Benefit Obligation (APBO)
 - \$55,380,573
- As of January 1, 2013

Proposal Basic Points

- You will still have Medicare supplemental coverage
- Choice of a variety of plans and options
- Extend Health serves as advocate in selecting plan and enrollment
- Reimbursement for cost through Health Reimbursement Account funded by Board of Pension
- HRAs need \$1,500 to \$1,800 to keep most retirees whole in process
 - Recommendation is to fund maximum benefit at \$2,000/year/person

Proposal Basic Points

- Proposal projections include planned 3% cost of living increases to HRA benefits
- HRA flexibility
 - Pooled accounts for couples
 - Reimburse premium and other eligible health care costs
 - Catastrophic HRA for higher cost participants

Implementation Timeline

- May 2013 – District Introductory Sessions
- June 2013 – Annual Conference
- July-August 2013 – District Getting Started Workshops
- October-mid-December 2013 – Open Enrollment
- January 1, 2014 – Coverage Begins