

Monroe County Actions Taken to Control OPEB Costs

Health Benefit Plan Design	Retiree Medical Plan Design	Contribution/Investment Decisions
<ul style="list-style-type: none"> • Changes to active health benefit plans expected to reduce pre-Medicare costs by 30% over a 7-year period (2014-2020 years), as active members retire and mirror active health care benefits. <ul style="list-style-type: none"> – Health care plan evolves in retirement – No longer static, follows Health Care inflation – mirroring plan and cost to active employee plan 	<ul style="list-style-type: none"> • Recently hired employees are not eligible for County-paid retiree health care – Closed Plan • Active and eligible employees contribute 3% of base pay. • Recently hired employees are not eligible for County-paid retiree health care— closed plan. Effective dates vary beginning in 2003 and last group closed in 2013. 	<ul style="list-style-type: none"> • Assets growing in Trust <ul style="list-style-type: none"> – County contributes to trust annually – Active employees contribute 3% of pay • Assets allocated to achieve higher expected return <ul style="list-style-type: none"> – County is taking on risk – Costs reduced if realized return exceeds discount rate – Costs increased if realized return is less than discount rate – Revised Investment Policy • Restructured RHC Trust Board

- County actions taken to date have helped to control costs.
- The total liability of the Plan has been reduced from \$174,263,141 at year-end 2013 to \$127,617,401 at year-end 2016 or a decrease of \$46,645,740.
- Some of the other changes will take several years to produce noticeable results.
- Changes to active health benefit plans expected to reduce pre-Medicare costs by 30% over a 7-year period (2014-2020 valuations), as active members retire and mirror active health care benefits.