

# Health Care & Pension Benefits

Washtenaw County  
Ways & Means Committee  
January 22, 2014

---



**What steps has Washtenaw County  
taken to bring down health care and  
pension costs?**

---



## Health Care - Active

- Since 2002, Washtenaw County began negotiating changes in health care benefits with all union groups
  - Moved from traditional health care plans ('sickness' plans) to a focus on preventative maintenance (wellness) for all employees (Community Blue PPO); encouraged active retirees to change to PPO plans
  - Health care coverage level is commensurate with years of service with the organization
  - Modified plan design & provided enhanced
-



## Health Care - Retirees

- Employees hired prior to 1/1/09 are credited with 100% employer contribution toward retiree health care, which includes premium sharing
  - Employees hired 1/1/09 and thereafter receive 5% Employer contribution toward retiree health care commensurate with their years of service (Sheriff's Office)
  - Employees hired 1/1/14 and thereafter shall not have retirement health care provided by Washtenaw County, however the Employer shall
-



# Pension

- Washtenaw County provides retirement benefits for all regular benefitted employees
  - Defined Benefit (DB) Systems:
    - WCERS – general employees hired prior to 1/1/14; closed for future employees, thereby eliminating future legacy costs
    - MERS – Sheriff’s Office employees
    - Since 2009, negotiated modifications to the vesting schedule, eligibility requirements & contribution rates
-

# Timeline

Began negotiating health care benefit modifications with all union group		Movement from Traditional health care to Preventative Maintenance	Health Care coverage level is commensurate with years of service with the organization	Began employee contributions towards VEBA		Began implementing Health Care Reform	Employees began contributing in the form of premium sharing		Implementation of PA 152 - plan design modifications & additional premium sharing		Negotiated additional plan design modifications		Eliminated long term legacy costs, closed pension plan & eliminated retiree health
2002		2009				2010			2011		2013		2014



# Summary

- Eliminated long-term legacy costs:
    - Closed DB plan to all new hires effective 1/1/14
    - Eliminated retiree health care offered through the County for new hires effective 1/1/14
  - Modified health care plan design and continue to educate employees & retirees to be more active in the use of their health care benefits in the market
  - Implemented all aspects of PPACA and PA 152
-



Questions?

---