

RESOLUTION

WHEREAS, the Rutherford County Benefits and Insurance Committee have studied the health insurance premium rates and determined that increased premiums are needed to cover the claims costs to help eliminate a deficit in the Employee Insurance Fund in 2014; and

WHEREAS, the necessary premium increase for the under age 65 retirees was determined to be One Hundred Sixty Percent (160.0%), but a premium rate increase of Fifty Percent (50.0%) is being proposed; and

WHEREAS, the Rutherford County Commission previously approved funding Fifty Percent (50.0%) of the health insurance premium for the under age 65 retirees, with the retiree funding the remaining Fifty Percent (50.0%); and

WHEREAS, in order to provide relief to the current under age 65 retirees and the under age 65 retirees who will retire in 2013, it is being proposed that for the 2014 calendar year only Rutherford County will fund Sixty-Five and Five Tenths Percent (65.5%) for single coverage both in the Co-Pay Plan and the Deductible Plan; and Sixty-Three and Five Tenths Percent (63.5%) for family coverage for both the Co-Pay Plan and the Deductible Plan according to the following monthly premium rates:

	<u>Pre-65 Retiree</u>	<u>County</u>	<u>Total</u>
Co-Pay Plan:			
Single	\$292.69	\$ 555.68	\$ 848.37
Family	\$554.85	\$ 965.28	\$1,520.13
Deductible Plan:			
Single	\$334.50	\$ 635.07	\$ 969.57
Family	\$634.11	\$1,103.19	\$1,737.30

; and

WHEREAS, the premium distribution between the under age 65 retiree and Rutherford County will revert to Fifty Percent (50.0%) paid by the retiree and Fifty Percent (50.0%) paid by Rutherford County beginning in the 2015 calendar year and will apply to those retiring effective January 1, 2014 and after; and

WHEREAS, the proposed health insurance premium increase for the over age 65 retirees is Ten Percent (10.0%) according to the following monthly premium rates:

	<u>Over 65 Retiree</u>	<u>County</u>	<u>Total</u>
Grandfathered			
Single	\$114.33	\$343.00	\$ 457.33
Two-Party	\$343.00	\$571.67	\$ 914.67

EE Over 65			
Spouse Under 65	\$373.07	\$601.00	\$ 974.07
Family	\$468.82	\$697.40	\$1,166.22
Non-Grandfathered			
Single	\$228.67	\$228.67	\$ 457.34
Two-Party	\$457.34	\$457.34	\$ 914.68
EE Over 65			
Spouse Under 65	\$487.04	\$487.04	\$ 974.08
Family	\$583.11	\$583.11	\$1,166.22

THEREFORE BE IT RESOLVED by the Rutherford County Board of Commissioners that the health insurance premium rates for the under age 65 retirees and the over age 65 retirees are adopted as outlined in the foregoing Resolution effective January 1, 2014 with Rutherford County funding Sixty-Five and Five Tenths Percent (65.5%) of the premium for the under age 65 retirees with single coverage in both the Co-Pay Plan and the Deductible Plan and funding Sixty-Three and Five Tenths Percent (63.5%) of the premium for the under age 65 retirees with family coverage in both the Co-Pay Plan and the Deductible Plan for the 2014 calendar year only. Additionally, the contribution level from Rutherford County for the under age 65 retirees will revert to Fifty Percent (50.0%) beginning with the 2015 calendar year for those retiring effective January 1, 2014 and after.

RESOLVED this 16th day of May, 2013.

RUTHERFORD COUNTY, TN

BY: _____
ERNEST G. BURGESS, Chairman

ATTEST:

LISA CROWELL, County Clerk