

RESOLUTION

WHEREAS, Rutherford County currently provides its pre-65 retirees medical insurance at retirement when certain criteria are met; and

WHEREAS, the medical plan currently calculates the pre-65 retiree premiums as a standalone group; and

WHEREAS, for the 2015 medical plan year the preliminary calculation of pre-65 premiums has been discussed by the Insurance Committee and the Budget Committee and two options have been recommended; and

WHEREAS, the two options are 1) to blend the medical claim experience of the pre-65 retirees with the medical claim experience of active employees to determine premium rates for both groups and 2) to offer a five hundred dollar (\$500) per month subsidy or the adequate rate, whichever is less, and allow the pre-65 retirees to obtain coverage elsewhere. The retiree may elect the subsidy option during annual open enrollment once during the time that the retiree is classified as a pre-65 retiree. Once the pre-65 retiree makes this election, they will not be allowed to return to the County insurance plan until they become Medicare eligible. Once they become Medicare eligible, they must return to the County plan within thirty (30) calendar days of turning Medicare age to receive continued support from the County as defined in the Rutherford County Retirement; Medical Plan Eligibility and Benefit Information. Otherwise, their benefits with the County cease; and

WHEREAS, blending the retiree rate with the active rate will increase the annual required contribution and the unfunded liability, and allowing retirees to leave the County plan would help offset a part of the increase.

THEREFORE BE IT RESOLVED by the Rutherford County Board of Commissioners that the change to the 2015 pre-65 retirees premiums be approved by allowing the medical experience to be blended with the experience of other active employees and allow the retiree to receive a five hundred dollar (\$500) per month subsidy or the adequate rate, whichever is less, and allow the retiree to leave the County plan to obtain coverage elsewhere.

RESOLVED this 12th day of December, 2013.

RUTHERFORD COUNTY, TN

BY: _____
ERNEST G. BURGESS, Chairman

ATTEST:

LISA CROWELL, County Clerk