



## **LAKE COUNTY 2016 RETIREE HEALTH CARE INFORMATION REPORT**

### **Public Act 530 of 2016**

#### **Section 20h(7) – under 60% funded for retiree health care**

Pursuant to Section 20h(7) of PA 530, Lake County's retiree health care Other Post-Employment Benefits (OPEB) is funded less than 60%. As a result, we have outlined the following steps which are being taken to decrease our unfunded actuarial accrued liability (UAAL):

1. Effective 1/1/18, we have negotiated with all 5 union groups plus our non-union and elected groups to be closed for retiree health insurance.
  - a. All new full time eligible employees hired 1/1/18 or after will no longer be eligible for retiree health insurance. Instead, they will be enrolled in a MERS Health Care Savings Program (HCSP) and will receive \$25.00 per pay contributed into their account.
2. After 1/1/18, employees hired prior to 1/1/18 will be offered a buyout to switch to the HCSP and forfeit their retiree health insurance.
3. As of 1/1/18, we have changed the structure of benefits for current retirees to make the plan more cost effective.
4. Effective 1/1/18, for all full time eligible employees hired prior to 12/31/17 that retire after 1/1/18, the following changes are being made to our retiree health insurance:
  - a. For all Non-Union, Elected, 911 Union, Corrections Union, and Corrections Command Union employees, the County will contribute up to \$500 per month towards the cost of the single subscriber rate for retiree health insurance until age 65. After age 65 or upon becoming eligible for Medicare, the County will contribute up to \$125.00 per month towards the cost of the single subscriber rate Medicare supplement insurance.
  - b. For all Road Deputy Union and Road Command Union employees, the County will pay for the cost of the single subscriber pre-65 retiree insurance that was in effect at the time of retirement and the retiree will be responsible for any monthly premium cost increases after retirement.
5. As of 1/1/18, the County has established a MERS Retiree Health Funding Vehicle (RHFV) trust to be used for OPEB liabilities.
6. For the 2018 budget, we have established a per employee charge based on the level of benefit that will be a funding mechanism for the RHFV.