

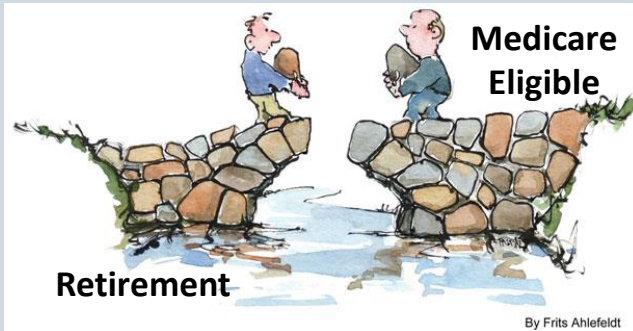


RETIREE HEALTHCARE

DECEMBER 11, 2023

RETIREE HEALTHCARE PLAN TYPES

BRIDGE PLAN



- Provides coverage until 65
- At 65 Retiree moves to Medicare
- Retiree stays on City's self-insured plan
- Premium Equivalency set by plan

MEDICARE SUPPLEMENTAL



- Provides post-65 coverage
- May include medical only or medical and Part D coverage (pharmacy)
- May be combined with contribution only or bridge plans
- Can provide life-time coverage

Plan types may be implemented individually or in combination

GROUPS UNDER BRIDGE PLAN OPTION

PSPRS

Retirees covered under the Public Safety Retirement System.

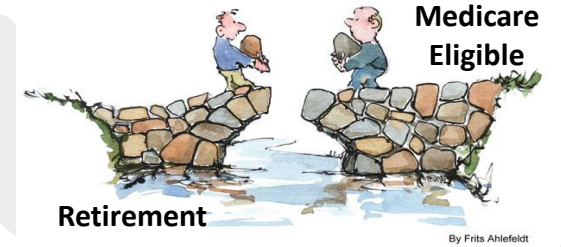
ASRS

Retirees covered under the Arizona State Retirement System

Council

Retirees serving two full-terms on City Council

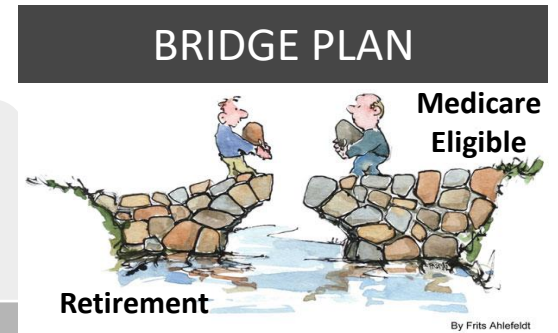
BRIDGE PLAN



Retirees must meet eligibility requirements as outlined in the plan.

50%/50% BRIDGE PLAN

Retiree Employer



Plan Design – Required Service & Retirement Status

Requirement	PSPRS	ASRS	Council
Continuous Years of Service with City of Goodyear	15 - Years		Two Full-Terms
Retirement Status	Must meet eligibility requirements and commence retirement with ASRS or PSPRS (Includes LTD w/ASRS or Disability Retirement w/PSPRS)		N/A

Bridge Plan Highlights

- Retirees remain on City's medical benefit plan to age 65 (Medicare Eligible)
- Plan is the same as active employees
- Retirees maintain access to the Goodyear Wellness Center



ELIGIBILITY REQUIREMENTS

Eligibility	PSPRS	ASRS	Council
Meet requirements and draw retirement from ASRS or PSPRS	Yes	Yes	Not part of EORP Two Consecutive Terms Required
Disability retirements as approved by ASRS (LTD) or PSPRS (Disability Retirement)	Yes	Yes	Yes
Child(ren) • A child of an employee or retiree, who is married or unmarried, and is less than 26 years old	Yes	Yes	Yes
Plan changes may only be done during open enrollment or qualifying life events: • Members may not be added to the plan.	Yes	Yes	Yes
Once a retiree opts-out of a coverage option, the retiree may never re-enroll	Yes	Yes	Yes

High level eligibility requirements shown, detailed eligibility requires to be finalized with final plan documents.

PREMIUM EQUIVALENCY

Insurance Plan	Coverage Level	Total Monthly Premium	Total Annual Premium	50%EE - 50%ER Monthly Premium	50%EE - 50%ER Annual Premium
HMO Plan	Retiree Only	\$727	\$8,726	\$363	\$4,363
	Retiree + Spouse	\$1,717	\$20,609	\$858	\$10,305
H.S.A. Plan	Retiree Only	\$627	\$7,530	\$313	\$3,765
	Retiree + Spouse	\$1,407	\$16,888	\$703	\$8,444
PPO Plan	Retiree Only	\$746	\$8,953	\$373	\$4,477
	Retiree + Spouse	\$1,656	\$19,877	\$828	\$9,938

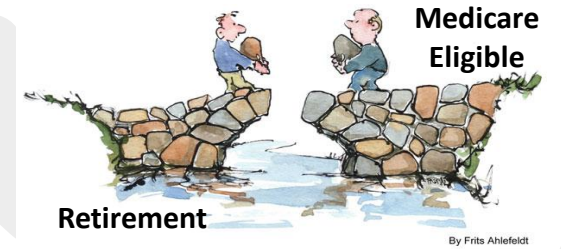
ASRS Monthly Premium Comparison			
Insurance Plan	Coverage Level	Monthly Premium	Annual Premium
Economy In-Network Only	Single	\$660	\$7,920
	Family Single +1	\$1,320	\$15,840
Premier In-Network Only	Single	\$1,132	\$13,584
	Family Single +1	\$2,264	\$27,168
PPO Plan	Single	\$1,408	\$16,896
	Family Single +1	\$2,816	\$33,792

- All coverage levels not depicted
- Coverage comparison is not an apples for apples comparison, it is meant to compare high and low premium comparisons

50%/50% BRIDGE PLAN

Retiree Employer

BRIDGE PLAN



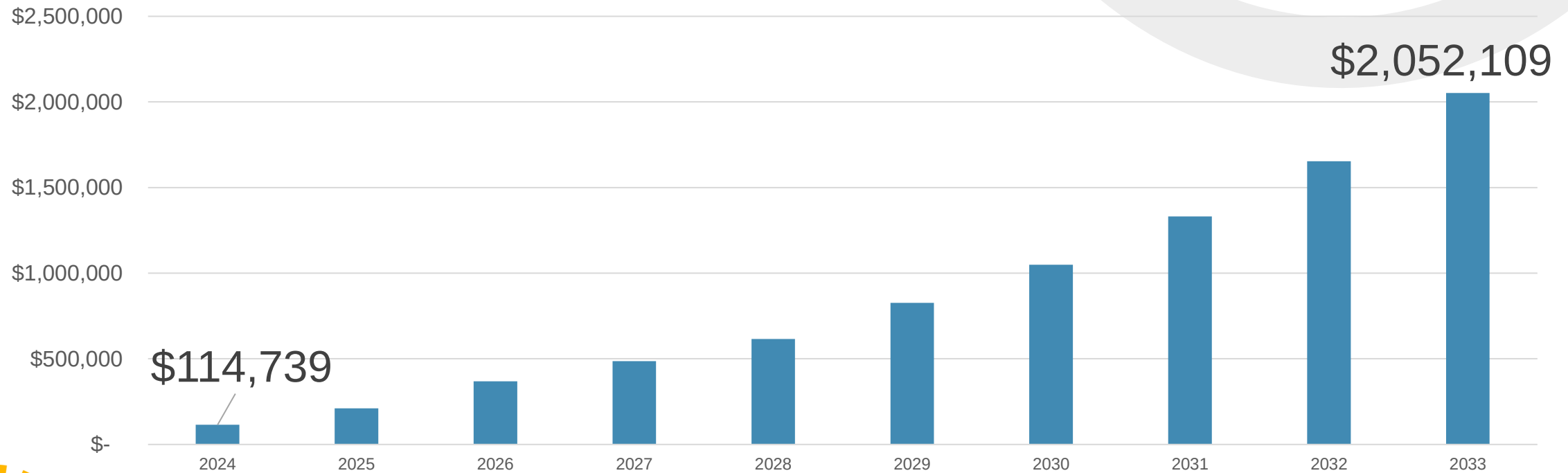
Estimated Cost

One-time Cost (Liability)	\$25,158,288
Ongoing Cost	\$1,588,076

Eligibility - 15 years continuous services with city of Goodyear

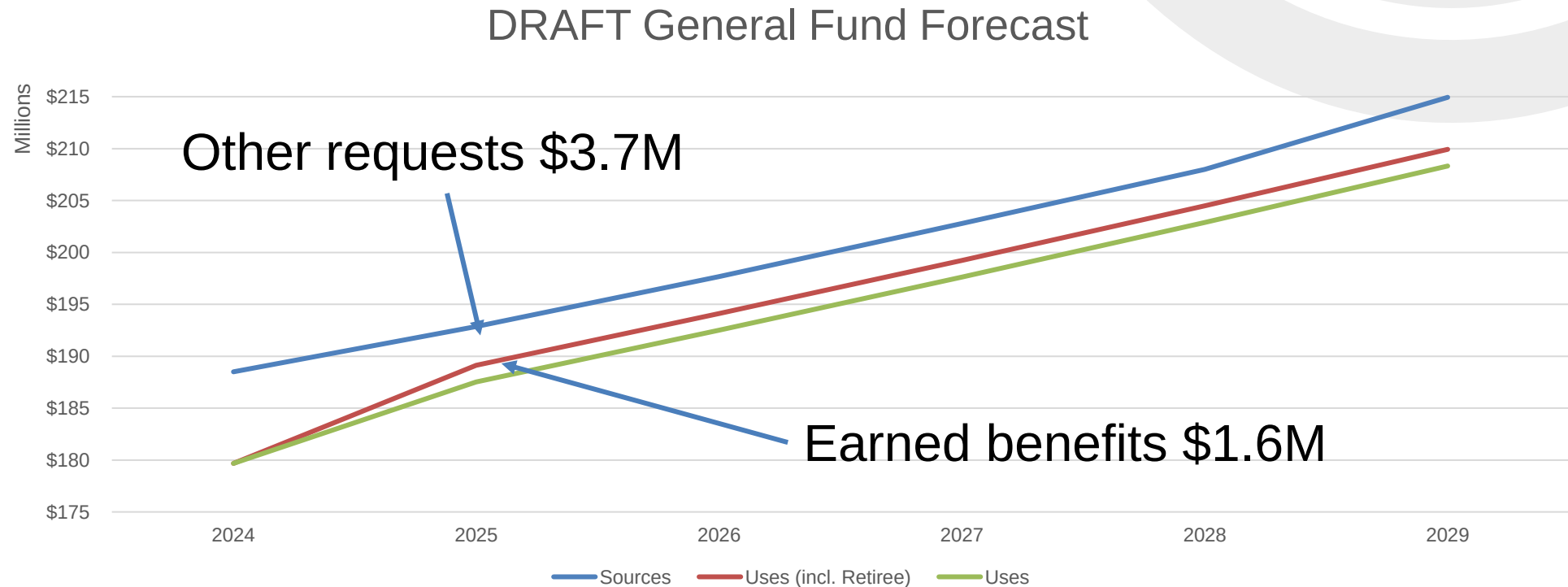
Ongoing Costs (pay as you go)

- Current benefit costs-minimum amount to fund



Ongoing (pay in advance)

- Benefits earned each year - \$1.6 million



• One Time \$25.2 million

- Amount of future benefits earned to date
- 100% funding in 15 years or less

Municipality	Retirees		One Time	% Funded
Gilbert	57	\$	1,069,922	0.0%
Chandler	705	\$	81,291,795	0.0%
Tempe	1,669	\$	122,770,950	13.3%
Phoenix	9,772	\$	377,414,000	47.2%
Mesa	2,377	\$	978,037,396	0.0%

GROUPS UNDER MEDICARE SUPPLEMENTAL



PSPRS

Retirees covered under the Public Safety Retirement System.

ASRS

Retirees covered under the Arizona State Retirement System

Council

Retirees serving two full-terms on City Council

Medicare Supplemental Plan Highlights

- Coordinates with Medicare
- Helps pay some or all of the retirees share of costs of approved services
- Contributions are fixed at \$50 per member per month
- Net projected medical expense paid for by the City
- Eligible employees receive lifetime coverage



Retirees must meet eligibility requirements as outlined in the plan.

MEDICARE SUPPLEMENTAL PLAN

Medicare Supplemental



Plan Design Elements

	PSPRS	ASRS	Council
Continuous Years of Service with City of Goodyear	15 Years		Two Full-Terms
Minimum Age	65 or Medicare eligible		

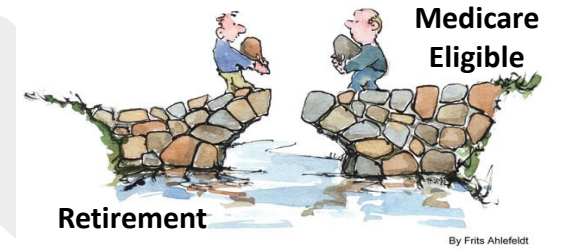
MEDICARE SUPPLEMENTAL OVERVIEW

Medicare Supplement Plan A	
	Plan Pays
<u>Part A - Hospital</u>	
Deductible	100% of the deductible
First 60 Days	0% (covered by Medicare)
Days 61 to 90	100% of the co-pay
Days 91+ (While using 60 lifetime reserve days) After lifetime reserve days are used	100% of the co-pay
<u>Part A - Skilled Nursing Facility</u>	
First 20 Days	0% (covered by Medicare)
Days 21 to 100	100% of the co-pay
Day 101+	0%
<u>Part B</u>	
Deductible Approved Charges	20%
Excess Charges	100%

- Coordinates with Medicare
- Contributions are fixed at \$50 per member per month
- Net projected medical expense paid for by the City
- Eligible employees receive lifetime coverage
- Does not cover prescription drugs

MEDICARE SUPPLEMENTAL PLAN

BRIDGE PLAN



Estimated Cost

One-time Cost
(Liability)

\$16,386,453

Ongoing Cost

\$1,348,120

Eligibility - 15 years continuous services with city of Goodyear

Questions ???