

**Washington County Benefits Committee**  
March 15, 2011

**CONVENED:** 1pm

**COMMITTEE MEMBERS:**

**Present:** David Ainslie, Dirk Biddington, Karen Crawford, Angi Duyck, Susan Field, Tracie Krevanko, Valerie McCraw, Susan Pinnock, Charlie Weaver

**Absent:** Mike Brunner, David Bellwood, Amanda Garcia-Snell, Don Bohn, Kim Knudeson, Tammy McVean, Sara Stevenson

**HUMAN RESOURCES STAFF:**

Tracy Kittler, Benefits Specialist  
Valerie Weekly, Benefits Analyst  
Stephanie Reitmajer, HR Manager

**CONSULTANTS:**

Mike Berry, Mercer  
Kristen Kirschten, Mercer

**1. RETURNING RETIREES**

- Recently proposed PERS legislation has created a few employee questions surrounding retirement.
- There are a few main points to keep in mind regarding retirement preparation.
  - Timing-if you are returning to service with Washington County after your retirement, there are some issues surrounding timing. Contact a member of the benefits team.
  - Deferred compensation-requires a severance of service for distribution of funds from Great West or ICMA. The IRS says a severance of service is the separation from service for any reason, including retirement, with no intent to return. Employees that are leaving with the plan of returning to employment as a Returning Retiree do not meet the severance of service criteria.
- Retirement preparation sessions are held quarterly, jointly presented by PERS, Washington County and our deferred comp vendors. Keep your eyes open for this opportunity.

**2. FINAL RENEWAL RATES FOR 2011**

- Providence was reduced an additional 1% from the most recent estimate, for a total of 8.79% increase for 2011.
- Kaiser renewal is expecting an increase of 13.4% with a change to the Rx copays. The change would bring the Kaiser Rx in line with the Providence design.
- ODS dental is presenting a 4.7% rate increase.
- ODS vision agreed to a 7.8% increase, based on recent experience and utilization. Total renewals will represent at 10.4% cost increase to the County overall; with Kaiser prescription changes the rate could be 9.4%.

### 3. VOLUNTARY BENEFITS-Long Term Disability (LTD), Short Term Disability (STD) and Long Term Care (LTC)

- Long term Disability buy up is an increase (employee-paid purchase) to a higher benefit level from the benefit already in place.
  - Current benefits allow for a 60% of monthly salary, up to a maximum monthly benefit of \$2500.
  - The proposed buy up would increase this benefit by 6 2/3% (for a total of 66 2/3% of monthly salary) up to a maximum monthly benefit of \$8000.
  - The buy up plan does require 20% employee participation to be offered. If the County does not get at least 35% participation then the plan may have to be rerated which could mean different rates for those enrolling.
- Short Term Disability is meant as an income replacement tool, just like LTD, but has a much shorter waiting period and is meant to bridge the gap until an employee is eligible for LTD.
- The STD plan does require 10% employee participation to be offered. There is some concern that the County may not meet this 10% minimum since sick leave balances are pretty high for our group.
- Long term Care (LTC) (insurance for coverage of nursing home expenses etc).
  - There are 3 proposed options under this plan: insurance cost, insurance cost + 5% inflation, or insurance +CPI inflated
  - Mercer is finalizing plan details with Unum on March 15.
- April meeting will have finalized details for voluntary plans

### 4. ACTION ITEMS FOR NEXT MEETING

- Evaluate local jurisdictions vision plans.
- Discuss succession planning for committee members; 2 year term is coming to a close.

### 5. NEXT MEETING, April 19, 2011 1pm-4pm

### 6. COMMENTS

The following comments were made by committee members:

- “When is Open Enrollment being held?
  - May 16-June 17<sup>th</sup>. Due to some Health Care Reform requirements, Open Enrollment will be a bit earlier this year.
- “Is the long term disability plan taxable?”
  - The long term disability benefit payment, should an employee qualify and receive one, will be taxable income only up to the 60% of your monthly income because the County pays the premium for that piece. If the employee has elected the LTD buy up coverage, the increased benefit of 6 2/3% is nontaxable because the employee is paying the premium with after tax dollars.
  - The premiums/deductions for the LTD buy-up would be with after tax dollars, not a pre-tax deduction.
- “What was the result of the discussion regarding employee benefits committee turnover?”

- We have a desire to maintain stability and the knowledge base within the committee. The desire would be that members retain their seats if they are interested and if it's possible. Committee members should check with their departments and confirm if this is viable. If you need to relinquish duties here, please let us know.