

- TO: Plymouth District Library Board
- **RE:** Initial Presentation of MERS Retiree Medical Options

DATE: November 4, 2023 FROM: Shauna Anderson, Library Director

As discussed previously in the VEBA committee, there are distinct concerns that I have about the long-term viability of the current plan arrangement. While the financial side of the plan is healthy, and over 100% funded, the plan design makes it harder for the library to market the employee pool on the insurance marketplace. Over the past few years, only Blue Care Network will bid on the library's plan, and every year, coverage options decline alongside an increase in premiums.

Recently, the library adopted a plan design change that allows retirees to purchase their own insurance coverage and be reimbursed up to an amount that aligns with what would have been spent on their behalf for coverage in the employee pool.

This plan design change helped move a number of retirees off of the library's medical census, however, there are still a number of retirees who wish to remain on the plan.

MERS currently offers two options that in combination, might offer a vision for what a future VEBA program could look like.

- 1. Retiree Healthcare Funding Vehicle: This option could replace the financial side of the VEBA trust—offering fiduciary oversight over the funds used for retiree healthcare.
- 2. Health Care Savings Program: This option could replace the administration of the plan going forward and support current employees with a system that would support them now and into retirement.
 - Every retiree currently receiving VEBA benefits could have a certain amount added to their HCSP account to pay for medical insurance.
 This account is tied to an insurance marketplace with individualized

benefits counselors to help retirees select a plan that meets their needs. The rest of the funds can then be used like a traditional HSA, on qualifying health purchases.

b. Those who are not currently eligible could begin receiving funding on a regular basis that could be used whenever the employee needs it on qualifying health purchases or use it as a savings account to prepare for retirement.

MERS is currently working on putting together a proposal to provide to the committee, but it looks like that will not be available in time for our November meeting.