

MEMORANDUM

TO: Mayor and City Council
Greenville Utilities Board of Commissioners

FROM: Barbara Lipscomb, City Manager *BL*
Anthony C. Cannon, General Manager/CEO *C.N.A. for A.C.C.*

DATE: September 15, 2015

SUBJECT: Joint City/GUC Pay and Benefits Committee
Recommendations for Plan Year 2016

The Joint City/GUC Pay and Benefits Committee, comprised of City Council Members Rose Glover and Rick Smiley and GUC Commissioners Joel Butler and Don Mills, met on August 27, 2015 to develop recommendations for Plan Year 2016 Health and Dental benefits. The following recommendations will be considered by City Council and GUC Board of Commissioners at their upcoming Joint Meeting scheduled for Monday, September 21, 2015 at 6:00 p.m. in the Greenville Utilities Board Room.

Joint Committee Recommendation on Plan Year 2016 Health/Dental Insurance Benefits:

City Council and the GUC Board of Commissioners adopted a Health Benefits Strategic Plan in 2014. The plan is intended to guide the provision of employee health benefits over a three-year period (2015-2017). In keeping with this three-year strategy, the following are the proposed changes for 2016:

- Introduction of a low cost Health Savings Account (HSA) option for employees beginning in 2016 with \$500/\$1,000 employer seed money plus an additional \$250/\$500 “first-year incentive”;
- Continued modification of Core and Enhanced plan designs to align with benchmarking, to encourage migration to the HSA option, and to align overall benefit value within limits of 2018 Excise Tax including
 - increasing employee contributions by 5% for the Core plan and 13% for the Enhanced plan;
 - increasing annual deductibles by \$100 per individual and \$200 per family; and
 - increasing annual out-of-pocket maximums by \$400 per individual and \$800 per family.
- Increase tobacco/nicotine user surcharge from \$75 to \$100 per month; and
- Increase employee contributions by 2.5% for dental coverage.

The Joint City/GUC Pay and Benefits Committee unanimously recommends adoption of the proposed changes for Plan Year 2016.

We look forward to seeing you at the upcoming Joint Meeting on September 21, 2015 at 6:00 p.m. in the GUC Board Room. A light meal will be served at 5:30 p.m.

cc: Chris Padgett, Chief Administrative Officer, Greenville Utilities Commission
Michael Cowin, Assistant City Manager, City of Greenville
Richie Shreves, Director of Human Resources, Greenville Utilities Commission
Leah Futrell, Director of Human Resources, City of Greenville

Attachments

JOINT MEETING
Greenville Utilities Commission/Greenville City Council

Monday, September 21, 2015
6:00 p.m.
Greenville Utilities Board Room
401 South Greene Street

1. Call Meeting to Order – Mayor Thomas
– Chairman Minges
2. Approval of Agenda – Greenville Utilities Commission
Approval of Agenda – City Council
3. Public Comment Period - For issues that are germane to both Greenville Utilities Commission and the City Council

The Public Comment Period is a period reserved for comments by the public. Items that were or are scheduled to be the subject of public hearings conducted at the same meeting or another meeting during the same week shall not be discussed. A total of 30 minutes is allocated with each individual being allowed no more than 3 minutes. Individuals who registered with the City Clerk to speak will speak in the order registered until the allocated 30 minutes expires. If time remains after all persons who registered have spoken, individuals who did not register will have an opportunity to speak until the allocated 30 minutes expires.

4. Joint Committee Recommendation on Plan Year 2016 Medical and Dental Benefits
5. Closed Session:

To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes, said laws rendering the information as privileged or confidential being the Open Meetings Law and N.C.G.S. 159B-38

6. Adjournment - Greenville Utilities Commission
Adjournment - City Council

City of Greenville & Greenville Utilities Commission

MEDICAL AND DENTAL BENEFITS PLAN YEAR 2016

September 21, 2015

Steve Graybill

Today's Discussion

- Three Year Strategy
- Medical Projections
- Surcharge Summary
- Excise Tax Analysis
- Dental Projections

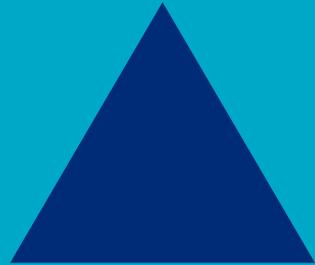
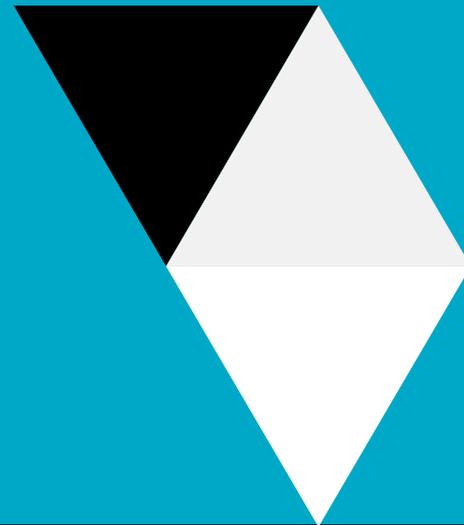
COG/GUC Three-Year Strategy

	2015	2016	2017
Design	<ul style="list-style-type: none"> • Modify Core and Enhanced plan designs to reduce overall benefit value by 1.4%. • Increase tobacco user surcharge to \$75 per month. Evaluate the types and cost of nicotine testing and communicate the testing requirement for employees and covered spouses effective for plan year 2016. • Introduce voluntary (100% employee paid) benefits to help members supplement HSA plan benefits (e.g. critical illness, accident). 	<ul style="list-style-type: none"> • Introduce CDHP with HSA as a third plan design. • Continue to modify Core and Enhanced plan designs to reduce overall benefit value by 2.6%. • Implement nicotine testing and increase tobacco user surcharge to \$100 per month and apply to spouses as well as employees . • Evaluate additional dental options (e.g., dental buy-up plan with higher annual maximum). 	<ul style="list-style-type: none"> • Eliminate Enhanced plan (contingent upon migration to Core and HSA plans and overall cost of plan). • Offer Core plan as “PPO” option along with HSA plan. Lean plan designs will provide avoidance of 2018 Excise Tax. • Consider working spouse exclusion.
Cost	<ul style="list-style-type: none"> • Target employer subsidy: 83.5%. • Include employee only tiers in salary band strategy. • Increase employee contributions on enhanced plan by 2%. • Dental contributions increase 2.4% to reflect needed budget increase. 	<ul style="list-style-type: none"> • Target employer subsidy: 81.5%. • Increase Enhanced and Core contributions significantly, to encourage migration to Core and HSA plans. • Continue to reinforce employer subsidy. • Re-align dental contributions to properly reflect new dental plan designs . 	<ul style="list-style-type: none"> • Target employer subsidy: 80.0%. • Modify contributions to further drive migration to HSA by increasing PPO plan contributions. • Lower employer subsidy on dental plans to be more in line with benchmarks.
Wellness & Incentives	<ul style="list-style-type: none"> • HRA with biometrics is required to receive incentives. • Encourage spouses to complete HRA. • Employees engage with a health coach to complete a health goal. • Consider utilizing Cigna’s Motivate Me incentive tracker. 	<ul style="list-style-type: none"> • Make Health Management Program more robust. Give employees more opportunity for points (incent for participation in case management and disease management) and greater incentive dollars to help offset cost for those employees moving into the HSA plan. 	<ul style="list-style-type: none"> • HRA with biometrics required to receive half of the employer HSA funding. • Earn additional points and incentives for meeting specific biometric outcomes & attending wellness events.

Summary of 2016 Recommendations

- Plan design modifications are in line with Mercer's benchmarking and help the plans avoid the 2018 Excise Tax
- Introduction of HSA plan
 - Early employee communication and education
 - Annual employer HSA contribution: \$500(individual)/\$1,000(family)
 - Year-one employer HSA bonus: \$250(individual)/\$500(family)
- Modifications to Core and Enhanced plan designs
- Changes to employee payroll contributions
 - Increase Core by 5%
 - Increase Enhanced by 13%
 - HSA beginning at \$2.50/paycheck - increasing based on dependent coverage and salary
- Increase Tobacco Surcharge from \$75 to \$100/month
- Future Considerations
 - Dual option dental plan with a base and buy-up
 - Nicotine Testing

MEDICAL



2015 – 2017 Proposed Plan Designs

Medical Plan Provisions	2015 Core	2015 Enhanced	2016 Core	2016 Enhanced	2016 HSA	2017 PPO	2017 HSA
In-Network Deductibles (Individual)	\$650	\$400	\$750	\$500	\$1,500	\$750	\$1,500
In-Network Deductibles (Family)	\$1,300	\$800	\$1,500	\$1,000	\$3,000	\$1,500	\$3,000
Out-of-Pocket Max (Individual)	\$2,600	\$1,600	\$3,000	\$2,000	\$3,000	\$3,000	\$3,000
Out-of-Pocket Max (Family)	\$5,200	\$3,200	\$6,000	\$4,000	\$6,000	\$6,000	\$6,000
Annual Employer Seed Money (Ind/Fam)	N/A	N/A	N/A	N/A	\$500/\$1,000	N/A	\$500/\$1,000
Year-One Seed Bonus (Ind/Fam)	N/A	N/A	N/A	N/A	\$250/\$500	N/A	N/A
Office Visit (PCP/Specialist)	\$20/\$40	\$20/\$40	\$20/\$40	\$20/\$40	ded/coin	\$20/\$40	ded/coin
Coinsurance	20%	15%	20%	15%	20%	20%	20%
Retail Rx	\$10/\$20/\$40	\$10/\$20/\$40	\$10/\$20/\$40	\$10/\$20/\$40	ded/coin	\$10/\$20/\$40	ded/coin
Mail-Order Rx	\$0/\$40/\$80	\$0/\$40/\$80	\$0/\$40/\$80	\$0/\$40/\$80	ded/coin	\$0/\$40/\$80	ded/coin
Enrollment	558	867	560	780	85	1,069	356
Actuarial Value	86.6%	89.8%	85.7%	88.7%	81.4%	85.7%	81.4%
Weighted Actuarial Value		88.5%		87.1%		84.6%	
Summary of Strategy	-Design changes to PPO plans. -Add employee only tier into salary band strategy. -Increase Enhanced contributions by 2%.		-Design changes to PPO plans. -Introduce HSA plan with contributions set lower than current Core plan contributions. - Goal is to drive migration into leaner Core and HSA plans.			-Eliminate Enhanced plan.	

- 2016 plan design changes are in line with Mercer benchmarking.
- Preventive medical care for all plans is covered at 100% and Cigna-specified preventive generic medications are not subject to the deductible under the HSA plan.

2015 and 2016 Medical Underwriting

COG/GUC Projections	2015 Projection (Actual data through June)	2016 Projection (Status Quo)*	2016 Projection (Proposed)	2016 (Savings)/Cost from Status Quo
Claims (Net of SL Reimbursements)	\$15,879,000	\$16,879,000	\$16,544,000	(\$335,000)
Admin/Stop Loss Fees	\$1,443,000	\$1,604,000	\$1,609,000	\$5,000
Reinsurance Fee (HCR)	\$135,000	\$82,000	\$82,000	\$0
TOTAL PROJECTED COST	\$17,457,000	\$18,565,000	\$18,235,000	(\$330,000)
Average Enrollment	1,417	1,411	1,411	
Budget (Based on 2015 premium-equivalent rates)	\$17,752,000	\$17,691,000	\$17,691,000	
Surplus/(Deficit) \$	\$295,000			
Surplus/(Deficit) %	1.7%			
2016 Increase Needed (\$)		\$874,000	\$544,000	(\$330,000)
2016 Increase Needed (%)		4.9%	3.1%	-1.9%
Employee Contributions	\$2,956,000	\$3,047,000	\$3,060,000	(\$13,000)
Surcharge Contributions	\$272,000	\$272,000	\$318,000	(\$46,000)
Employer Net Cost	\$14,229,000	\$15,246,000	\$14,857,000	(\$389,000)
Employer Cost Share %	81.5%	82.1%	81.5%	-0.6%
HSA Annual Employer Seed Money (\$500/\$1,000)**			\$63,000	\$63,000
HSA Year-One Seed Bonus (\$250/\$500)**			\$32,000	\$32,000
Employer Net Cost (Including Seed Money)	\$14,229,000	\$15,246,000	\$14,952,000	(\$294,000)

*Status quo represents no plan design changes or employee contributions changes from 2015, but does include 2016 trend.

**Assumes all health savings accounts are opened and activated by participants.

- Proposed 2016 plan design changes and introduction of the HSA plan are expected to save \$330K (1.8%) in gross costs and \$294K (1.9%) in net employer costs.
- 2016 Projection reflects proposed contribution changes outlined on page 7.

Medical Active Employee Contributions – 2016 Cost Share

2016 (Bi-Weekly)	Premium- Equivalent Rates	COBRA Rates	Employee Contributions by Salary Band											
			< \$32,278			\$32,278 - \$46,950			\$46,951 - \$61,623			> \$61,623		
			EE Contrib.	EEs	Cost Share	EE Contrib.	EEs	Cost Share	EE Contrib.	EEs	Cost Share	EE Contrib.	EEs	Cost Share
CORE														
EE	\$272.05	\$277.49	\$7.37	45	2.7%	\$8.10	92	3.0%	\$9.58	32	3.5%	\$11.06	19	4.1%
EE+SP	\$571.31	\$582.73	\$61.19	9	10.7%	\$67.17	16	11.8%	\$79.49	6	13.9%	\$91.79	10	16.1%
EE+CHILD(REN)	\$557.71	\$568.86	\$59.74	16	10.7%	\$65.57	55	11.8%	\$77.60	41	13.9%	\$89.61	22	16.1%
FAMILY	\$815.66	\$831.98	\$87.37	11	10.7%	\$95.90	34	11.8%	\$113.48	33	13.9%	\$131.05	30	16.1%
ENHANCED														
EE	\$289.56	\$295.35	\$26.21	23	9.1%	\$27.94	89	9.7%	\$31.52	68	10.9%	\$35.09	41	12.1%
EE+SP	\$608.06	\$620.22	\$111.33	8	18.3%	\$118.70	22	19.5%	\$133.87	17	22.0%	\$149.03	16	24.5%
EE+CHILD(REN)	\$593.58	\$605.46	\$108.68	11	18.3%	\$115.85	60	19.5%	\$130.69	65	22.0%	\$145.49	43	24.5%
FAMILY	\$868.13	\$885.49	\$158.97	6	18.3%	\$169.47	56	19.5%	\$191.13	70	22.0%	\$212.79	47	24.5%
HSA														
EE	\$235.61	\$240.32	\$2.50	8	1.1%	\$3.68	15	1.6%	\$4.86	4	2.1%	\$6.03	2	2.6%
EE+SP	\$494.76	\$504.66	\$39.58	1	8.0%	\$47.00	2	9.5%	\$54.42	1	11.0%	\$61.85	1	12.5%
EE+CHILD(REN)	\$482.99	\$492.65	\$38.64	3	8.0%	\$45.88	9	9.5%	\$53.13	6	11.0%	\$60.37	3	12.5%
FAMILY	\$706.38	\$720.51	\$56.51	2	8.0%	\$67.11	5	9.5%	\$77.70	5	11.0%	\$88.30	4	12.5%

Proposed employee contribution changes:

- Increase Core by 5%
- Increase Enhanced by 13%
- Introduce HSA
 - EE only: \$2.50/pay period in lowest salary band, +0.5% for each higher band
 - Dependent tiers: 8% in lowest salary band, +1.5% for each higher band

Medical Active Employee Contributions – 2015 vs. 2016 Increase

Salary Bands	Bi-Weekly Active Contributions											
	< \$32,278			\$32,278 - \$46,951			\$46,952 - \$61,623			> \$61,623		
	2015	2016	\$ Change	2015	2016	\$ Change	2015	2016	\$ Change	2015	2016	\$ Change
CORE												
EE	\$7.02	\$7.37	\$0.35	\$7.71	\$8.10	\$0.39	\$9.12	\$9.58	\$0.46	\$10.53	\$11.06	\$0.53
EE+SP	\$58.28	\$61.19	\$2.91	\$63.97	\$67.17	\$3.20	\$75.70	\$79.49	\$3.79	\$87.42	\$91.79	\$4.37
EE+CHILD(REN)	\$56.90	\$59.74	\$2.84	\$62.45	\$65.57	\$3.12	\$73.90	\$77.60	\$3.70	\$85.34	\$89.61	\$4.27
FAMILY	\$83.21	\$87.37	\$4.16	\$91.33	\$95.90	\$4.57	\$108.08	\$113.48	\$5.40	\$124.81	\$131.05	\$6.24
ENHANCED												
EE	\$23.19	\$26.21	\$3.02	\$24.73	\$27.94	\$3.21	\$27.89	\$31.52	\$3.63	\$31.05	\$35.09	\$4.04
EE+SP	\$98.52	\$111.33	\$12.81	\$105.04	\$118.70	\$13.66	\$118.47	\$133.87	\$15.40	\$131.89	\$149.03	\$17.14
EE+CHILD(REN)	\$96.18	\$108.68	\$12.50	\$102.52	\$115.85	\$13.33	\$115.65	\$130.69	\$15.04	\$128.75	\$145.49	\$16.74
FAMILY	\$140.68	\$158.97	\$18.29	\$149.97	\$169.47	\$19.50	\$169.14	\$191.13	\$21.99	\$188.31	\$212.79	\$24.48
HSA												
EE	N/A	\$2.50	(\$4.52)	N/A	\$3.68	(\$4.03)	N/A	\$4.86	(\$4.26)	N/A	\$6.03	(\$4.50)
EE+SP	N/A	\$39.58	(\$18.70)	N/A	\$47.00	(\$16.97)	N/A	\$54.42	(\$21.28)	N/A	\$61.85	(\$25.58)
EE+CHILD(REN)	N/A	\$38.64	(\$18.26)	N/A	\$45.88	(\$16.57)	N/A	\$53.13	(\$20.77)	N/A	\$60.37	(\$24.97)
FAMILY	N/A	\$56.51	(\$26.70)	N/A	\$67.11	(\$24.22)	N/A	\$77.70	(\$30.38)	N/A	\$88.30	(\$36.51)

Contribution impact (\$ change) for HSA plan compares 2016 HSA contributions to 2015 Core contributions to illustrate potential savings to employees who move to the HSA plan.

Medical Active Employee Contributions – Total Available Dollars for HSA

	< \$32,278			\$32,278 - \$46,951			\$46,952 - \$61,623			> \$61,623		
CORE TO HSA	Contribution Savings	HSA Seed + Year 1 Bonus	Total Available for HSA	Contribution Savings	HSA Seed + Year 1 Bonus	Total Available for HSA	Contribution Savings	HSA Seed + Year 1 Bonus	Total Available for HSA	Contribution Savings	HSA Seed + Year 1 Bonus	Total Available for HSA
EE	\$127	\$750	\$877	\$115	\$750	\$865	\$123	\$750	\$873	\$131	\$750	\$881
EE+SP	\$562	\$1,500	\$2,062	\$524	\$1,500	\$2,024	\$652	\$1,500	\$2,152	\$779	\$1,500	\$2,279
EE+CHILD(REN)	\$549	\$1,500	\$2,049	\$512	\$1,500	\$2,012	\$636	\$1,500	\$2,136	\$760	\$1,500	\$2,260
FAMILY	\$802	\$1,500	\$2,302	\$749	\$1,500	\$2,249	\$930	\$1,500	\$2,430	\$1,112	\$1,500	\$2,612

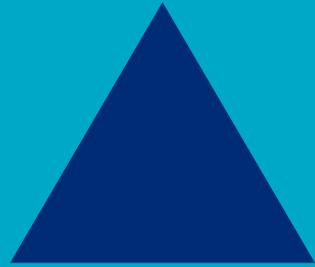
ENHANCED TO HSA	Contribution Savings	HSA Seed + Year 1 Bonus	Total Available for HSA	Contribution Savings	HSA Seed + Year 1 Bonus	Total Available for HSA	Contribution Savings	HSA Seed + Year 1 Bonus	Total Available for HSA	Contribution Savings	HSA Seed + Year 1 Bonus	Total Available for HSA
EE	\$616	\$750	\$1,366	\$631	\$750	\$1,381	\$693	\$750	\$1,443	\$755	\$750	\$1,505
EE+SP	\$1,865	\$1,500	\$3,365	\$1,864	\$1,500	\$3,364	\$2,066	\$1,500	\$3,566	\$2,267	\$1,500	\$3,767
EE+CHILD(REN)	\$1,821	\$1,500	\$3,321	\$1,819	\$1,500	\$3,319	\$2,017	\$1,500	\$3,517	\$2,213	\$1,500	\$3,713
FAMILY	\$2,664	\$1,500	\$4,164	\$2,661	\$1,500	\$4,161	\$2,949	\$1,500	\$4,449	\$3,237	\$1,500	\$4,737

Medical Retiree Employee Contributions – 2016 Cost Share

2016 Monthly	Premium-Equivalent Rates	Retirees	Retiree Contributions	Cost Share	Increase from 2015
CORE					
EE	\$589.45	66	\$29.47	5%	\$1.23
EE+SP	\$1,237.83	4	\$677.85	55%	\$28.30
EE+CHILD(REN)	\$1,208.37	1	\$648.39	54%	\$27.08
FAMILY	\$1,767.27	0	\$1,207.29	68%	\$50.42
ENHANCED					
EE	\$627.37	139	\$67.39	11%	\$1.74
EE+SP	\$1,317.47	17	\$757.49	57%	\$29.38
EE+CHILD(REN)	\$1,286.10	1	\$726.12	56%	\$28.14
FAMILY	\$1,880.95	7	\$1,320.97	70%	\$51.96

The Joint Staff recommends introducing HSA plan with active employees in 2016 and consider offering to retirees in 2017 or 2018.

DENTAL



2015 and 2016 Dental Underwriting

Dental	2015 Updated Projection (Actual Data Through June)	2016 Projection (Status Quo)
Dental Claims	\$821,800	\$837,000
Admin Fees	\$40,200	\$41,000
TOTAL PROJECTED COST	\$862,000	\$878,000
Average Enrollment	1,149	1,141
Budget (Based on 2015 premium equivalent rates)	\$861,800	\$857,000
Surplus/(Deficit)	(\$200)	
Surplus/(Deficit) % Change	-0.02%	
2016 Increase Needed (\$)		\$21,000
2016 Increase Needed (%)		2.5%
Employee Contributions	\$297,700	\$303,000
Employer Net Cost	\$564,300	\$575,000
Employer Cost Share %	65%	65%

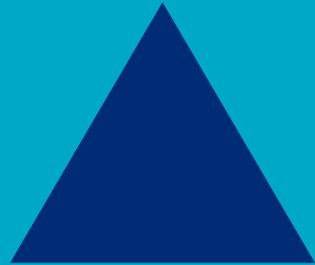
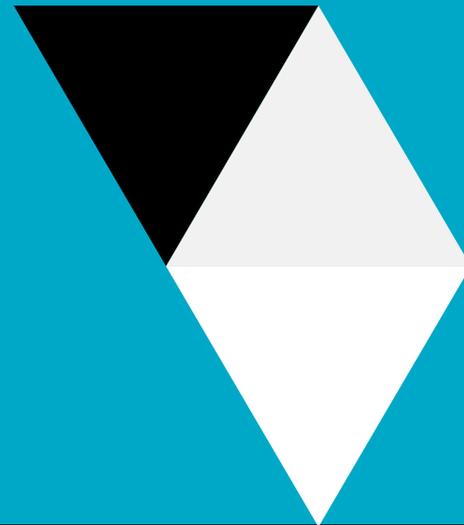
2016 projection reflects a needed increase of 2.5% budget and employee contributions.

2016 Dental – Cost Share

2016 Dental - Status Quo						
Bi-Weekly	2016 Premium Equivalent Rates	2015 EE Contributions	2016 EE Contributions	\$ Change	% Change	Cost Share
Dental						
EE	\$16.59	\$3.45	\$3.54	\$0.08	2.5%	21.3%
EE+SP	\$34.84	\$13.16	\$13.49	\$0.32	2.5%	38.7%
EE+CHILD(REN)	\$30.69	\$11.60	\$11.88	\$0.28	2.5%	38.7%
FAMILY	\$49.77	\$18.81	\$19.27	\$0.46	2.5%	38.7%

- The Joint Staff recommends consideration of a dual-option dental offering in the future where the employer subsidy is the same amount for each plan and employees can “buy-up” to have a greater benefit plan.
- Given the addition of the HSA in 2016, introduction of a change to the dental plan would be best received in a future plan year.

APPENDIX



Assumptions

2015 – 2016 Underwriting

- Updated 2015 and 2016 projections based on 24 months of historical claims experience (July 2013 - June 2015)
- Most recent twelve months are weighted 70%, prior twelve are weighted 30%
- Enrollment was assumed to remain constant for the projection period and is based off the most recent month available (June 2015)
- Enrollment by salary band taken from most current census
- Assumed Medical trend of 6%, Rx trend of 10.5%, Dental trend of 4%, Vision trend of 4%
- Includes a margin for claim fluctuations of 2%
- Transitional Reinsurance Fee for 2016 is \$27 PMPY
- 15% of the Core plan will migrate to the 2016 HSA plan
- 10% of the Enhanced plan will migrate to the 2016 Core plan
- \$4.94 has been added to the medical ASO fee for the HSA plan for account administration
- \$500/\$1,000 assumed employer HSA seed money
- \$250/\$500 assumed “first-year incentive” employer HSA seed money
- All HSA employer seed money is earned at the beginning of the year in year one

All estimates are based upon the information available at a point in time, and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate. Any estimate or projection may not be used or relied upon by any other party or for any other purpose than for which it was issued by Mercer. Mercer is not responsible for the consequences of any unauthorized use.

The 2018 Excise Tax

- A 40% excise tax is starting in 2018 on “high cost” employer-sponsored coverage
- The tax is on the “excess benefit” (the amount over set dollar caps)
- Initial cap is set at \$10,200 for employee only coverage and \$27,500 for all other dependent tiers
- Retiree thresholds are higher at \$11,850 for employee only coverage and \$30,950 for all other dependent tiers
- Thresholds in the analysis have been assumed to increase 3.1% year over year based on the CPI index
- IRS regulations recently proposed that employers can aggregate dependent tiers for purposes of determining the family cost of coverage with regards to the excise tax.

Estimated Annual Excise Tax

		2018	2019	2020	2021	2022
Core	3% Trend	\$0	\$0	\$0	\$0	\$0
	7% Trend	\$0	\$0	\$0	\$0	\$0
	12% Trend	\$0	\$6,969	\$100,935	\$385,691	\$858,970
Enhanced	3% Trend	\$0	\$0	\$0	\$0	\$0
	7% Trend	\$0	\$0	\$0	\$0	\$0
	12% Trend	\$0	\$118,494	\$539,557	\$1,262,732	\$2,099,746
TOTAL	3% Trend	\$0	\$0	\$0	\$0	\$0
	7% Trend	\$0	\$0	\$0	\$0	\$0
	12% Trend	\$0	\$125,463	\$640,492	\$1,648,423	\$2,958,716

2016 Tobacco & Spousal Surcharge Summary

- Tobacco surcharge is increasing from \$75.00/month
- Spousal surcharge remains unchanged from 2015

Tobacco Surcharge	
\$100.00/month Tobacco Surcharge	
66	# of COG Employees paying the surcharge
82	# of GUC Employees paying the surcharge
\$100	Monthly Surcharge Amount
\$46.15	Bi-Weekly Surcharge Amount
\$79,200	COG Contributions from Surcharge
\$98,400	GUC Contributions from Surcharge
\$178,000	2016 TOTAL Tobacco Surcharge Contributions

Spousal Surcharge	
\$100.00/month Spousal Surcharge (if spouse has an alternative option for health care coverage)	
70	# of COG Employees paying the surcharge
47	# of GUC Employees paying the surcharge
\$100	Monthly Surcharge Amount
\$46.15	Bi-Weekly Surcharge Amount
\$84,000	COG Contributions from Surcharge
\$56,400	GUC Contributions from Surcharge
\$140,000	2016 TOTAL Spousal Surcharge Contributions

* Assumes the amount of employees paying the surcharge remains constant throughout the projection period.

* Employee counts paying surcharges were taken from Census data provided in July 2014

MAKE



**TOMORROW,
TODAY**