

**RESOLUTION 21-R-16** to provide other post-employment benefits for retirees for FY 2021-2022.

**WHEREAS**, the City of Murfreesboro has chosen to provide post-employment benefits other than a pension to its retirees in previous fiscal years; and,

**WHEREAS**, the City of Murfreesboro wishes to provide other post-employment benefits (“OPEB”) to its retirees for Fiscal Year 2021-2022 in the form of allowing said retirees to participate in the City’s Health Benefits Plan on a cost shared basis under certain terms and conditions; and,

**WHEREAS**, for this OPEB purpose, the City includes the Water and Sewer Department, the qualifying former Murfreesboro Electric Department (MED) employees, but not the Murfreesboro City School System, or the Evergreen Cemetery; and,

**WHEREAS**, the City has heretofore chosen, and is choosing again for the upcoming fiscal year to pay the cost of providing the City portion of the insurance benefit with current revenue and not to set aside funds for the City’s OPEB obligation; and,

**WHEREAS**, although funded from current revenues, providing such other post-employment benefits means that the City is required to estimate the future cost of continuing to provide the benefits and to include said cost estimate in its comprehensive annual financial report as an accrued liability (although it is under no legal obligation to continue to maintain the benefits) under current GASB (General Accounting Standards Board) standards; and,

**WHEREAS**, to comply with GASB standards, the total OPEB obligation is projected every two years by the City’s actuary, Findley, and their projection of the estimated net OPEB obligation for all employees for all years for purposes of GASB 75 as projected July 1, 2020, not including the former MED qualifying employees, was \$145,169,308 as of June 30, 2020, and projected to be \$157,753,709 as of June 30, 2021; the estimated liability as of June 30, 2020 for the former MED employees, as projected July 1, 2020 is \$5,872,633; when the next projection is done the former MED employees will be included in the City’s projections and,

**WHEREAS**, in light of all of the foregoing, the City Council is choosing to recognize the service provided to the City and its taxpayers by its retired employees by continuing the option for retirees to obtain OPEB benefits for the upcoming fiscal year.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:**

**SECTION 1.** A City employee may continue to participate in the City’s Health Benefits Plan after retirement for FY 2021-2022 if either:

- a) the employee has attained age 55, has completed 15 years of continuous

service with the City, has had 5 years of continuous coverage in the City's Health Benefits Plan in the 5 years preceding the employee's retirement, and the City employee has retired under the City's pension plan.

OR,

b) the employee has completed 30 years of continuous service with the City, has had 5 years of continuous coverage in the City's Health Benefits Plan immediately preceding retirement, and the City employee has retired under the City's pension plan.

OR,

c) the individual was actively receiving retiree medical benefits with Murfreesboro Electric Department (MED) on June 30, 2020.

SECTION 2. Retired employees meeting the eligibility requirement in Section 1 may participate in the City's Health Benefits Plan:

a) until the retired employee attains age 65. If the employee is age 65 or greater at retirement or if the retired employee attains age 65, the employee is no longer eligible to participate in the City's Health Benefits Plan but is eligible to participate in the City's Medicare Supplement Plan.

OR

b) former MED retirees and/or eligible spouse or eligible dependents meeting the eligibility as stated in Section 1 may participate in the City's Health Benefits Plan until the retired employee attains age 65. If the employee is age 65 or greater or if the retired employee attains age 65, the employee is no longer eligible to participate in the City's Health Benefits Plan but is eligible to participate in the City's Group Insurance plan provided.

SECTION 3. The cost of a retired employee's participation in the City's Health Benefits Plan or in the Medicare Supplement Plan will be shared between the retired employee and the City with the retired employee paying approximately 20% of the cost and the City paying approximately 80% of the cost.

For former MED participants in the City's Health Benefits Plan, the Medicare Supplement Plan costs will be shared between the retiree and the City with the retiree paying approximately 10% -12%, depending on type of coverage. The City will pay the remaining cost.

For FY 2021-2022, the retired employee's monthly cost to participate in the Medicare Supplement Plan will be: \$100.20 for individual coverage; \$200.40 for individual plus child(ren) coverage; \$200.40 for individual plus spouse coverage; and, \$300.60 for family coverage.

For FY 2021-2022, the cost for MED retirees on the City's Group Insurance plan will be \$40.50, unless grandfathered into the plan at no premium charge. Spouses of MED retirees pay \$405.00. Remaining premium costs of MED retirees and spouses will be paid by the City.



The retired employee, or eligible spouse or eligible dependent, must pay the participant's cost of such Health Benefits Plan or Medicare Supplement Plan coverage when and as directed by the Human Resources Department.

SECTION 4. Eligible retired employees and/or their spouses may participate in the City's Health Reimbursement Arrangement (HRA) - Medicare Plan without any cost to them. Participants will receive \$180.00 (or \$360.00 for family coverage) per month to use for qualified medical expenses.

SECTION 5. Eligible retired MED employees and/or their spouses receive life insurance benefits of \$5,000.00 at no charge.

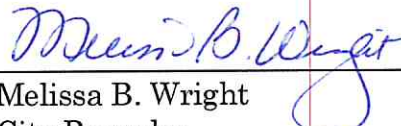
SECTION 6. This Resolution shall be effective immediately upon its passage and adoption, the public welfare and the welfare of the City requiring it.

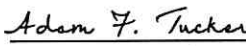
Passed: May 20, 2021

  
Shane McFarland, Mayor

ATTEST:

APPROVED AS TO FORM:

  
Melissa B. Wright  
City Recorder

DocuSigned by:  
  
Adam F. Tucker  
City Attorney