

April 1, 2022

Re: 2022-2023 Health Insurance Plan Information - Effective July 1, 2022

Dear Retired City Employees:

Healthcare costs nationwide continue to rise and our self-insured plan is not immune from this reality. In light of this, our medical insurance costs for the next plan year will result in an 11.5% premium increase. We avoided a larger premium increase because of being self-insured and having employees and local retirees utilize the Employee and Family Health Center. Thank you for continuing to help us save on our health care costs.

Given the current and unprecedented inflation we are all facing, the Mayor and City Administration have further evaluated the proposed health premium increase. As a result, we are pleased to inform you that in an effort to reduce this financial impact, the City has decided to cover half of the health plan's premium increase retirees would otherwise be required to pay. Please note this is being done on a non-precedent setting basis and is not a guarantee of what may occur in future insurance plan years.

Effective July 1, 2022, retirees enrolled in the health plan will see a 5.75% health insurance premium increase instead of the full 11.5%.

For the 2022-2023 health plan year, the costs associated with the City's premium share and the employee/retiree portion of the increase the City will be absorbing will be in excess of \$2 million dollars. These costs are in addition to the costs the City absorbed when it fully covered retired employees' premium increases in the prior plan year. It is important to note the City does not expect or plan to absorb increases to any portion of retirees insurance premiums beyond the 2022-2023 health plan year. Therefore, you should expect to be responsible for 100% of your required health insurance premiums including any premium increases in future plan years.

We are also pleased to inform you that for the 2022-2023 plan year, there will be no increases to your Vision and Dental insurance premiums.

As a reminder, open enrollment will take place next month and additional information to aid you in making your plan selections for the next plan year will soon be available on mybentek.com/wpb.

Should you have any questions, please contact the Human Resources Department at (561) 494-1000.



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