

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 16, 2024

MEMO TO: Members of the Retirement Board

THROUGH: Cindy Charan, Director of Human Resources 

FROM: Lisa Sorani, Manager of Employee Services 

SUBJECT: Special Retirement Board Meeting – 4/16/2024

A special meeting of the Retirement Board will convene at 9:00 a.m. on Tuesday, April 16, 2024. This meeting will be conducted in person with all Retirement Board members physically present in the Administration Training Resource Center, 375 Eleventh Street, Oakland, California, which shall serve as the physical location for members of the public who wish to attend the meeting in person. Please note, however, that members of the public will also be provided the opportunity to participate via video and teleconference. Public participation will also be available by live audio stream at <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>; however, listeners will not be able to provide public comment via live audio stream. To participate in the meeting or provide public comment, please see the Appendix of the Agenda for instructions on joining the Zoom meeting online or by phone.

Some staff and presenters may be attending via Zoom, which will be broadcast at the meeting.

Enclosed is the agenda for the April 16, 2024 special meeting. The package also includes the following: **(1) CONSENT items:** none; **ACTION items:** none; **(3) INFORMATION items:** Options for Amending the Retirement Ordinance with Respect to Pension Benefits for Board Members; HIB Study: HIB Peer Benchmark Survey Results (2023 data updated); HIB Study: Retiree HIB Survey Results; HIB Study: Prior HIB Increases vs Prior Health Plan Premiums, and Present Value of Prior HIB Values; **(4) REPORTS FROM THE RETIREMENT BOARD:** none.

CC:ls

Enclosure

AGENDA
EBMUD EMPLOYEES' RETIREMENT SYSTEM
April 16, 2024

A special meeting of the Retirement Board will convene at 9:00 a.m. on Tuesday, April 16, 2024. This meeting will be conducted with Retirement Board Members physically present in the Administration **Training Resource Center**, 375 Eleventh Street, Oakland, California. This location shall serve as the physical location for members of the public who wish to attend the meeting in person. Please note, however, that members of the public will also be provided the opportunity to participate via video and teleconference. Public participation will also be available by live audio stream <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>; however, listeners will not be able to provide public comment via live audio stream. To participate in the meeting or provide public comment, please see the Appendix of the Agenda for instructions on joining the Zoom meeting online or by phone. Some presenters may be attending via Zoom.

Retirement Board Members: Clifford Chan, Marguerite Young, April Chan, Tim McGowan, Jae Park, and Elizabeth Grassetti

Staff to the Retirement Board: Sophia Skoda, Lourdes Matthew, Cindy Charan, Lisa Sorani, Steven Goodman-Leibof, Robert Hannay, Valerie Weekly, and Mae Shepherd

Consultants & Presenters: Alliant – Billie Brown and Thomas Sher

****Public Participation****

Please see Appendix at end of Agenda for Public Participation Details

ROLL CALL:

PUBLIC COMMENT: The Retirement Board is limited by State Law to allow public comment only on the agenda items listed in this agenda.

SPECIAL REGULAR BUSINESS MEETING

CONSENT CALENDAR:

No Items

ACTION:

No Items

INFORMATION:

1. Options for Amending the Retirement Ordinance with Respect to Pension Benefits for Board Members – L. Matthew
2. HIB Study: HIB Peer Benchmark Survey Results (2023 data updated) – C. Charan
3. HIB Study: Retiree HIB Survey Results – C. Charan

4. HIB Study: Prior HIB Increases vs Prior Health Plan Premiums, and Present Value of Prior HIB Values – C. Charan

MEETING ADJOURNMENT:

The next regular meeting of the Retirement Board will be held on Thursday, May 23rd, 2024.

Retirement Board Meetings

- May 23, 2024
- June 4, 2024 (Special)
- July 18, 2024
- September 19, 2024
- November 21, 2024

APPENDIX

Retirement Board Meeting
Tuesday April 16, 2024
9:00 a.m.

This meeting will be conducted with Retirement Board Members physically present in the Administration Training Resource Center, 375 Eleventh Street, Oakland, California. Members of the public are welcome to attend in person or virtually as described below. Please note that Retirement Board meetings are recorded and live-streamed.

To **view the livestream of the Retirement Board Meeting**, without making public comment, please visit: <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>

If you wish to join the meeting, or to make public comment, please visit this page beforehand to familiarize yourself with Zoom. <http://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

Zoom Webinar

You are invited to a Zoom webinar.

When: Apr 16, 2024 09:00 AM Pacific Time (US and Canada)

Topic: April 16, 2024 - Retirement Board (Special) Meeting

Please click the link below to join the webinar:

<https://ebmud.zoom.us/j/85122837686>

Or One tap mobile :

+16694449171, 85122837686# US

+16699006833, 85122837686# US (San Jose)

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

Webinar ID: 851 2283 7686

International numbers available: <https://ebmud.zoom.us/j/85122837686>

Providing Public Comment

The EBMUD Retirement Board is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

If you wish to provide public comment, please:

- Use the raise hand feature in Zoom to indicate you wish to make a public comment <https://support.zoom.us/hc/en-us/articles/20055661-Raising-your-hand-in-a-webinar>.
 - If you participate by phone, press *9 to raise your hand.
- When prompted by the Asst. Secretary, please state your name, affiliation, if applicable, and topic.
- The Assistant Secretary will call each speaker in the order received.
- Comments on non-agenda items will be heard at the beginning of the meeting.
- Comments on agenda items will be heard when the item is up for consideration.
- Each speaker is allotted 3 minutes to speak; The Retirement Board President has the discretion to amend this time based on the number of speakers.
- The Assistant Secretary will keep track of time and inform each speaker when time is up.

EAST BAY MUNICIPAL UTILITY DISTRICT
Office of the General Counsel

DATE: April 11, 2024

MEMO TO: Retirement Board

FROM: Lourdes Matthew, Assistant General Counsel



SUBJECT: Item 1 -- Options for Amending the Retirement Ordinance No. 40 with Respect to Pension Benefits for Board Members

SUMMARY

At the Special Meeting of the Retirement Board scheduled for April 16, 2024, the Office of General Counsel (OGC) will provide an update regarding the proposed amendments to the Retirement Ordinance with respect to pension benefits of members of the Board of Directors (Board) and the direction given by the Board with respect to those options.

DISCUSSION

At its March 21, 2024 meeting, the Retirement Board was presented with options to prevent a windfall in pension benefits that a member of the Board may gain if the member is eligible for reciprocity. The options presented to the Retirement Board were to: (1) exclude members of the Board from participating in the Retirement System or (2) pro-rate the amount of service a Board member may accrue for purposes of determining the pension benefit.

These options were then presented to the Board at its regular meeting on April 9, 2024. The Board agreed that the Retirement Ordinance must be amended to prevent a windfall and resulting unfunded liability to the Retirement System. However, the Board directed staff to continue to research additional options. Specifically, staff is to research whether the Retirement Ordinance may be amended to limit the final compensation to that earned at the District for Board members if that Board member is entitled to reciprocity.

NEXT STEPS

Staff is currently researching other options and whether limiting the final compensation of a Board member with reciprocal benefits would be permitted under the reciprocity agreement with the California Public Employees' Retirement System (CalPERS) and with current law.

LM:vsh

cc: Derek McDonald, General Counsel
Cindy R. Charan, Director of Human Resources
Sophia D. Skoda, Director of Finance

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 16, 2024

MEMO TO: Members of the Retirement Board

THROUGH: Cindy Charan, Director of Human Resources *Cindy R. Charan*

FROM: Lisa Sorani, Manager of Employee Services *Lisa Sorani*

SUBJECT: HIB Peer Benchmark Survey Results (2023 data updated)

SUMMARY

This informational memorandum provides an update on the 2023 peer HIB benchmark survey data that will be presented to the Retirement Board at the April 16, 2024 Retirement Board meeting.

DISCUSSION

Last year, the Retirement Board requested a different metric as a comparison point in the HIB benchmark survey data. Of interest to the Retirement Board is how much retirees from peer agencies are paying out of pocket for health plan premiums after a retirement health benefit was applied. The attached presentation outlines the updated 2023 survey findings to provide this requested information. The presentation also provides additional insight into other important differences between the peer agency plans including plan design data, vesting schedules, and other ancillary benefits provided.

The survey data includes 16 peer responses, plus EBMUD broken down as follows.

- 5 counties (including county retirement systems)
- 2 Transportation Agencies
- 10 Water / Utility Agencies

Participating Agency Names	
AC Transit	Delta Diablo Sanitation District
Alameda County Employees' Retirement Association (ACERA)	DSRSD
Alameda County Water	Marin County Employees' Retirement Association (MCERA)
Bay Area Rapid Transit (BART)	Marin Water Municipal District (MWMD)
City & County of San Francisco	Sacramento Municipal Utility District (SMUD)
Contra Costa Water District (CCWD)	Union Sanitary District
County of Marin	West County Wastewater
County of Santa Clara	Zone 7 Water

Data Methodology

The data set for the HIB benchmark survey is dense; there are no agencies that handle their retiree benefits the same. To answer the question of retiree out-of-pocket costs for the Retirement Board, staff had to simplify and equalize the data and the following decisions, assumptions, and classifications were made.

1. One Kaiser plan and one non-Kaiser health plan from each agency was used to run the comparison for retiree out-of-pocket costs.
2. Only the premium rates for Medicare eligible (over age 65) plans were included in the review.
3. The most current tier of each agency's retiree benefit was used as the comparator. Please note that this represents the District's current HIB value of \$450 and \$550 that most all current retirees are eligible for versus peer agency current benefit tiers that may only be related to employees hired at an agency as recently as 2021 or 2022. So, this is not necessarily a comparison of our peer agency current retiree's out-of-pocket costs to the District's current retiree out-of-pocket costs.
4. The value of 100% of each agency's benefit was used. This means that the data compares the retiree health benefit earned in most cases by working 20 or more years of service. The data today does not include comparison out-of-pocket costs for those retirees who earn less than 100% of a benefit prior to retirement.
5. At a high level, the value of each agency's benefit falls into one of two designs; either a flat dollar value of the benefit like the HIB, or a variable benefit that is tied to the full value of the premium of health plans. Where needed, staff separated these plan designs for comparison.

Based on the above assumptions, staff looked carefully at the following comparison points in the data.

Retiree Out of Pocket Costs

Health plan availability at the peer agencies is similar but not the same. Similarly, the cost of health care premiums at each agency are not the same. To look at the out-of-pocket costs for retirees we chose a Kaiser HMO and a non-Kaiser health plan at each agency if they provide a non-Kaiser option. From there we used the current (2023) health plan premiums and the current 100% retiree health benefit value from each peer agency to compare against the District's \$450 and \$550 max benefit and our 2023 health plan premiums.

Medicare Part B and other Ancillary Benefits

One important question is whether other agencies include the cost of Medicare Part B (Part B) in their calculations for cost of benefits and/or the value of their employer benefit. In the survey, 28% reimburse Part B premiums, 50% do not, and for 22% it was unknown. For this reason, staff show the comparison out-of-pocket cost data both without Medicare Part B premiums included for all participants, and then with the Medicare Part B premiums compared to those agencies that also reimburse Part B premiums. In addition, staff want to call out that a few agencies offer paid dental insurance or paid vision insurance in addition to the core health benefit, and some are

HIB Peer Benchmark Survey Results (2023 data updated)
Retirement Board Meeting
April 16, 2024

reimbursing Part B premiums outside of the core health benefit. Since this benchmark is of the HIB which is related to peer retiree health plan coverage, staff stayed within a review of the core benefit only.

Vesting Schedules

The next most important comparison is how members vest into the retiree health benefit. The presentation looked to compare the most current vesting schedule of the peer agencies against the District's vesting schedule. Staff also looked at when the current vesting schedule was created.

NEXT STEPS

While it is difficult to find an exact comparison against these peer agencies, the results of the survey provide estimated costs of retiree out-of-pocket health insurance expenses. Part of the difficulty in comparison is the key difference in plan design between these peer agencies. Some agencies designed their plan to fully pay the cost of retiree health insurance regardless of the cost. The District and a few other agencies, on the other hand, elected to design a defined contribution, a set amount of money for retirees to use toward health plan costs.

In comparison of the agencies with defined contribution plan design, the District HIB is the lowest value of the 4 agencies that use the defined contribution plan design.

In addition to consideration of a change in the value of the HIB, the Retirement Board could also review a change in the vesting schedule used for vesting into the HIB. Any changes to the HIB or vesting schedule are authorized by the Board of Directors and is subject to union MOU negotiations as a subject of collective bargaining under the Meyers Milias Brown Act (MMBA).

The next HIB study meeting on June 4, 2024 will be a working meeting to consider various proposals for the Board of Directors. Staff will bring several model proposals as a starting point for the discussion.

CC:LS:ls

Attachments: Presentation Deck – HIB Peer Benchmark Survey Results



East Bay Municipal Utility District

Retiree Benchmarking Survey Results

April 16, 2024

Presented by:
Tom Sher
Billie Brown

Retiree Benchmarking Results



HIB Retiree Benchmarking Survey

Background

- EBMUD distributed a benchmarking survey to 30 comparative agencies in 2023
- 16 agencies responded to the survey
- This presentation provides an overview of the responses in comparison to the EBMUD HIB program

of Survey Respondents

17 Respondents, including EBMUD

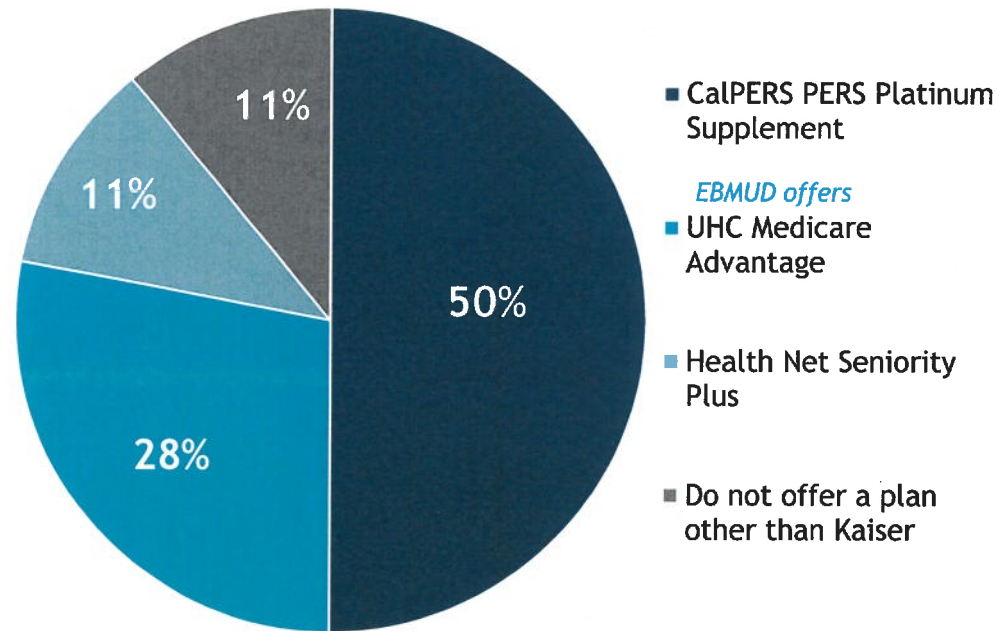
Respondent Types

5 Counties (including County retirement agencies)
2 Transportation agencies
10 Water/Utility Agencies



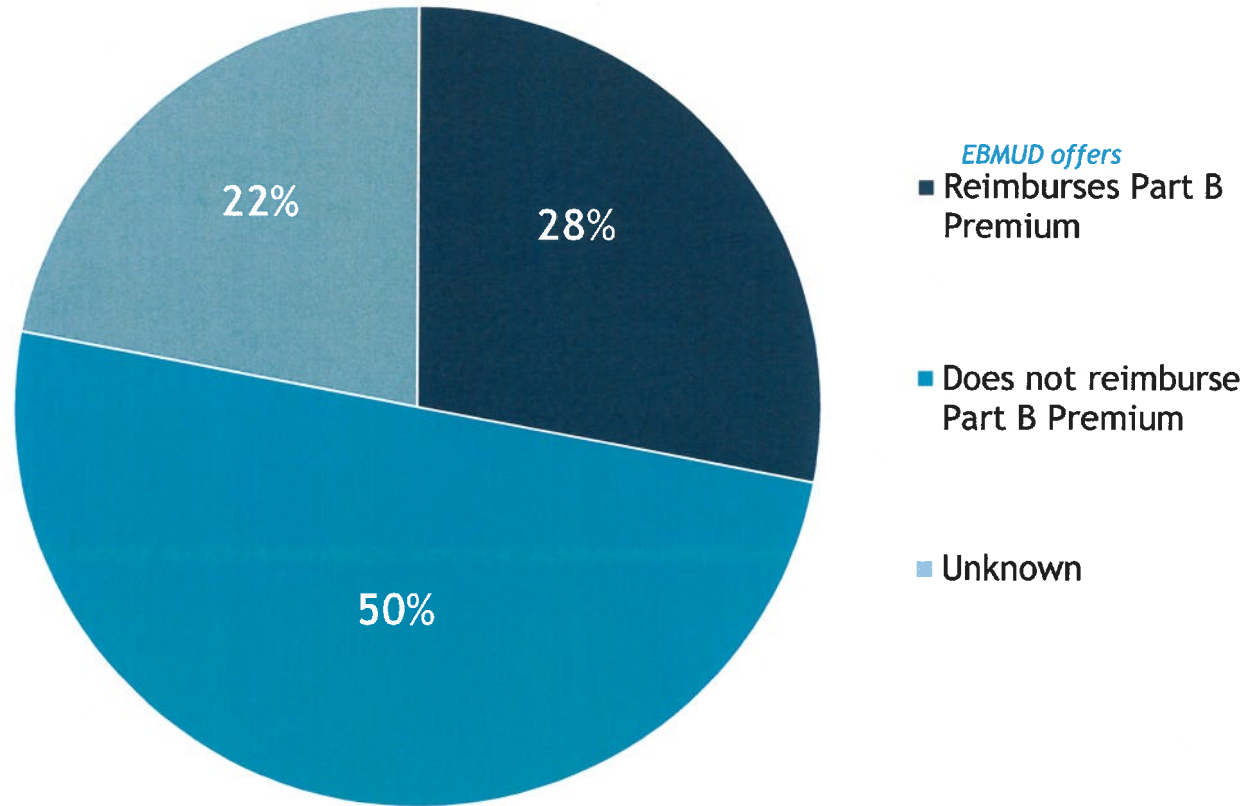
HIB Survey Results

Name of Non-Kaiser Plan



HIB Survey Results

Reimburses Part B
Premium (\$164.90
in 2023)

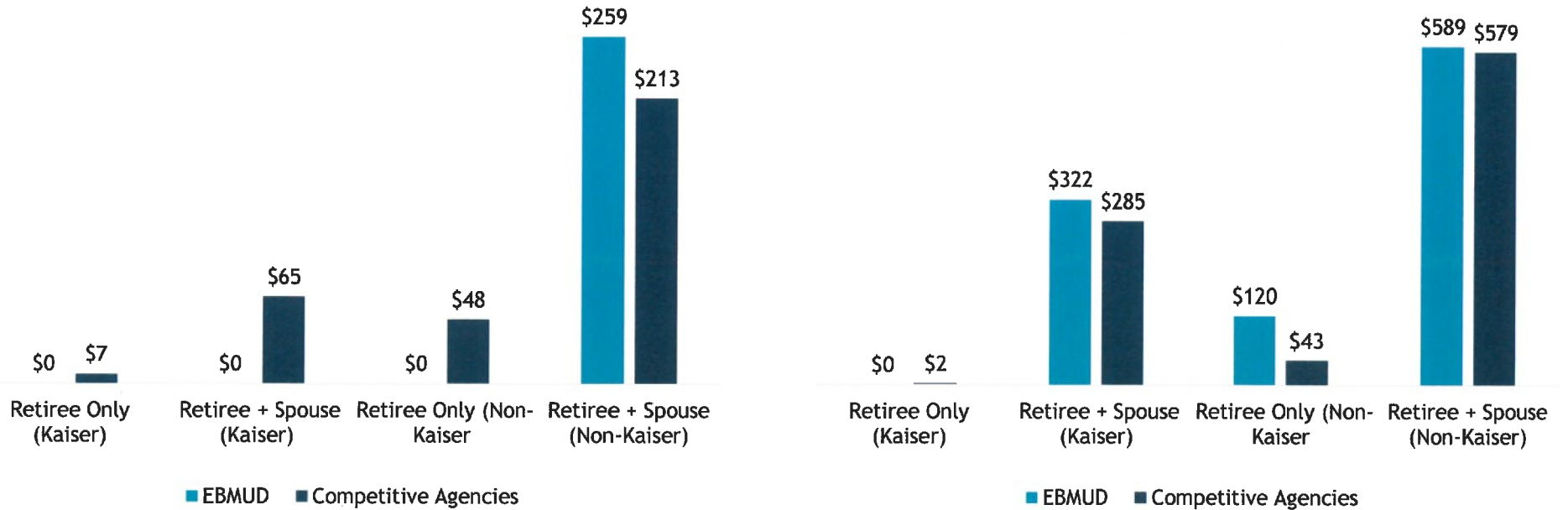




Average Retiree Out of Pocket Premiums (2023 Rates)

All Respondents - not including Part B Premiums

For those who reimburse Part B Premiums





HIB Survey Results

Average Retiree Out of Pocket Premiums

	EBMUD	Comparative Data (Averages)	
NOT Including Part B Premiums	Average Kaiser Out of Pocket Premium (All Respondents - not including Part B Premiums)		
	Retiree	\$0	\$7
	Retiree + Spouse	\$0	\$65
	Average Non-Kaiser Out of Pocket Premium (All Respondents - not including Part B Premiums)		
	Retiree	\$0	\$48
	Retiree + Spouse	\$259	\$213
Including Part B Premiums	Average Kaiser Out of Pocket Premium for those who reimburse Part B Premiums		
	Retiree	\$0	\$2
	Retiree + Spouse	\$322	\$285
	Average Non-Kaiser Out of Pocket Premium for those who reimburse Part B Premiums		
	Retiree	\$120	\$43
	Retiree + Spouse	\$589	\$579

Data reflects 2023 premiums and contributions



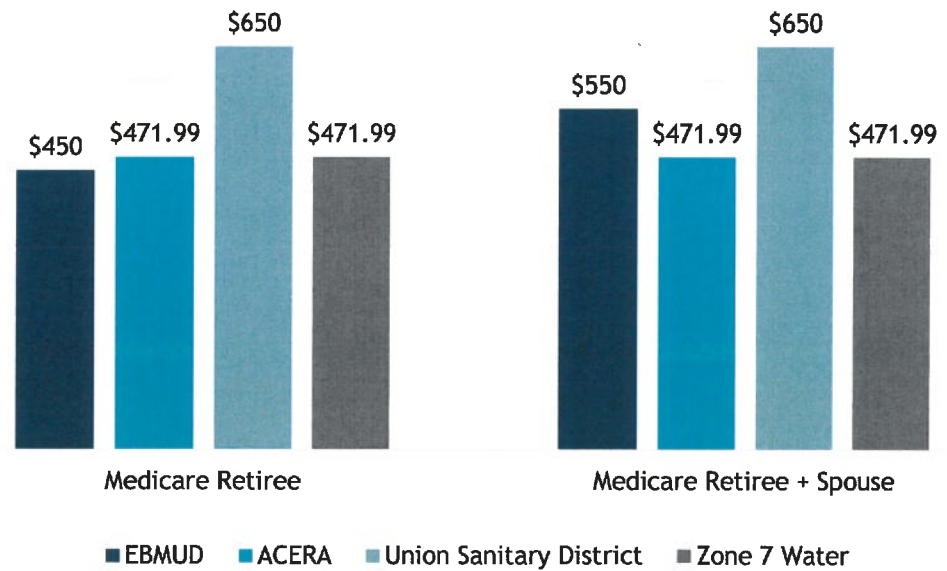
HIB Survey Results

Average Retiree Out of Pocket Premiums

Medicare Plans Only - 2023 Data	WITHOUT PART B			
	Kaiser Out of Pocket Premium		Non-Kaiser Out of Pocket Premium	
	Retiree	Retiree + Spouse	Retiree	Retiree + Spouse
EBMUD	\$0	\$0	\$0	\$259
AC Transit	\$0	\$227	\$496	\$1,327
Alameda County Employees' Retirement Association (ACERA)	\$0	\$162	N/A	N/A
Alameda County Water	\$132	\$416	\$269	\$689
BART	\$0	\$0	\$0	\$0
City & County of San Francisco	\$0	\$154	\$0	\$154
Contra Costa Water District (CCWD)	\$0	\$0	\$0	\$0
County of Marin	\$0	\$0	\$0	\$67
County of Santa Clara	\$0	\$0	\$0	\$601
Delta Diablo Sanitation District	\$0	\$0	\$0	\$0
DSRSD	\$0	\$0	\$0	\$0
Marin County Employees' Retirement Association (MCERA)	\$0	\$0	\$0	\$67
Marin Water Municipal District (MWMD)	\$0	\$0	\$0	\$0
Metro Water District of Southern California (MWD)	\$0	\$0	\$0	\$0
Sacramento Municipal Utility District (SMUD)	\$0	\$57	\$0	\$57
Union Sanitary District	\$0	\$0	\$0	\$190
West County Wastewater	\$0	\$0	\$0	\$0
Zone 7 Water	\$0	\$162	N/A	N/A
AVERAGE	\$7	\$65	\$48	\$213

- 4 respondents have a defined contribution (flat dollar contribution)
- 12 respondents have a defined benefit design that effectively is paying the full cost of the healthcare plans (varies by design and generally doesn't cover all health plans, but covers the full contribution for at least one plan option), often for both retiree and retiree with spouse

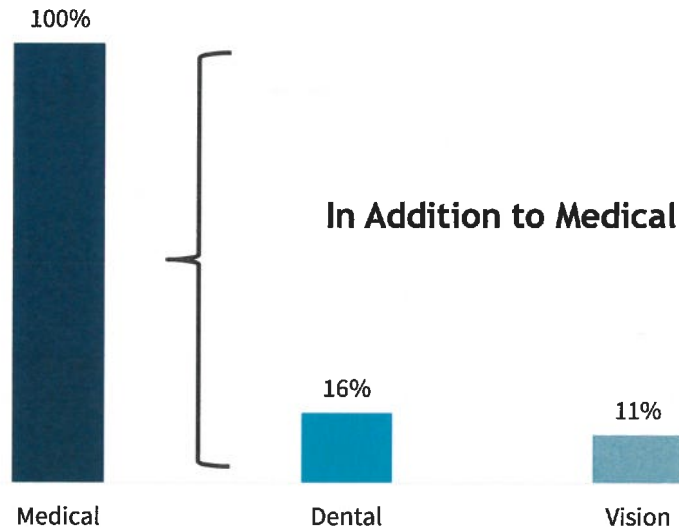
Employers with a Flat Dollar Contribution





HIB Survey Results

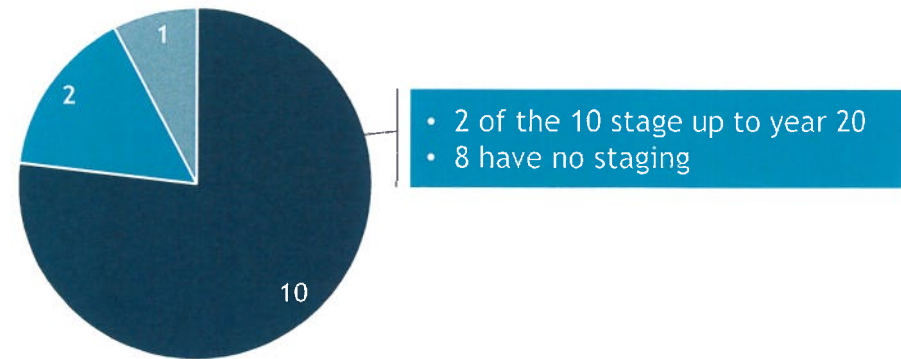
Benefits Covered by Subsidy



EBMUD offers Medical, Dental, Vision, and LTC

HIB Survey Results: Vesting

13 of the competitor agencies start their vesting at year 10



- Vests 50% at 10 years and get to 100% at 20 years
- Vests 100% at 10 years
- Vests 50% at 10 years and then 100% at 15 years

4 of the competitor agencies (including EBMUD) start vesting at year 5

- EBMUD vests at 5, 10, 15 and 20 years (25% per 5 years)
- All 3 Marin agencies vest 100% at year 5, but there is variability in what they get at year 5
 - 1 must have 15 years then 100%
 - 1 must have 25 years then 50% (nothing additional)

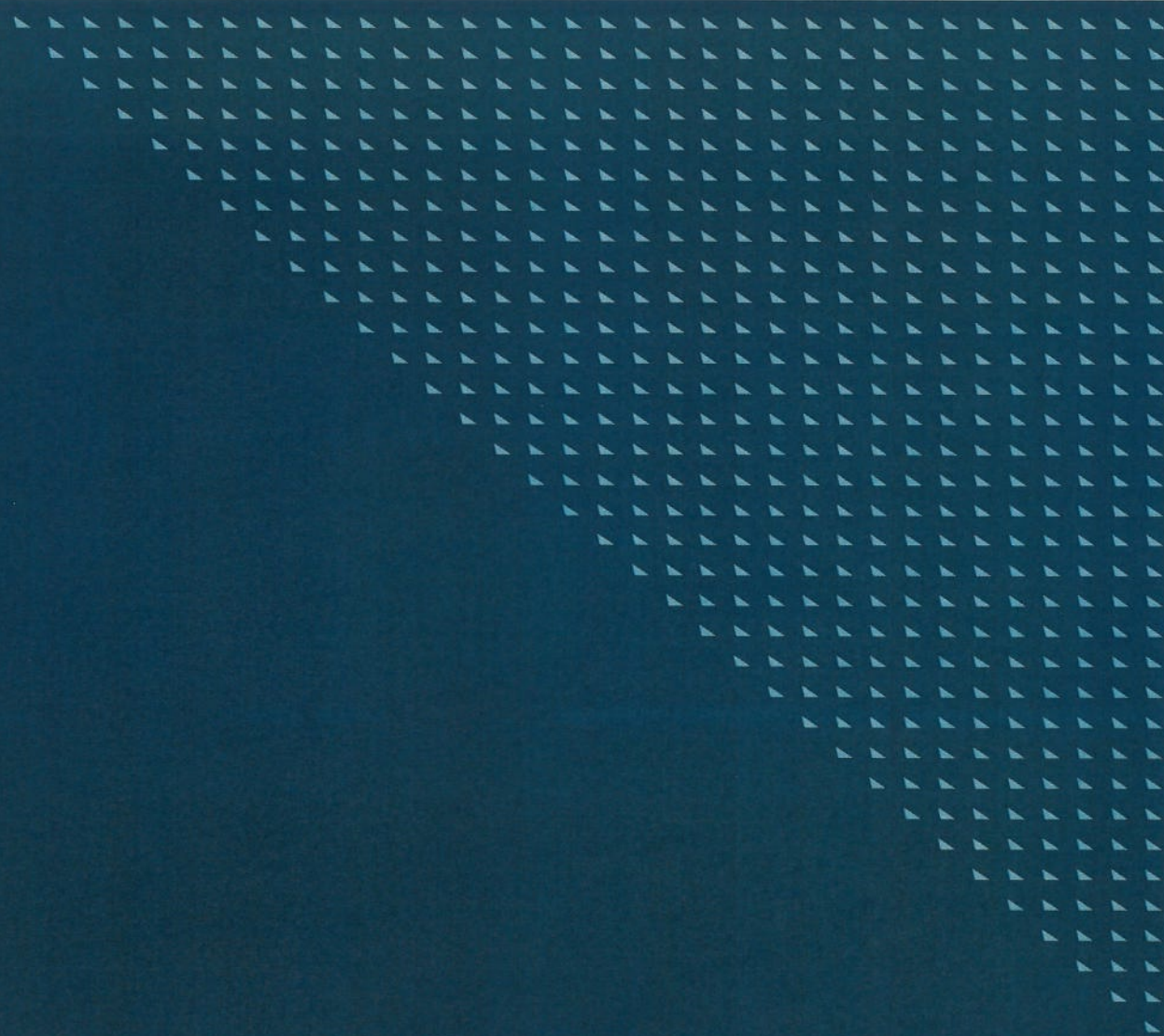
Assumptions



Assumptions

The following decisions, assumptions, and classifications were used to put together the data in this presentation:

- One Kaiser plan and one non-Kaiser health plan from each agency was used to run the comparison for retiree out of pocket costs
 - For CalPERS agencies, the PERS Platinum Supplement plan was used for the comparison as it was reported as the plan with the highest enrollment
- Only the rates for Medicare eligible over age 65 plans were included
- The most current tier of each agency's retiree benefit was used as the comparator
- The value of 100% of each agency's benefit was used (comparing the retiree health benefit earned in most cases by 20 or more years of service)
- At a high level, the value of each agency's benefit falls into one of two designs, either a flat dollar value of the benefit like the HIB, or a variable benefit that is tied to the full value of the premium of health plans; this was separated out as needed for comparison purposes



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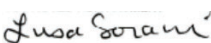
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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 16, 2024

MEMO TO: Members of the Retirement Board

THROUGH: Cindy Charan, Director of Human Resources 

FROM: Lisa Sorani, Manager of Employee Services 

SUBJECT: Retiree HIB Survey Results

SUMMARY

This informational memorandum provides information regarding the Retiree HIB survey results that will be presented to the Retirement Board on April 16, 2024

DISCUSSION

The Retirement Board requested a HIB survey that surveyed current retirees about how they are using the HIB benefit. This survey also examined whether the HIB benefit, as it currently stands, is an issue or concern to current retirees.

As requested by the Retirement Board, staff sent a letter to retirees ahead of the survey to inform them of the study and when to expect the survey. Retirees with email addresses on file received the notice via email. Emails were sent to 1,818 retirees. Retirees without email addresses on file received a letter with the survey link as well as a QR code to access the survey. They were also informed that if they preferred a paper copy, they could make that request. Letters were mailed to 206 retirees; six paper copies of the survey were requested, completed, and returned.

A follow-up email was sent and a reminder about the survey was placed in the March 28th Splashes newsletter. A total of 724 retirees responded to the survey at least partially, which is a 36% response rate. The mix of respondents included retirees who receive less than the max HIB benefit, retirees who receive the full single benefit of \$450, and retirees who receive the full \$550 married benefit. The survey was closed on April 3, 2024.

The survey asked retirees how they use HIB, their level of satisfaction with the benefit, and gave retirees an opportunity to share any other information relative to the HIB benefit.

Survey Results

Retirees rated their satisfaction with the HIB on a scale of 1 to 100 where 100 was “highly satisfied” and 1 was “highly dissatisfied”. There were 600 responses to this question with a breakdown of survey responses as follows:

Retiree HIB Survey Results
Retirement Board
April 16, 2024

- 17 gave a rating of 1 “highly dissatisfied.”
- 111 gave a rating of 100 “highly satisfied.”
- **The average across all 600 responses was a rating of 68** which is just above the middle neutral mark of 50.

Of the 724 respondents, 381 retirees made some comment on the final open-ended question. Many simply wrote “No”, indicating they had nothing further to share. The remaining 229 retiree comments broke down as follows:

- 51% percent were neutral on HIB, generally commenting on other retiree benefit items such as dental, vision, administration of HIB, ability to move on and off District plans, etc;
- 20% gave a note of gratitude for the benefit;
- 28% made some form of request or suggestion that the HIB benefit be increased.

Lastly, to gauge the impact of healthcare costs to the retirees, the survey asked the retirees to estimate what % their healthcare costs are as a percentage of their annual income, and then asked their total household annual income with a breakdown of responses as follows:

- Over 50% reported that healthcare costs were less than 20% of total annual household expenses;
- Over 50% reported their annual household income between \$75,000 and \$200,000.

*There was no direct correlation between the percentage of income spent on healthcare and total income in the survey results. For instance, it did not show that only the highest earners were reporting the lowest % of total income spent on healthcare.

Key Comparative Data Points

- District average annual pension for retirees, not inclusive of survivors or beneficiaries, is \$76,000; and District retirees are generally eligible for Social Security which pays in addition to the District pension, which one can see in the reported annual household earning reporting which is reported mostly higher than the District pension average.
- Fidelity Investments estimates that retirees pay \$41,000 annually for healthcare expenses in 2023.
- \$41,000 is 53% of \$76,000. The survey responses show majority spent less than 20% of annual household income on healthcare.
- A recently published Kaiser family foundation research paper found that in 2022, Medicare eligible households spent approximately 13% of household income toward healthcare with nearly 3 in 10 spending over 20%. This was based on an approximate \$7,000 spend on healthcare and household income level of \$51,800.

Retiree HIB Survey Results
Retirement Board
April 16, 2024

- In 2018, the average was reported as 12% of total household income based on a report from the University of Michigan Health and Retirement Study, a longitudinal panel study that surveys a representative sample of approximately 20,000 people in America and is supported by the National Institute on Aging and the Social Security Administration.

CONCLUSIONS AND NEXT STEPS

The Retirement Board requested a HIB study that surveyed retirees about how they are using the HIB benefit. Staff created a platform / survey for retirees to share their use of the HIB benefit and any additional feedback that would inform the Retirement Board of any potential enhancements. The survey responses did not suggest an overwhelming concern about the value of the benefit from our current retiree population. Staff are happy to respond to any questions from the Retirement Board regarding the survey results.

CC:LS:ls

Attachments: Presentation Deck – Retiree HIB Survey Results
Retiree Survey Questions

FINAL: EBMUD Retiree Survey on HIB - March 2024

The Retirement Board wants to hear from retirees to better understand the current value of the Health Insurance Benefit (HIB) and how the benefit is currently used. The enclosed survey is meant to gather information from you about your experience utilizing the HIB. The Retirement Board appreciates your participation.

1. Do you purchase health insurance through EBMUD?

- a. Yes
- b. No

If answer to Question #1 is Yes, proceed to Question #2. If answer to Question #1 is No, proceed to Question #5.

2. Who do you cover on your District health insurance?

- a. Myself only
- b. Me + spouse
- c. Me + spouse and other dependents
- d. Other (please specify)

3. Have you looked into purchasing health insurance outside of the District?

- a. Yes
- b. No

4. Would you be more likely to consider purchasing health insurance outside of the District if you were allowed to return to a District plan in the future?

- a. Yes
- b. No
- c. Unsure

5. Do you have access to 'Retiree Health Insurance Benefits' from an employer other than EBMUD? (This means access to health insurance plans or funding toward the cost of healthcare insurance.)

- a. Yes
- b. No

If answer to Question #5 is Yes, proceed to Question #6. If answer to Question #5 is No, proceed to Question #7.

6. **What is the name of the employer or company?** *(optional)*

7. **How much are your monthly out-of-pocket expenses for healthcare? Include the cost of all insurance premiums such as Medicare, medical plan, dental plan, vision plan, long-term care plan. Please check the box that is the closest to your total costs AFTER any reimbursement from the HIB or any other reimbursement you receive.**
 - a. Less than \$300
 - b. \$300 - \$499
 - c. \$500 - \$699
 - d. \$700 - \$899
 - e. \$900 - \$1099
 - f. \$1100 - \$1299
 - g. \$1300 - \$1499
 - h. More than \$1500
 - i. Decline to State

8. **What percent of your total annual income are your healthcare expenses for you and your spouse each year?**
 - a. Less than 10%
 - b. 10% - 19%
 - c. 20% - 29%
 - d. 30% - 40%
 - e. More than 40%
 - f. Decline to State

9. **What is your total annual household income?**
 - a. \$35,000 to \$49,999
 - b. \$50,000 to \$74,999
 - c. \$75,000 to \$99,999
 - d. \$100,000 to \$149,999
 - e. \$150,000 to \$199,999
 - f. More than \$200,000
 - g. Decline to state

10. **On a scale from 1 to 100, with 100 being highly satisfied and 1 being highly dissatisfied, how satisfied are you with the District's HIB?** *(slider 1 to 100)*

- 11. On a scale from 1 to 100, with 100 being highly satisfied and 1 being highly dissatisfied, how satisfied are you with the District's **administration** of the HIB reimbursement plan? (slider 1 to 100)**

Thank you for your participation so far. We just need a little more information. The next question will ask if you are willing to share your identity. If you choose YES, we will next request your first name, last name, and retiree number. If you choose NO, we will instead request a few demographic clarifying questions that will help us in understanding the survey data.

- 12. Are willing to share your identity for purpose of this survey by giving your name and retiree ID?**
- a. Yes
 - b. No

If answer to Question #12 is Yes, answer Questions #13 to #15 and skip Questions #16 to #23 . If answer to Question #12 is No, proceed to Question #16.

13. What is your first name?

14. What is your last name?

15. What is your District Retiree ID number? *If you are unsure, please enter your first initial and last name.*

16. What is your current age?

- a. 65+
- b. 55 - 64
- c. 45 - 54

17. Are you enrolled in Medicare?

- a. Yes
- b. No

18. How many years did you work for EBMUD?

- a. 0 - 5.9 years
- b. 6 - 10.9 years
- c. 11 - 15.9 years
- d. 16 - 20.9 years
- e. 21 - 30.9 years
- f. 31 or more years

19. What year did you retire from the District?

- a. prior to 1996
- b. 1997 - 2003
- c. 2004 - 2014
- d. 2015 or later

20. For purposes of the HIB, are you considered Married or Single?

- a. Married (Max benefit \$550)
- b. Single (Max benefit \$450)
- c. Not Sure

21. What amount of HIB are you ELIGIBLE to receive each month? For instance, the maximum benefit is \$450 for single and \$550 for married retirees with 20+ years of service. What is YOUR monthly maximum?

22. Do you live in California?

- a. Yes
- b. No

If answer to Question #22 is Yes, proceed to Question #23. If answer to Question #22 is No, proceed to Question #24.

23. What California county do you live in?

Thank you very much for participating in this EBMUD retiree HIB survey that will inform the Retirement Board's HIB study by helping the Board understand how retirees are currently using the benefit.

24. Is there any additional information that you would like us to know about your use of the District retiree HIB? (optional)



HIB STUDY: Retiree HIB Survey Results

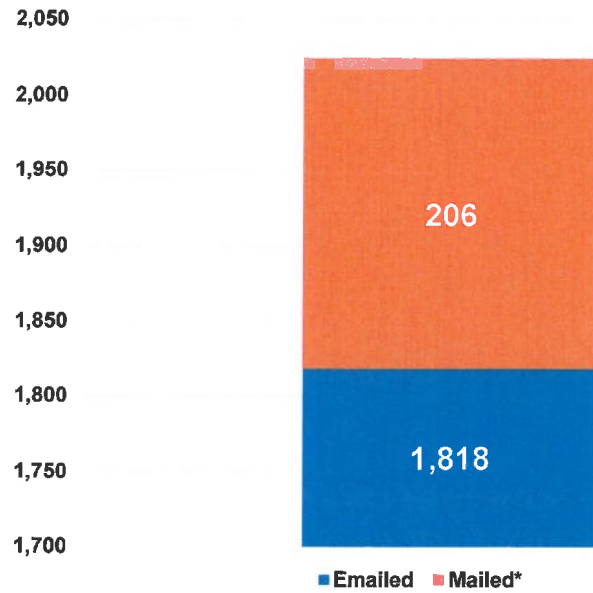
Special Retirement Board Meeting

April 16, 2024

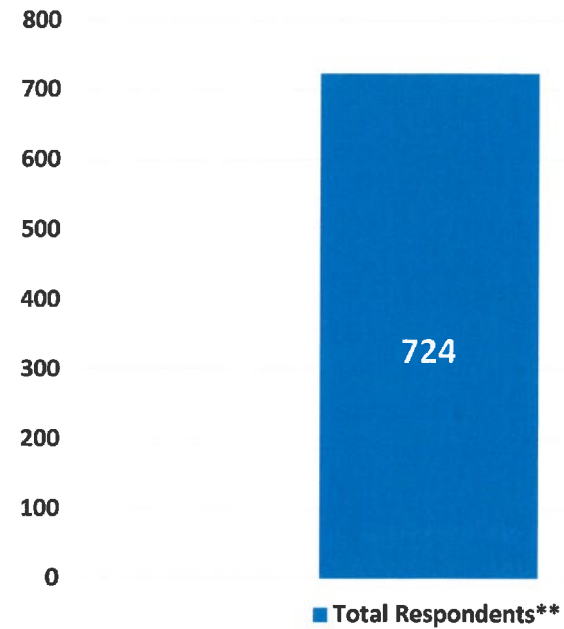
Survey Responses



Retiree Survey Distribution



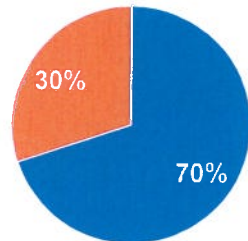
Total Respondents



Health Plan Coverage (EBMUD and External)

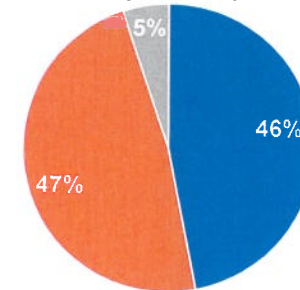


EBMUD Health Plan Usage (724 responses)



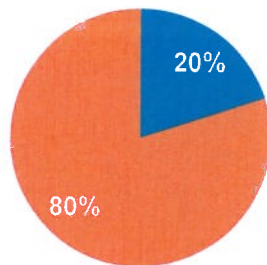
- Utilize District Health Plans
- Do not utilize District Health Plans

Members Covered by Plan (496 responses)



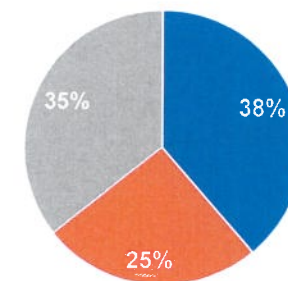
- Retiree Only
- Retiree + Spouse
- Retiree + Family

Coverage Outside the District (496 responses)



- Looked Into Purchasing Coverage outside of the District
- Have not looked into purchasing coverage outside the District

Would the Retiree be more likely to consider health insurance outside the District if they were able to return to District coverage? (496 responses)

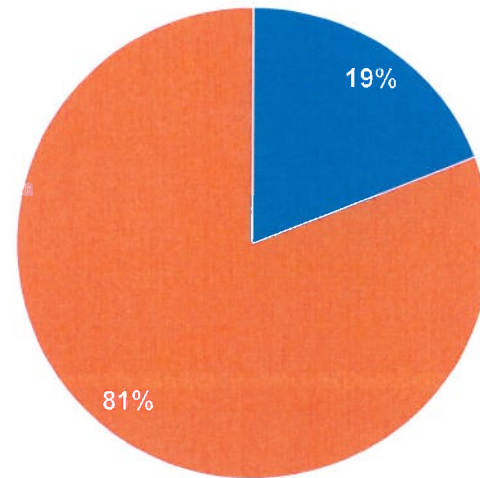


- Yes
- No
- Unsure

Other Health Benefits



Does the Retiree have insurance benefits from another employer in addition to District benefits? (705 responses)

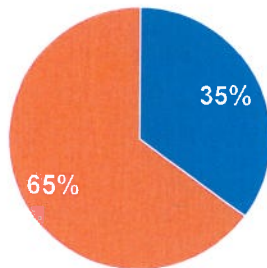


■ Yes ■ No

Retiree HIB Survey

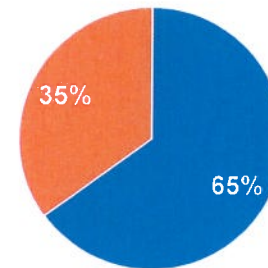


Is the Retiree receiving the single or married HIB? (300 responses)



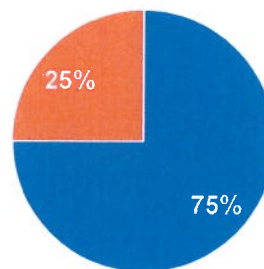
■ Single ■ Married

Is the Retiree receiving the maximum HIB? (300 responses)



■ Maximum Benefit ■ Less than Maximum Benefit

What is the age of the retiree (300 responses)

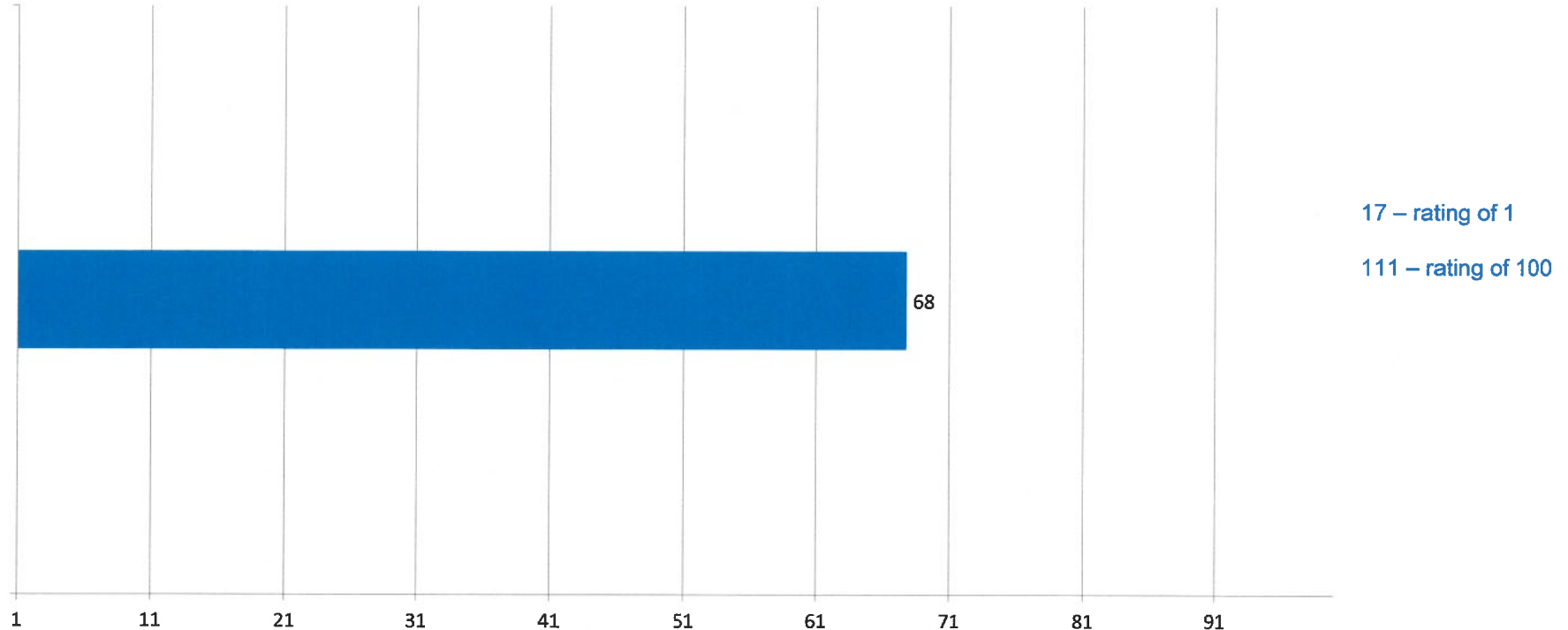


■ Over 65 ■ 55 to 64

Satisfaction Level



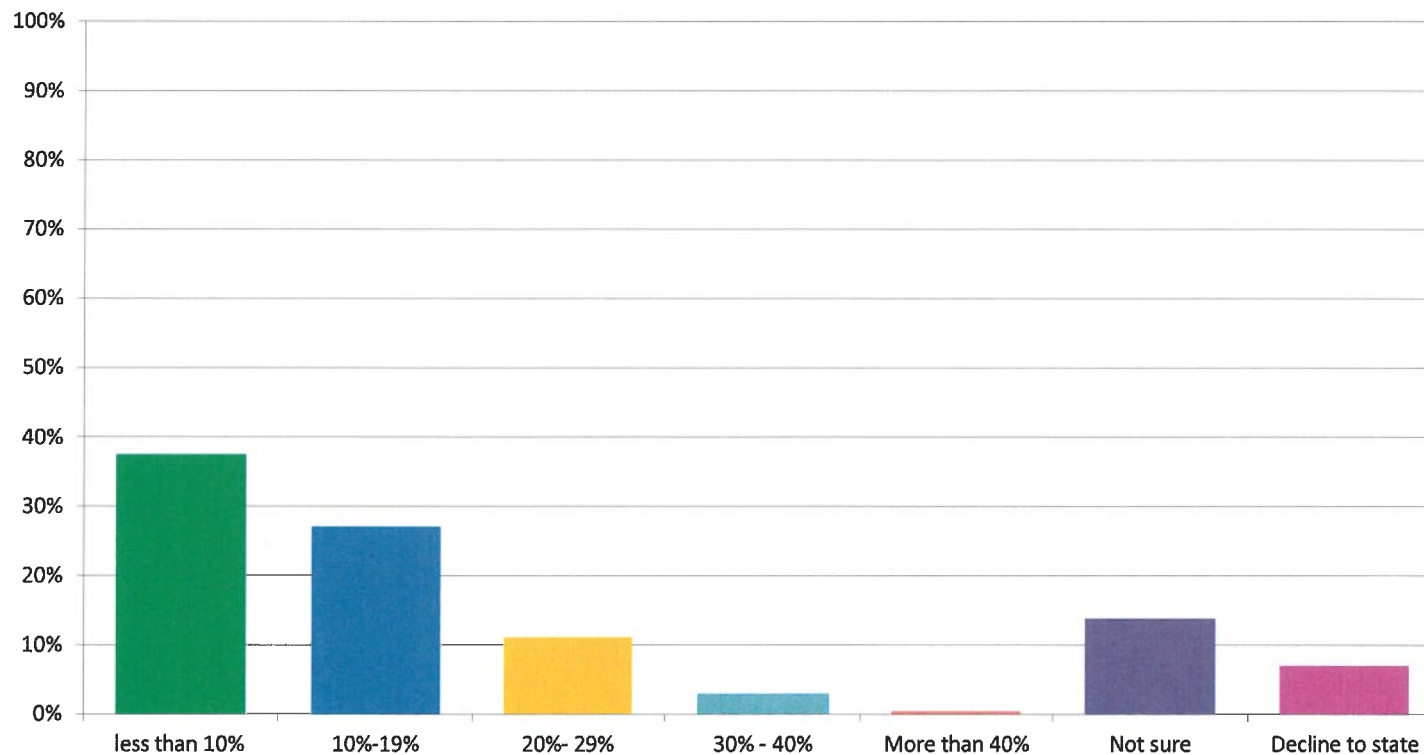
On a scale from 1 to 100, with **100 being highly satisfied**, and **1 being highly dissatisfied**, how satisfied are you with the District's HIB? (662 responses)



Healthcare Expenses as a % of Total Annual Income



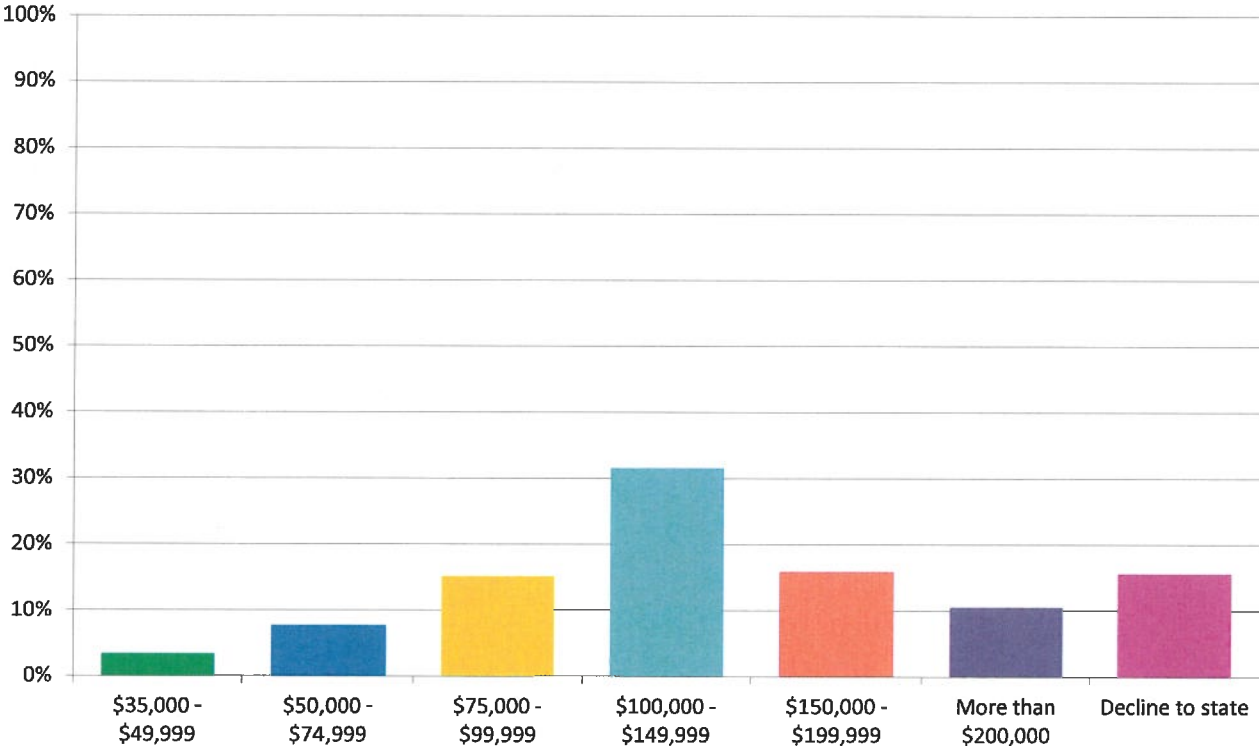
What percent of your total annual income are healthcare expenses for you (and your spouse, if applicable) each year? (672 responses)



Total Annual Household Income



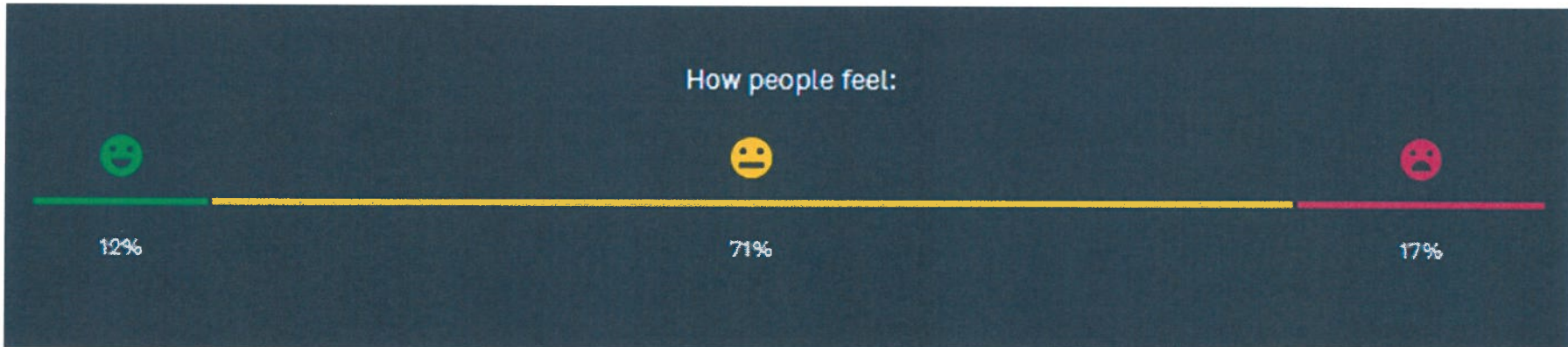
What is your total annual household income? (672 responses)



Additional Feedback



Is there any additional information that you would like us to know about your use of the District retiree HIB? (381 responses / 152 just 'no')



45 respondents gave a positive response in their comments, appreciation for the benefit, with description of how they use the benefit. And a Thank you to the volunteer Retirement Board

119 respondents gave a neutral comment. They did not suggest an increase to HIB but discussed other items such as ability to return to District health plans, improved dental benefits, vision plan, or HIB administration.


65 respondents made a request for an increase to the HIB, or made a complaint about the value of the benefit.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 16, 2024

MEMO TO: Members of the Retirement Board

THROUGH: Cindy Charan, Director of Human Resources 

FROM: Lisa Sorani, Manager of Employee Services 

SUBJECT: HIB Study: Historical Review of Health Insurance Benefit Value as Percentage of Health Plan Premiums

SUMMARY

This memo provides information requested by the Retirement Board showing the value of the Health Insurance Benefit (HIB) as a percentage of the insurance premiums at each change date, as well as a view of the historical HIB values as present value for 2024.

DISCUSSION

At the February 6, 2024 Retirement Board meeting, the Board requested historical health plan premiums to see alongside the HIB increases. The attached document shows the dollar amount of the health plan premium plus the Medicare Part B premium for each of five retiree health plans at each date that the HIB was either created or increased between 1989 and 2004. The number in the column to the left of each premium represents the percentage of that particular health plan premium covered by the HIB in that year. This report only includes data on the single tier maximum benefit except for one line in 2004 showing the introduction of the married tier. Highlights of the data are.

- In 1989, when the HIB was created as \$50 per month, this amount did not cover 100% of any of the five retiree health plans.
- In 2004, when the married \$550 benefit was created, the benefit did not allow for 100% coverage on any health plan.
- In the 14 years between 1990 and 2004, the HIB was increased 4 times; and in these years the maximum HIB covered 100% on between two and five health plans.
- In the 14 years between 2005 and 2018, when there were low health plan rate increases, the HIB offered 100% coverage for at least two plans each year. However, by 2019, only one health plan was covered 100%.
- In 2024, there is still one plan where the maximum single HIB of \$450 offers 100% coverage.

HIB Study: Historical Review of Health Insurance Benefit (HIB) Value as Percent of Health Plan Premiums
Retirement Board Meeting
April 16, 2024

- These calculations include the cost of Medicare Part B. If that cost is removed from the cost of the health plan premium in the calculations attached, the maximum single HIB of \$450 covers 100% of all three current retiree Medicare health plan premiums.

NEXT STEPS

Staff are happy to answer any questions related to this data.

CC:LS:ls

Attachments: Historic HIB as a % of historical health plan premiums
 Present Value of Historic HIB Values

HIB as a % of Healthcare Plan Premium Plus Medicare Part B Premium at time of Benefit Increase

Date HIB Changed	Action	Monthly Max HIB	Date of Premium	Medicare plans available 1989 - 2004									
				HIB as a % of Premium	Kaiser Medicare Single + Part B Premium	HIB as a % of Premium	Sr. Adv Kaiser Single + Part B Premium	HIB as a % of Premium	HealthNet Medicare Single + Part B Premium	HIB as a % of Premium	Sr. Plus HealthNet Single + Part B Premium	HIB as a % of Premium	Anthem Medicare Single + Part B Premium
7/1/1989	Created Max HIB of \$50/month	\$50	1/1/1989	40%	\$124.82	80%	\$62.25	34%	\$146.55	84%	\$59.18	41%	\$123.11
1/1/1991	Increased Max HIB to \$100/month	\$100	1/1/1991	73%	\$137.76	154%	\$65.13	61%	\$162.97	161%	\$62.17	74%	\$135.78
7/1/1996	Increased Max HIB to \$150/month	\$150	1/1/1998	87%	\$173.22	174%	\$86.07	74%	\$203.48	182%	\$82.52	88%	\$170.84
7/23/1999	Increased Max HIB to \$200/month	\$200	1/1/1999	104%	\$191.65	234%	\$85.44	97%	\$205.18	179%	\$112.00	113%	\$177.28
11/1/2000	Increased Max HIB to \$250/month	\$250	1/1/2001	94%	\$267.28	144%	\$173.98	108%	\$231.89	106%	\$236.80	111%	\$225.17
7/1/2002	Increased Max HIB to \$400/month	\$400	1/1/2002	125%	\$319.13	168%	\$237.97	141%	\$284.55	149%	\$268.20	157%	\$254.28
7/1/2003	Increased Max HIB to \$450/month	\$450	1/1/2003	113%	\$398.61	141%	\$318.15	229%	\$196.80	120%	\$375.90	149%	\$301.86
7/1/2004	Increased Max HIB to \$450/month	\$450	1/1/2004	93%	\$483.78	121%	\$370.60	146%	\$308.67	110%	\$407.60	124%	\$364.31
7/1/2004	ADD MARRIED TIER OF \$550	\$550	1/1/2004	Kaiser Medicare Double		Sr. Adv Kaiser Double		HNet Medicare Double		Sr. Plus HNet Double		Anthem Medicare Double	
				57%	\$967.56	74%	\$741.20	79%	\$698.78	67%	\$815.20	75%	\$728.62
1/1/2014	In 2014 Max was \$450	\$450	1/1/2014	N/A	N/A	126%	\$417.18	64%	\$698.78	55%	\$815.20	62%	\$728.62
1/1/2024	In 2024 Max was \$450	\$450	1/1/2024	N/A	N/A	104%	\$430.70	N/A	N/A	N/A	\$644.52	72%	\$623.75

Notes: Each percentage in green represents that the HIB value set in that year provides for at least 100% coverage of the premium plus Medicare Part B for that plan. 2002 is the first year that the maximum single benefit could cover all plans at 100%. The blue highlighted row is the introduction of the \$550 tier for married retirees. This shows that, at introduction, the benefit did not offer 100% coverage for any health plan.

PRESENT VALUE OF HISTORIC HIB DATA

Retirement Board Meeting April 16, 2024

Date HIB Changed	Action	Monthly Max HIB	Present Value Historic HIB Segal calc.
7/1/1989	Created Max HIB of \$50/month	\$50	\$138
1/1/1991	Increased Max HIB to \$100/month	\$100	\$268
7/1/1996	Increased Max HIB to \$150/month	\$150	\$335
7/23/1999	Increased Max HIB to \$200/month	\$200	\$410
11/1/2000	Increased Max HIB to \$250/month	\$250	\$491
7/1/2002	Increased Max HIB to \$400/month	\$400	\$714
7/1/2003	Increased Max HIB to \$450/month	\$450	\$790
7/1/2004	Increased Max HIB to \$450/month	\$450	\$776
7/1/2004	ADD MARRIED TIER OF \$550	\$550	\$949