



Office of the City Administrator

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## MEMORANDUM

To: Board of Alderman  
From: Eric Hanson  
Date: February 9, 2017  
Subject: Early Retiree Healthcare Initiative

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All full-time employees, ages 60-65, with at least 15 years of continuous full-time service, have the opportunity to take early-retirement. Early-retirees will have the option to continue purchasing health and dental insurance (**single coverage only**) from the City of Ballwin. The City will pay the same percentage of the retiree premium as it is paying for an active employee with single coverage. Once an eligible employee retires and elects to continue their benefit, it is guaranteed to remain in effect until the employee becomes Medicare eligible at age 65. If the Federal government increases the eligibility age for Medicare, current participants will be guaranteed continued coverage.

	Health Insurance	Dental Insurance
2016- Total	\$437.82	\$33.78
Paid By City	\$413.60	\$32.24
Paid By Employee	\$24.22	\$1.54

Please read the following stipulations:

- Eligibility starts on the day when each employee reaches age 60 and at least 15 years of continuous full-time service.
- If premiums increase or decrease, early –retirees will be required to pay the premium amount that current employees pay.
- Military activation does NOT disqualify an employee from the “15 years of continuous service requirement.”
- Employees interested in early-retirement benefit must notify their Department Head and Finance to discuss their retirement plan.
- Employee must be in good standing.
- **Employees may elect to purchase, at full cost, Family or Employee + 1 insurance coverage until becoming Medicare eligible at age 65.**

Each year, City Council will determine whether or not to extend this benefit to those who will reach the minimum age requirement for eligibility the following year during the annual employee salary range review. If the Federal government increases the eligibility age for Medicare, the plan will be evaluated to determine if the eligibility age for the early-retirement will be increased.

**Additional Information:** This proposal aims to assist those with significant service to the city who may wish/need to retire prior to 65, but are unable due to insurance costs. By implementing this program, the employee will have the option to retire prior to Medicare eligibility with insurance coverage, while also saving the city money through salary reduction within the range and/or through attrition. I will discuss further with the Board Monday night.