

2005 Retiree Medical for Tier B Retirees
(Employees hired or rehired on or after July 1, 1987)
Calculation to determine amount paid by Retiree Medical Plan

Step 1 Calculate total years of service at retirement (do not round up).

Step 2 Based on total years of service, find factor from **Table #1**.

Table #1

<i>Total Years of Service at Retirement</i>	<i>Percent of DDB Plan Pays (%)</i>	<i>Total Years of Service at Retirement</i>	<i>Percent of DDB Plan Pays (%)</i>
10	34	22	70
11	37	23	73
12	40	24	76
13	43	25	79
14	46	26	82
15	49	27	85
16	52	28	88
17	55	29	91
18	58	30	94
19	61	31	97
20	64	32+	100
21	67		

Step 3 To calculate the amount paid by Retiree Medical Plan, multiply the Years of Total Service factor (**Table #1**) by the appropriate Defined Dollar Benefit (**DDB**) for age and coverage level from **Table #2**.

Table #2 – Defined Dollar Benefit (DDB) for Calendar Year 2005

<u>Non-Medicare Eligible (NME) Retiree</u>		<u>Medicare Eligible (ME) Retiree</u>	
<i>Coverage Level</i>	<i>Monthly DDB</i>	<i>Coverage Level</i>	<i>Monthly DDB</i>
Retiree Only	\$ 266	Retiree Only	\$ 140
Retiree + 1 Dependent	\$ 488	Retiree + 1 Dependent	\$ 273
Retiree + 2 or more Dependents	\$ 564	Retiree + 2 or more Dependents	\$ 521

Step 4 The retiree's monthly cost sharing is the difference between total monthly premium charged by the Medical Carrier (**Table #3**) for medical coverage minus the result of Step 3 (**Table #1 x Table #2**). Please see examples on the page 3.

Table #3

**Monthly Premiums Charged by Medical Carrier
(Used for Tier B to calculate amount paid by retiree)**

January 1, 2005 to December 31, 2005

<u>Medical Plan & Coverage Level</u>	<u>Non-Medicare Eligible (NME) Monthly Cost before DDB</u>	<u>Medicare Eligible (ME) Monthly Cost before DDB</u>
<u>Blue Cross Comprehensive (PPO)</u>		
Retiree Only	\$394.17	\$284.99
Retiree + 1 Dependent	\$723.47	\$558.72
Retiree + 2 or more Dependents	\$896.58	\$1,135.52
<u>Blue Cross Basic/Major (PPO) (closed plan)</u>		
Retiree Only	\$491.65	\$344.14
Retiree + 1 Dependent	\$903.25	\$673.84
Retiree + 2 or more Dependents	\$1,115.63	\$1,356.72
<u>California Care/Senior Secure - CA</u>		
Retiree Only	\$294.00	\$266.56
Retiree + 1 Dependent	\$592.58	\$532.30
Retiree + 2 or more Dependents	\$837.54	\$810.10
<u>California Care – Central Coast, CA</u>		
Retiree Only	Not Applicable	\$294.00
Retiree + 1 Dependent		\$592.58
Retiree + 2 or more Dependents		\$837.54
<u>Aetna, Inc. - FL</u>		
Retiree Only	\$411.26	\$411.26
Retiree + 1 Dependent	\$862.77	\$862.77
Retiree + 2 or more Dependents	\$1,265.01	\$1,265.01
<u>Kaiser/Senior Advantage – So. CA</u>		
Retiree Only	\$261.99	\$159.51
Retiree + 1 Dependent	\$523.16	\$318.20
Retiree + 2 or more Dependents	\$739.93	\$637.45
<u>Kaiser Mid-Atlantic/Medicare Plus – Wash DC</u>		
Retiree Only	\$312.52	\$251.27
Retiree + 1 Dependent	\$624.21	\$501.72
Retiree + 2 or more Dependents	\$904.75	\$874.66
<u>Kaiser/Senior Advantage – No. CA</u>		
Retiree Only	\$363.40	\$213.32
Retiree + 1 Dependent	\$725.98	\$425.82
Retiree + 2 or more Dependents	\$1,026.92	\$876.84
<u>Lovelace/Senior Plan -NM</u>		
Retiree Only	\$357.45	\$157.82
Retiree + 1 Dependent	\$734.39	\$314.82
Retiree + 2 or more Dependents	\$984.88	\$785.25
<u>MD/IPA (Optimum Choice) – Wash. DC</u>		
Retiree Only	\$351.72	\$351.72
Retiree + 1 Dependent	\$667.56	\$667.56
Retiree + 2 or more Dependents	\$1,122.94	\$1,122.94
<u>PacifiCare/SecureHorizons– AZ</u>		
Retiree Only	\$856.99	\$158.58
Retiree + 1 Dependent	\$1,799.79	\$316.33
Retiree + 2 or more Dependents	\$2,656.85	\$1,958.44
<u>PacifiCare/SecureHorizons – CO</u>		
Retiree Only	\$352.58	\$195.03
Retiree + 1 Dependent	\$704.38	\$389.24
Retiree + 2 or more Dependents	\$996.33	\$838.78

2005 Tier B Examples

Example #1

Non-Medicare Eligible (NME) Retiree with Retiree + 1 Dependent coverage enrolled in Kaiser Southern CA medical plan

Assumption: Twenty years of total service (Employee was rehired)

- Step 1 Calculate total years of service at retirement (20 years)
- Step 2 Factor from Table #1 is .64
- Step 3 \$488 (DDB from Table #2) x .64 = \$312.32 (Monthly amount paid by Retiree Medical Plan)
- Step 4 \$523.16 Monthly premium for Kaiser Southern CA (Table #3)
 - \$312.32 Monthly amount paid by Retiree Medical Plan
 \$210.84 Monthly amount paid by retiree for Calendar Year 2005

Example #2

Medicare Eligible (ME) Retiree with Retiree Only coverage enrolled in Blue Cross Comprehensive medical plan

Assumption: Fifteen years of total service (Employee was rehired)

- Step 1 Calculate total years of service at retirement (15 years)
- Step 2 Factor from Table #1 is .49
- Step 3 \$140 (DDB from Table #2) x .49 = \$68.60 (Monthly amount paid by Retiree Medical Plan)
- Step 4 \$284.99 Monthly Premium for Blue Cross Comprehensive (Table #3)
 - \$ 68.60 Monthly amount paid by Retiree Medical Plan
 \$216.39 Monthly amount paid by retiree for Calendar Year 2005