

Revenue Stabilization And Tax Policy Committee

Mark Tyndall, Executive Director

October 30, 2012

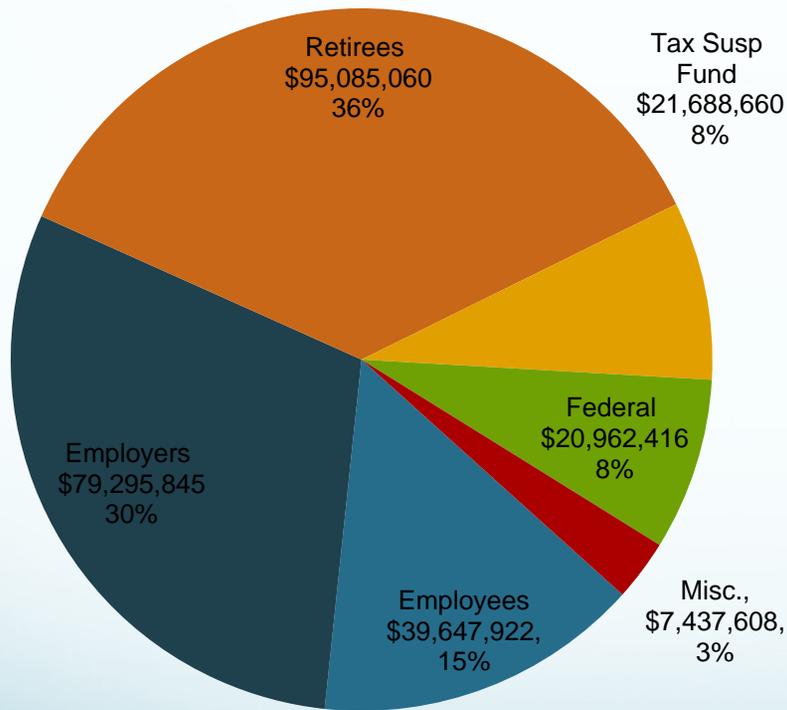


NMRHCA Background

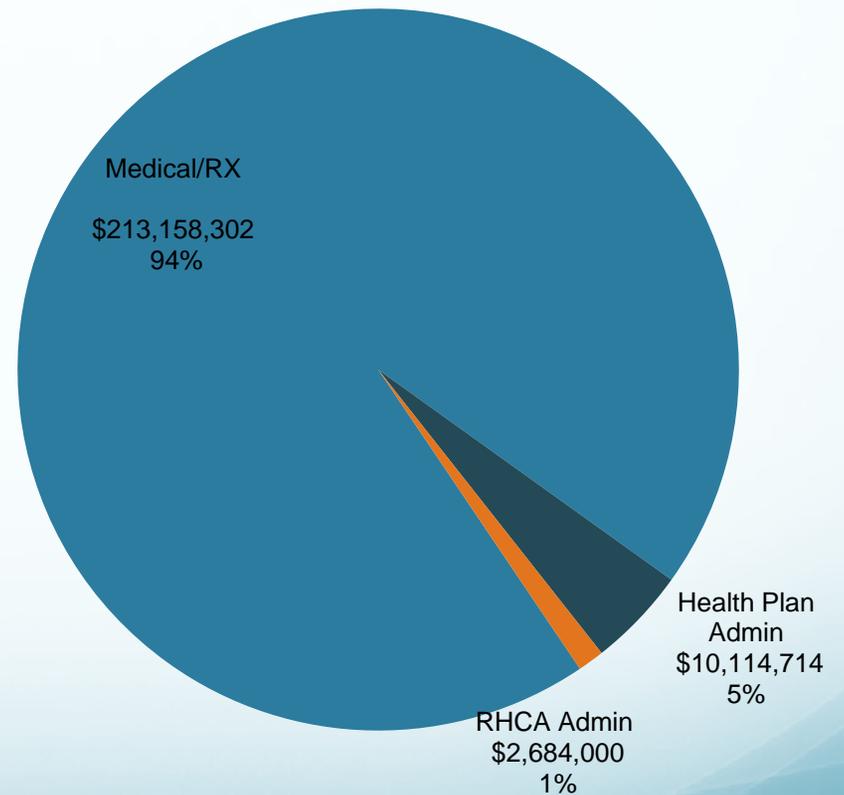
- NMRHCA has increased its period of positive fund balance from 2014 to 2029 over the last 5 years
 - Cost sharing for retirees was increased (monthly premiums and out-of-pocket costs when accessing care)
 - Contribution rates from all active employees was also increased
- Fundamental challenges will require additional action
 - Increasing medical costs
 - Career contributions do not match retirement benefits

NMRHCA FY2013 Revenue & Expenses

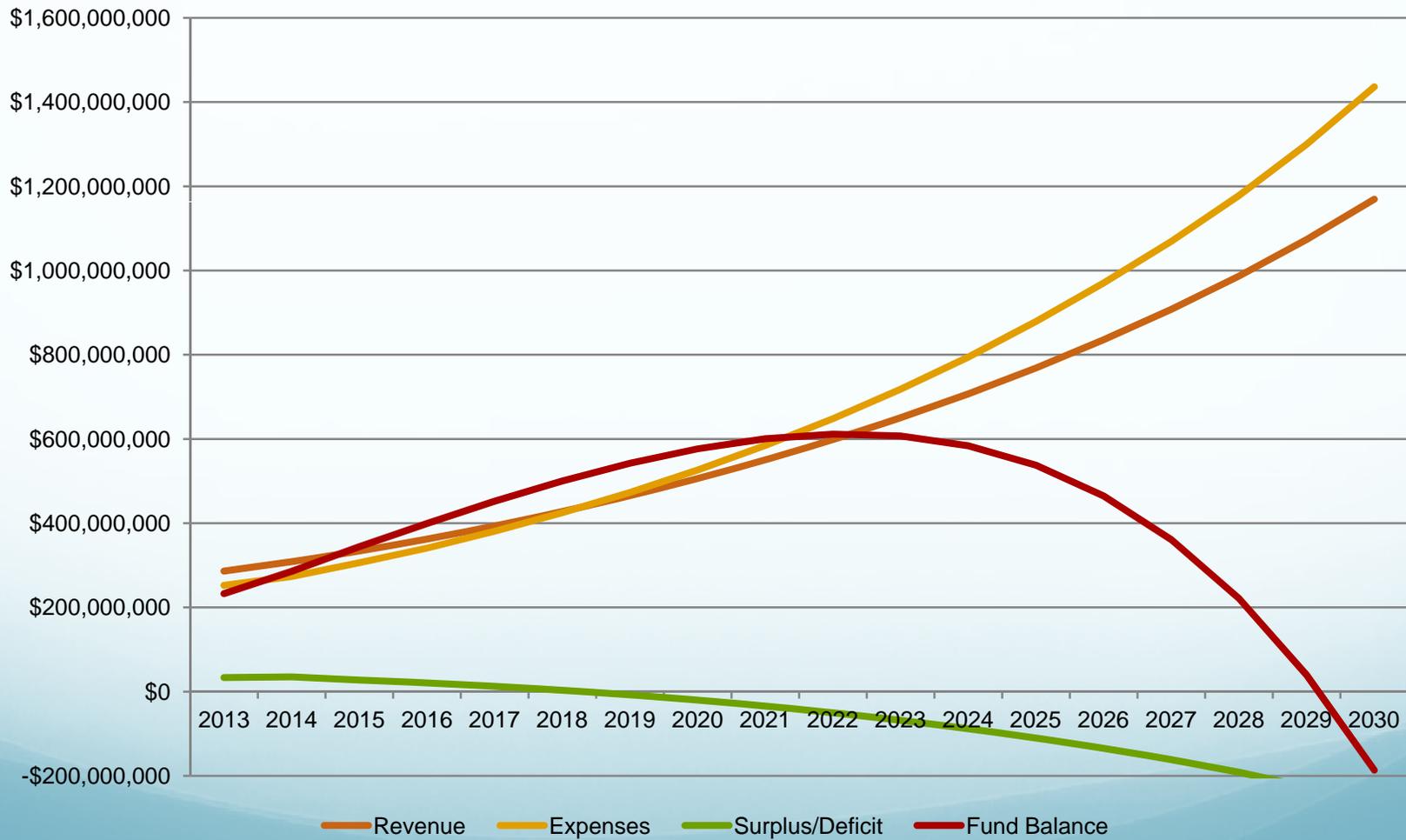
NMRHCA FY2013 Revenue



NMRHCA FY2013 Expenses



NMRHCA Fund Balance Projection



NMRHCA Five-Year Strategic Plan

Positive Fund Balance Through 2045

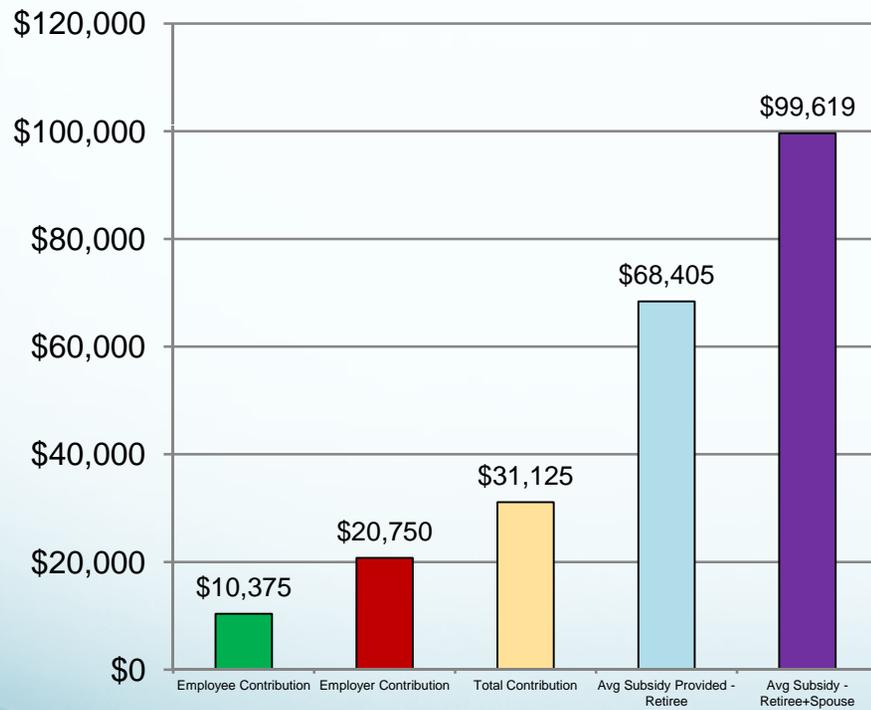
- X Phase out “Family Coverage” subsidies for retirees with multiple dependent children
- X Increase cost sharing on prescription coverage (stabilize plan/member share percentage)
- X Increase cost-sharing of pre-Medicare Plans
- Implement graduated minimum age requirement (to receive subsidies)*
- Increase years of service required to receive maximum subsidy (currently 20 years)
- Reduce pre-Medicare retiree subsidies
- Reduce pre-Medicare spousal subsidies
- Implement enhanced wellness programs (premium incentives for participation/health status)
- Increase Employee/Employer contribution levels (requires legislative action) – Requesting Increase of 0.75% Increase to Employee and 1.50% increase to Employer

X indicates implementation starting in 2013

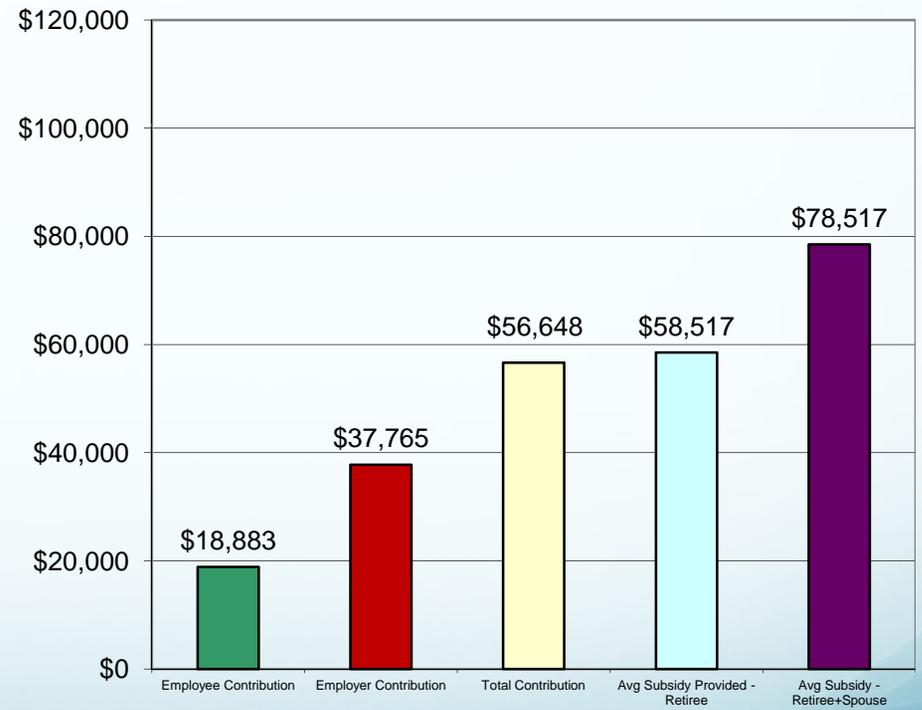
*NMRHCA will implement any minimum age requirement adopted by PERA and/or ERB

Impact of Five Year Plan

Current Contributions Vs. Benefits



Contributions Vs. Benefits With Five Year Plan



Solvency Projections With Five Year Plan – Positive Fund Balance Through FY2045

