

In 2010, an estimated liability was projected for continuance of the employee health insurance bridge package. To be eligible, employees had to meet the following criteria:

- Age 55 with 30 years City service

OR

- Age 60 with 20 years City service

In 2010, it was estimated at \$3.8 million to cover insurance premiums for all employees from the date of eligibility to age 65; if all employees retired on their eligibility date.

Removing the bridge policy forced employees to adjust their plans for retirement; many employees will have to continue working until age 65.

The analysis I have prepared illustrates the cost to the City of employees staying until age 65 versus the cost of employee retiring, with benefits, and an entry level employee replacing them. The same age criteria is used for eligibility. The 100% employer paid individual benefit option was used for the comparison, and at today's rate. It does not include current employees who have already aged out for health benefits at retirement and those grandfathered in 2010.