

Benefits Trust
Recommended Reserve Levels

	MERCER Original FY 2013	MERCER Revised FY 2013	EST. FY 2014
<u>Employer-Subsidized Plans (Health, Dental, Vision)</u>			
Reserves (Retained in Fund Equity):			
Claims Fluctuation	\$ 25,392,760	\$ 15,235,656	\$ 15,845,082
Excess COBRA Expense	245,625	245,625	255,450
Max. Perf Incentives	-	-	-
Large Claims (Stop Loss)	3,296,724	3,296,724	3,428,593
	<u>\$ 28,935,109</u>	<u>\$ 18,778,005</u>	<u>\$ 19,529,125</u>
Fund Equity at June 30:			
Plan & Admin. Funds	\$ 39,179,510	\$ 39,179,510	\$ 28,634,510
Wellness Fund	3,820,637	3,820,637	3,820,637
	<u>\$ 43,000,147</u>	<u>\$ 43,000,147</u>	<u>\$ 32,455,147</u>
Over/(Under) Recomm. Reserves after Premium Holiday:			
Exc. Wellness Fund	\$ 10,244,401	\$ 20,401,505	\$ 9,105,385
Inc. Wellness Fund	\$ 14,065,038	\$ 24,222,142	\$ 2,381,022
<i>Premium Holiday</i>			
<i>Employer</i>			\$ 9,420,000
<i>Employees</i>			<u>1,125,000</u>
			<u>\$ 10,545,000</u>
Assumptions:			
Claims Fluctuation Reserve CAL	250%	150%	150%
Claims Exp. Increase (FY 2014 and FY 2015 averaged)			4%
Claims exp. equal premium revenue; no net loss aside from premium holiday.			

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<u>Employee Funded Plans (Short-Term Disability)</u>			
Reserves (Retained in Fund Equity)			
Claims Fluctuation	\$ 219,521	\$ 219,521	\$ 230,497
Claims Deficiency	-	1,000,000	1,000,000
	<u>\$ 219,521</u>	<u>\$ 1,219,521</u>	<u>\$ 1,230,497</u>
Fund Equity at June 30:	\$ 2,418,840	\$ 2,418,840	\$ 1,618,840
Over/(Under) Recomm. Reserves	\$ 2,199,319	\$ 1,199,319	\$ 388,343
Assumptions:			
Claims Fluctuation Reserve CAL	250%	250%	250%
Claims Exp. Increase (based on salary increases)			5%
Claims expenses exceed premium revenue by \$800,000 in FY 2014.			