

---

# District Retiree Health Contribution

---

Table RH0-1

Description	FY 2016	FY 2017	FY 2018	FY 2019	% Change
	Actual	Actual	Approved	Proposed	from FY 2018
OPERATING BUDGET	\$29,000,000	\$31,000,000	\$44,500,000	\$46,000,000	3.4
FTEs	0.0	0.0	0.0	0.0	N/A

The mission of the District Retiree Health Contribution is to contribute to the funding of the District's other post-employment benefits (OPEB) liabilities.

District government retirees who were first employed after September 30, 1987 ("post-87") may obtain health insurance (pursuant to D.C. Code 1-622) and life insurance (pursuant to D.C. Code 1-623) from the District. The federal government is responsible for funding OPEB costs for District government retirees who were first employed prior to October 1, 1987 ("pre-87").

In 1999, the Council of the District of Columbia established the Annuitants' Health and Life Insurance Employer Contribution Trust Fund ("Trust Fund") to pay the District's portion of post-87 retirees' health and life insurance premiums. Through FY 2007, the District contributed to the Trust Fund from available funds. Beginning in FY 2008, the Governmental Accounting Standards Board requires state and local governments, including the District, to recognize any OPEB liability in their financial statements. The District is budgeting an actuarially determined annual OPEB contribution to cover normal costs and other actuarially determined liabilities. The proposed budget of the District Retiree Health Contribution represents the District's FY 2019 contribution to the funding of its OPEB liabilities.

The District passed permanent legislation effective in FY 2011 changing the calculation of its contribution to the cost of health, vision, and dental insurance premiums for retirees and their dependents to a scale based on the amount of creditable service of the retiree. The District's maximum contribution for the cost of healthcare for retirees is 75.0 percent, the same as the contribution for all current employees.

The agency's FY 2019 proposed budget is presented in the following tables:

## FY 2019 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table RH0-2 contains the proposed FY 2019 budget by revenue type compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual data.

**Table RH0-2**

(dollars in thousands)

	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change*	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change
<b>Appropriated Fund</b>												
<b>GENERAL FUND</b>												
Local Funds	29,000	31,000	44,500	46,000	1,500	3.4	0.0	0.0	0.0	0.0	0.0	N/A
<b>TOTAL FOR GENERAL FUND</b>	<b>29,000</b>	<b>31,000</b>	<b>44,500</b>	<b>46,000</b>	<b>1,500</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
<b>GROSS FUNDS</b>	<b>29,000</b>	<b>31,000</b>	<b>44,500</b>	<b>46,000</b>	<b>1,500</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>

\*Percent change is based on whole dollars.

**Note:** If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2019 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2019 Proposed Operating Budget, by Comptroller Source Group

Table RH0-3 contains the proposed FY 2019 budget at the Comptroller Source Group (object class) level compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual expenditures.

**Table RH0-3**

(dollars in thousands)

	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Percentage Change*
<b>Comptroller Source Group</b>						
50 - Subsidies and Transfers	29,000	31,000	44,500	46,000	1,500	3.4
<b>SUBTOTAL NONPERSONAL SERVICES (NPS)</b>	<b>29,000</b>	<b>31,000</b>	<b>44,500</b>	<b>46,000</b>	<b>1,500</b>	<b>3.4</b>
<b>GROSS FUNDS</b>	<b>29,000</b>	<b>31,000</b>	<b>44,500</b>	<b>46,000</b>	<b>1,500</b>	<b>3.4</b>

\*Percent change is based on whole dollars.

## FY 2019 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table RH0-4 contains the proposed FY 2019 budget by division/program and activity compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

**Table RH0-4**

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018
<b>(1000) DISTRICT RETIREE HEALTH CONTRIBUTION</b>										
(1100) District Retiree Health Contribution	29,000	31,000	44,500	46,000	1,500	0.0	0.0	0.0	0.0	0.0
<b>SUBTOTAL (1000) DISTRICT RETIREE HEALTH CONTRIBUTION</b>	<b>29,000</b>	<b>31,000</b>	<b>44,500</b>	<b>46,000</b>	<b>1,500</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL PROPOSED OPERATING BUDGET</b>	<b>29,000</b>	<b>31,000</b>	<b>44,500</b>	<b>46,000</b>	<b>1,500</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

**Note:** For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2019 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

### Program Description

The District Retiree Health Contribution operates through the following program:

**District Retiree Health Contribution** – provides the contribution for the funding of the District's OPEB liabilities.

### Program Structure Change

The District Retiree Health Contribution has no program structure changes in the FY 2019 proposed budget.

## FY 2018 Approved Budget to FY 2019 Proposed Budget, by Revenue Type

Table RH0-5 itemizes the changes by revenue type between the FY 2018 approved budget and the FY 2019 proposed budget. For a more comprehensive explanation of changes, please see the FY 2019 Proposed Budget Changes section, which follows the table.

**Table RH0-5**

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2018 Approved Budget and FTE</b>		<b>44,500</b>	<b>0.0</b>
No Change		0	0.0
<b>LOCAL FUNDS: FY 2019 Recurring Budget</b>		<b>44,500</b>	<b>0.0</b>

---

**Table RH0-5**

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
Agency Request-Increase: To align budget with certified actuarial projections	District Retiree Health Contribution	1,500	0.0
<b>LOCAL FUNDS: FY 2019 Mayor's Proposed Budget</b>		<b>46,000</b>	<b>0.0</b>
No Change		0	0.0
<b>LOCAL FUNDS: FY 2019 District's Proposed Budget</b>		<b>46,000</b>	<b>0.0</b>
<b>GROSS FOR RH0 - DISTRICT RETIREE HEALTH CONTRIBUTION</b>		<b>46,000</b>	<b>0.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

**FY 2019 Proposed Budget Changes**

The District Retiree Health Contribution's proposed FY 2019 gross budget is \$46,000,000, which represents a 3.4 percent increase over its FY 2018 approved gross budget of \$44,500,000. The budget is comprised entirely of Local funds.

**Recurring Budget**

**No Change:** The District Retiree Health Contribution's budget proposal reflects no change from the FY 2018 approved budget to the FY 2019 recurring budget.

**Mayor's Proposed Budget**

**Agency Request - Increase:** The District Retiree Health Contribution's proposed budget increased by \$1,500,000 over the FY 2018 approved budget to reflect the actuarial valuation of the District of Columbia Annuitants' Health and Life Insurance Employee Contribution Plan. The purpose of the valuation is to provide an estimate of the actuarial accrued liabilities of the Plan and the Annual Required Contribution in accordance with Governmental Accounting Standard Board (GASB) statement numbers 43 and 45.

**District's Proposed Budget**

**No Change:** The District Retiree Health Contribution's budget proposal reflects no change from the Mayor's proposed budget to the District's proposed budget.