



***Report of the Aerospace  
Retiree Medical Benefit Plan to  
Plan Participants***

***Jean L. Michael, Committee Chair***

**2021**

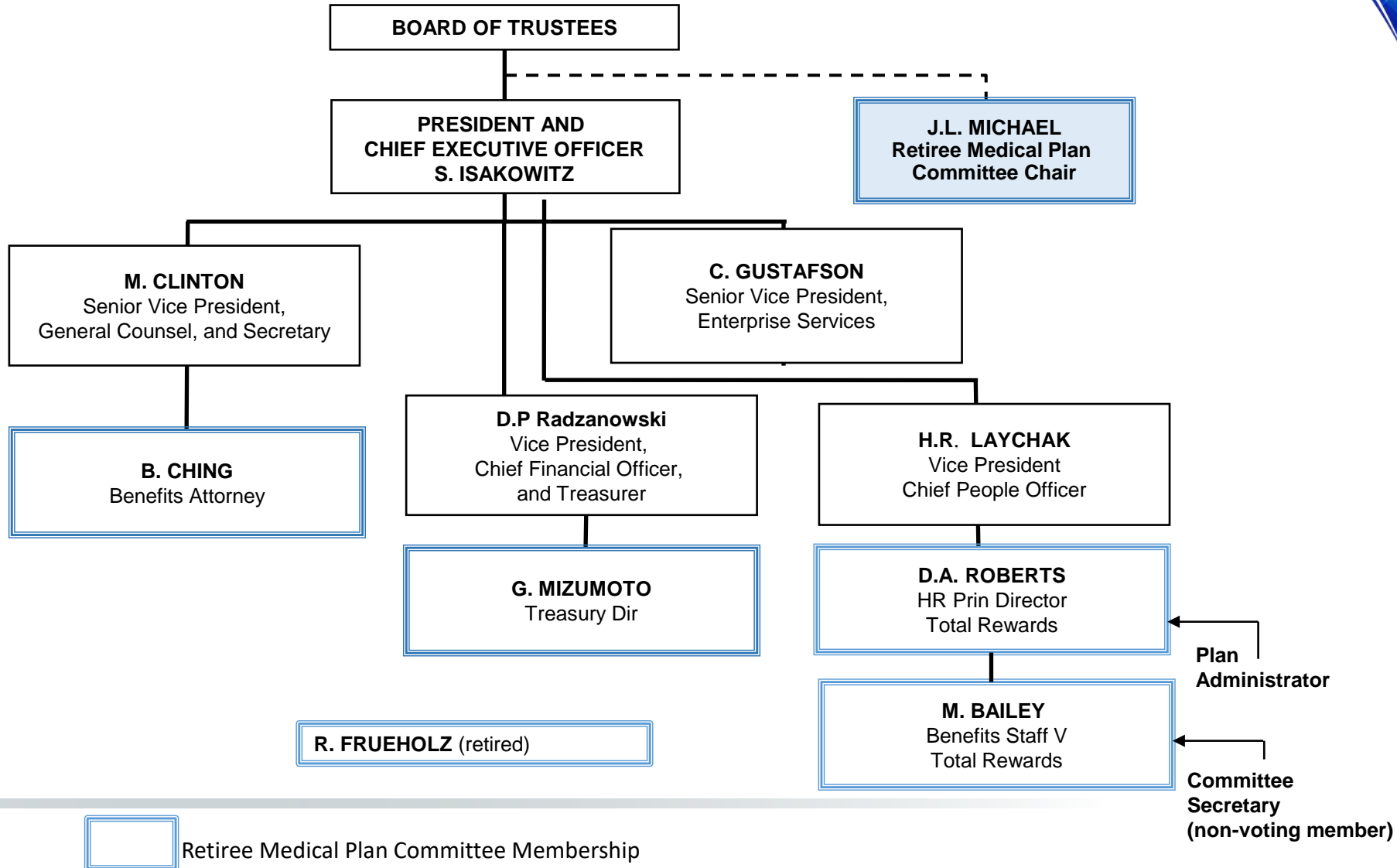


# Outline

- Corporate Management and Administration
- Retiree Medical Plan Committee
- Plan Overview
- Anthem Medicare Preferred PPO Plan
- Plan Year 2020 Funding Status



# Corporate Management and Administration of Retiree Medical Plan





# Retiree Medical Plan Committee – PY 2020

- Reports to Board of Trustees annually
- Purpose
  - Annual review of Plan assets
  - Approve Plan amendments
    - None in 2020
  - Manage appeals process to determine eligibility
    - None in 2020



# Plan Overview

- An amount called the Defined Dollar Benefit (DDB) is paid monthly on the retiree's behalf by the Plan to the insurance carrier the retiree has selected
  - Tier A employees hired prior to July 1, 1987 receive 100% of DDB at retirement
  - Tier B employees hired on or after July 1, 1987 receive a percentage of DDB based on years of service at retirement
- The retiree is required to pay the difference between total premium cost and the DDB amount (cost-sharing)
- The eligible survivor of a retiree is entitled to the same DDB level (Tier A or Tier B) as the deceased retiree
- The eligible survivor of an active employee over age 65 and who was eligible for retiree medical is also entitled to the benefit



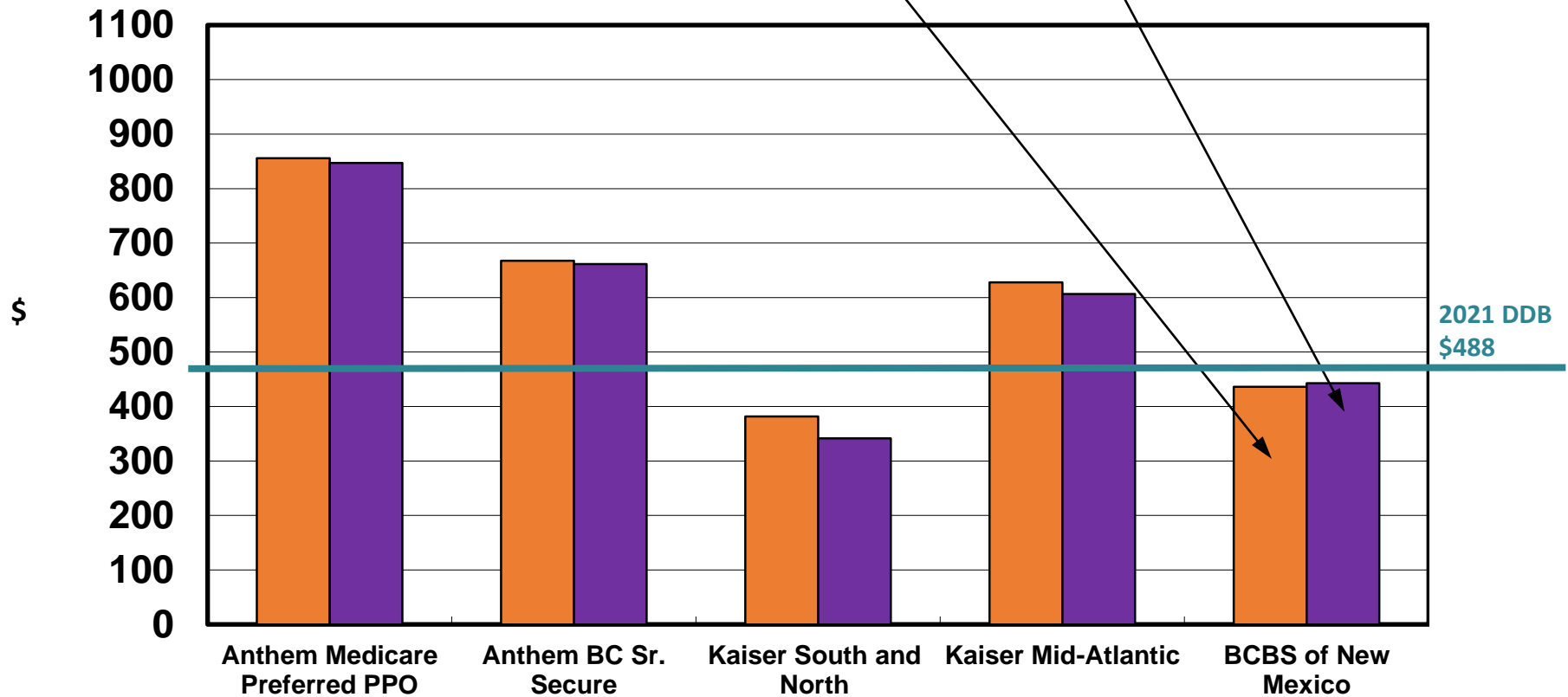
# What are the DDB Amounts for Calendar Year 2021?

Category	Monthly DDB
Retiree only	\$244
Retiree + 1 or more dependents	\$488

# Medicare Eligible Retiree + Spouse Tier A Retiree and Spouse Medicare-Eligible



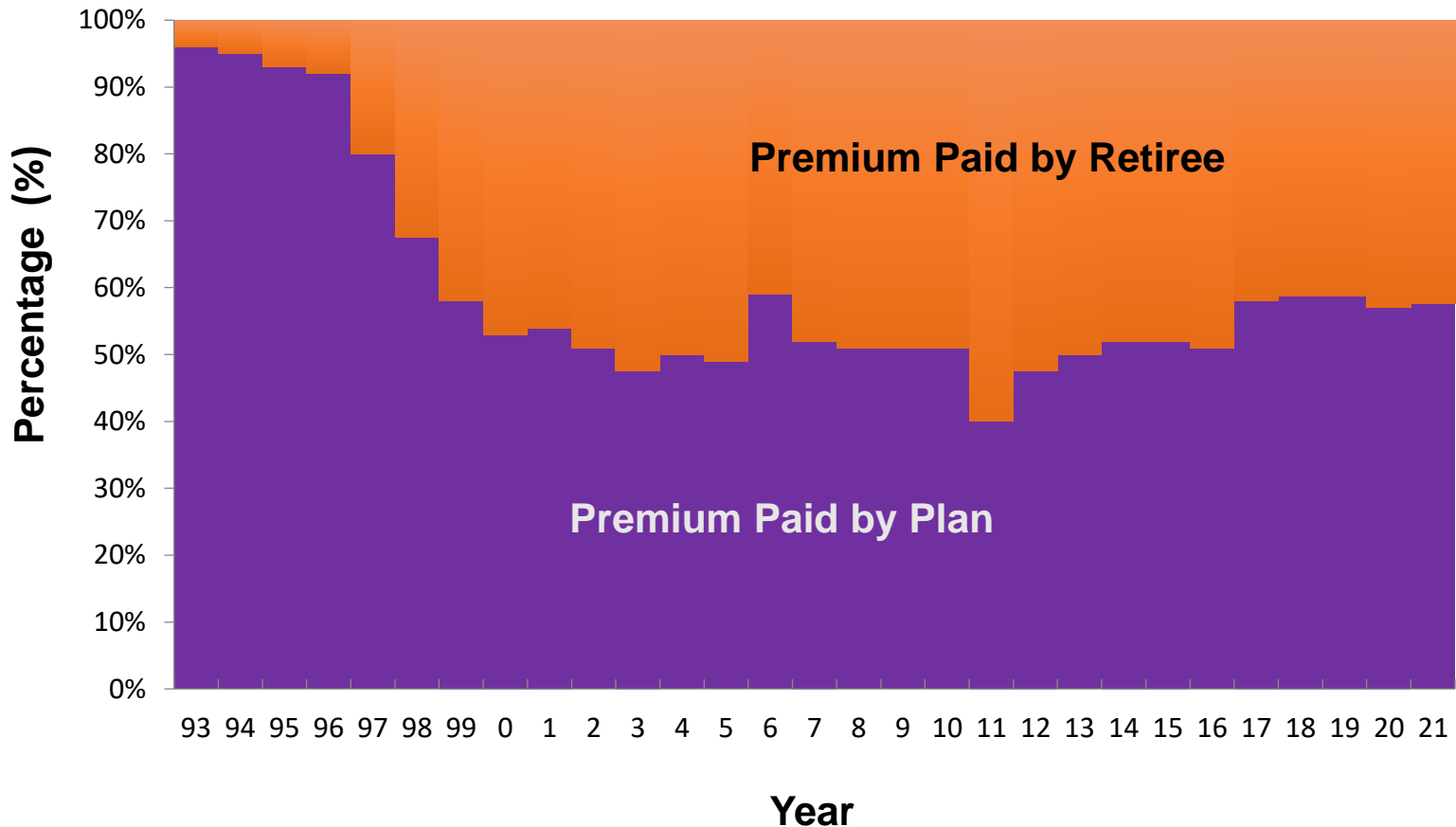
Monthly Premium Amounts in **CY 2020** and **CY 2021**





# Retiree and Spouse Medicare-Eligible and Enrolled in Anthem Medicare Preferred PPO

*Share of Total Monthly Medical Premium Paid by the Plan and by the Retiree (Tier A or 100% Tier B)*







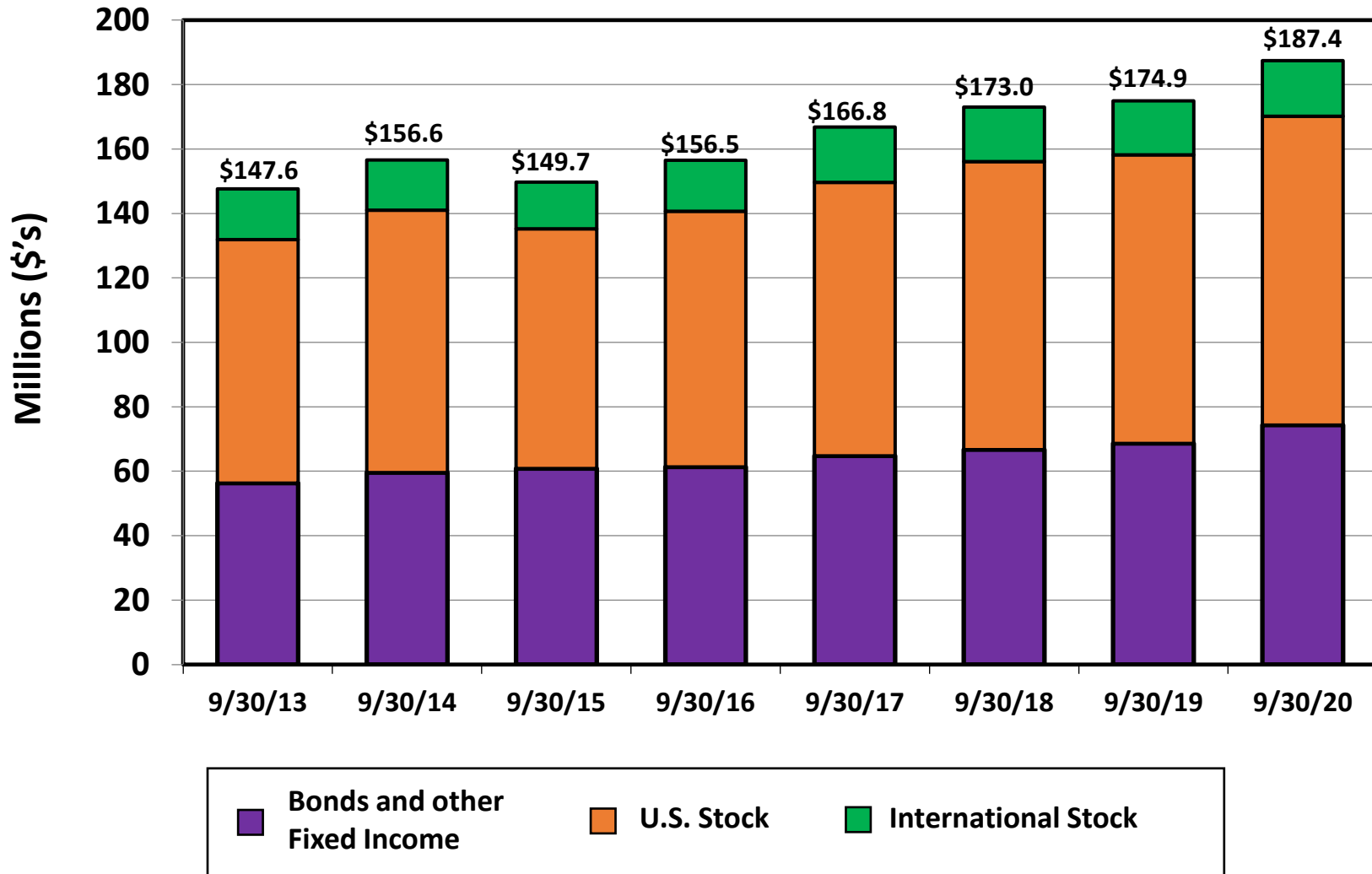
# Other Information To Know

- Plan contributions are reimbursable by the customer
- The retiree does not have a vested interest in this benefit
- The company has consistently reserved the right to modify the benefits or terminate the Plan. The assets in the trust can only be used for retiree medical benefits, not other purposes.
- The following items are posted on the Employee Benefits and Retiree websites:
  - Retiree Medical Summary Plan Document
  - Retiree Medical Briefing for retirement planning purposes — Eligibility and 2021 Cost Sharing
  - Actuarial Valuation (Mercer) for September 30, 2020



# Plan Year 2020 Status

# Retiree Medical Plan Assets





# Retiree Medical Plan Assets

	9/30/16	9/30/17	9/30/18	9/30/19	9/30/20	Target
U.S. Stock	51%	51%	51%	51%	51%	50%
International Stock	10%	10%	10%	10%	9%	10%
Fixed Income	39%	39%	39%	39%	40%	40%

Return for Year Ending	+9.7%	+11.4%	+8.5%	+5.6%	+12.0%
------------------------	-------	--------	-------	-------	--------

# Changes in Plan Assets

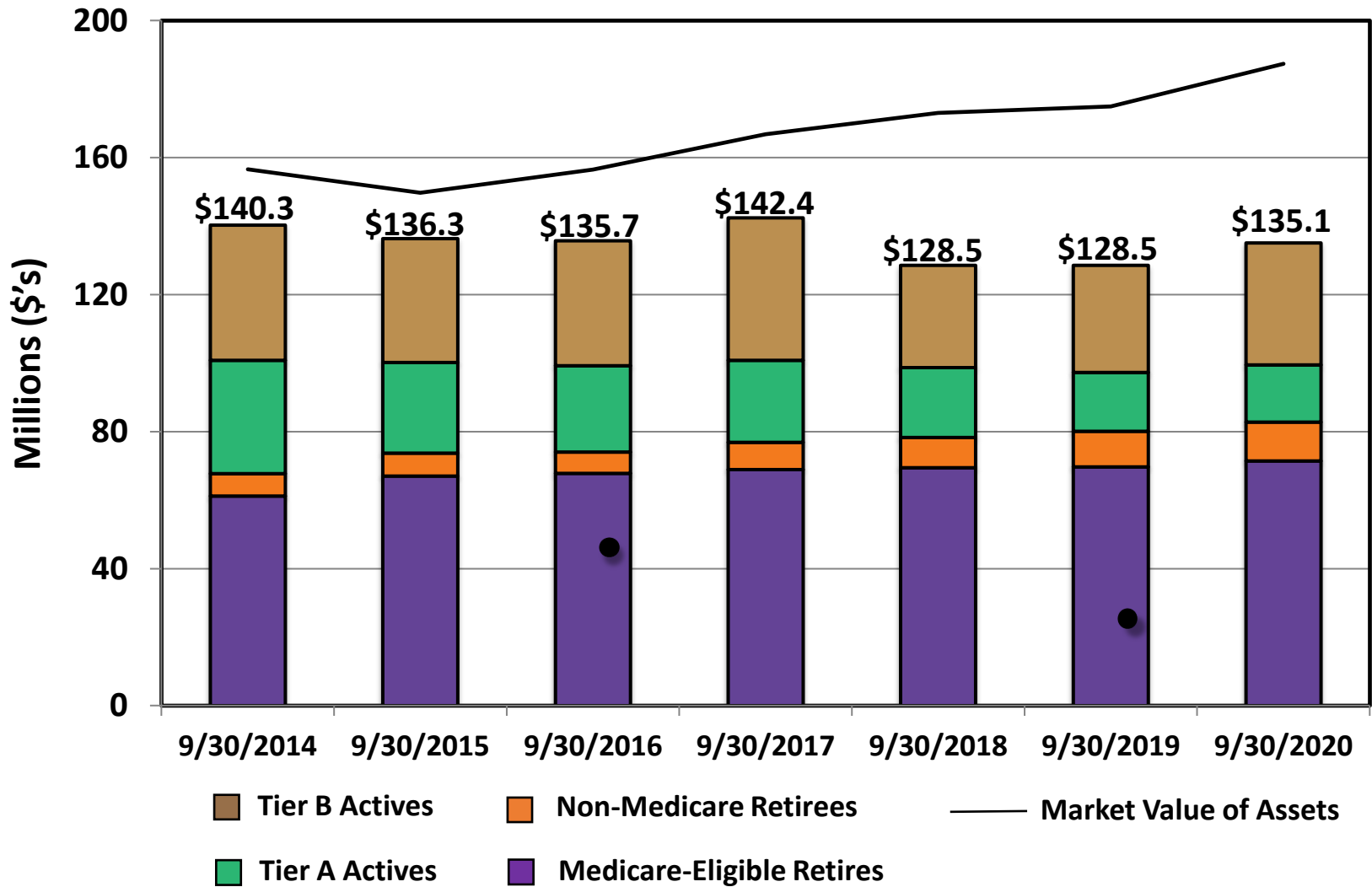
*(Dollars in Millions)*



	Market Values as of Fiscal Year Ending			
	9/30/17	9/30/18	9/30/19	9/30/20
Assets at Beginning of Year	\$156.5	\$166.8	\$173.0	\$174.9
Company Contributions	0	0	0	0
Retiree Cost-Sharing	5.6	5.4	5.8	6.1
Investment Earnings	17.5	13.8	9.3	20.4
Premium Payments	(12.7)	(12.9)	(13.2)	(14.1)
Expenses	(0.1)	(0.1)	(0.0)	(0.0)
Assets at End of Year	\$166.8	\$173.0	\$174.9	\$187.3



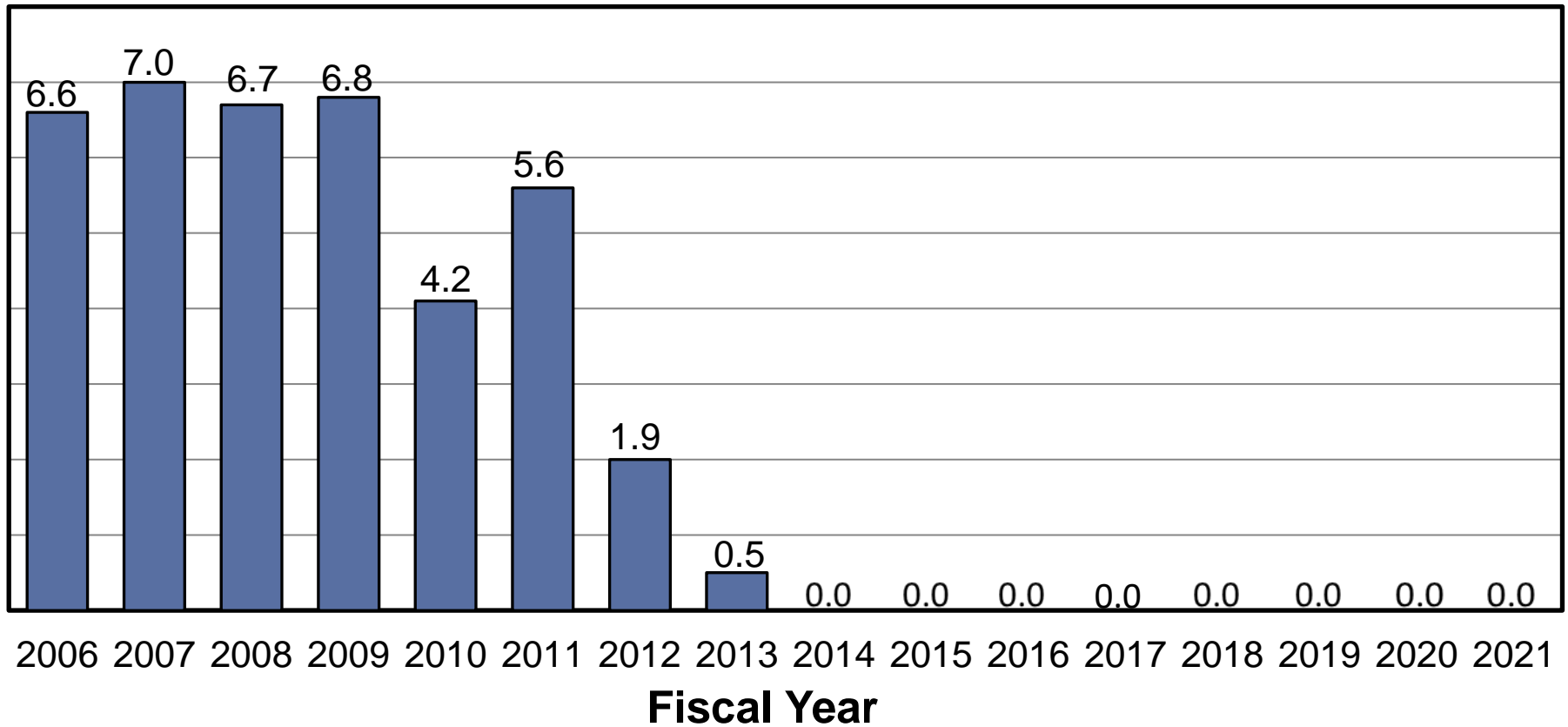
# Retiree Medical Plan Accumulated Benefit Obligation and Assets





# Corporate Contributions to Retiree Medical Plan

*(Dollars in Millions)*





# Summary

- Retiree Medical Plan is well funded
- Since the Plan is expected to have excess assets as of September 30, 2021 the Company does not anticipate making a contribution to the Plan in FY 2021
- Company expects to support the Plan for the foreseeable future
- The value of Plan assets was \$187.4 million at the end of FY 2020

## **For more information:**

<https://compass.empyreanbenefits.com/aerospace>

<http://pages.aero.org/benefits/>

<http://retirees.aerospace.org/>

- Email your questions to [Annualbriefings@aero.org](mailto:Annualbriefings@aero.org)
- Answers will be posted on the Retiree and Benefits websites under FAQs