2025 Second Omnibus Proposed Financial Plan

Employee Benefits Fund / 000005500

Category	2023-2024 Actuals	2025 Adopted	2025 Current Budget	2025 Annual-to-Date Actuals (YTD July 2025)	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	**$ 96,488,000**	**$ 41,250,340**	**$ 42,609,556**	**$ 42,609,556**	**$ 42,609,556**	**$ 46,373,997**	**$ 39,351,725**
Revenues							
Funding Rate Recovery	592,115,196	357,749,473	357,749,473	217,235,070	376,033,776	794,175,034	800,934,525
Non Rate Revenues	39,907,605	26,723,935	26,723,935	15,025,310	25,596,950	60,783,886	63,785,438
Interest Income	5,655,471	1,617,051	1,617,051	973,760	1,882,311	3,951,313	1,417,550
Total Revenues	**$ 637,678,272**	**$ 386,090,459**	**$ 386,090,459**	**$ 233,234,139**	**$ 403,513,037**	**$ 858,910,233**	**$ 866,137,513**
Expenditures							
County Administration & Interfund	15,905,304	8,858,643	8,858,643	5,018,385	8,858,641	18,848,393	20,849,906
Medical Claims	480,181,499	250,527,393	250,527,393	151,352,915	277,038,310	610,057,899	693,624,861
Medical ASO	30,343,618	15,665,902	15,665,902	11,108,945	16,657,893	34,852,685	37,026,731
Pharmacy Claims	71,656,293	41,117,173	41,117,173	25,955,446	44,058,121	100,835,436	122,786,941
Pharmacy ASO	1,154,169	384,034	384,034	304,965	380,065	3,574,985	3,602,453
Dental and Vision Claims	49,910,356	26,680,168	26,680,168	15,926,572	27,265,166	58,632,392	63,752,215
Dental and Vision ASO	3,203,895	1,609,494	1,609,494	966,592	1,659,439	3,434,057	3,700,727
Life, LTD & ADD Premiums	41,960,427	20,321,247	20,321,247	13,171,886	20,830,961	43,696,659	46,203,793
2025 Second Omnibus Request	-	-	-	-	22,000,000	-	-
Contingency	-	28,504,433	28,504,433	-	-	68,406,729	-
Total Expenditures	**$ 694,315,562**	**$ 393,668,487**	**$ 393,668,487**	**$ 223,805,706**	**$ 418,748,596**	**$ 942,339,235**	**$ 991,547,627**
Estimated Underexpenditures		**(28,504,433)**	**(28,504,433)**	**-**	**(19,000,000)**	**(76,406,729)**	
Other Fund Transactions							
Accounting Adjustment	2,758,845						
Total Other Fund Transactions	**$ 2,758,845**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Fund Balance	**$ 42,609,556**	**$ 62,176,745**	**$ 63,535,961**	**$ 52,037,990**	**$ 46,373,997**	**$ 39,351,725**	**$ (86,058,390)**
Reserves							
Expenditure Reserve (IBNR)	27,964,000	23,768,000	23,768,000	27,964,000	27,964,000	27,964,000	27,964,000
JLMIC PFR	-	(11,573,765)	(11,573,765)	(20,127,393)	(20,127,393)	-	-
ATU PFR	17,865,439	18,439,145	18,439,145	17,624,319	17,624,319	9,062,103	-
Other Reserves (Deputies, LEOFF, Undesignated)	-	31,543,365	32,902,581	26,577,064	20,913,072	2,325,622	-
Total Reserves	**$ 45,829,439**	**$ 62,176,745**	**$ 63,535,961**	**$ 52,037,990**	**$ 46,373,997**	**$ 39,351,725**	**$ 27,964,000**
Reserve Shortfall	3,219,883	-	-	-	-	-	114,022,390
Ending Undesignated Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Financial Plan Notes

- All financial plans have the following assumptions, unless otherwise noted in below rows:
- 2025 Adopted Budget ties to PBCS.
- Outyear projections columns: revenue and expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance and the agency's internal assumptions and methodology.

Revenue Notes:

1. **Funding Rate Recovery Revenue** projections for 2025-2028 are based on Mercer enrollment (August 2025 projections) and negotiated Per Employee Per Month (PEPM) funding rates between the County and labor unions. Plan design and funding rates for the JLMIC have not yet been negotiated for 2029 and beyond. For 2029, the projected PEPM funding rates are held constant.
2. **Non Rate Revenues** include employee contributions for insurance buy-ups, employee premium shares, plan selection fees, benefit access fees and COBRA/Retiree premiums. 2025-2029 projections are based on Mercer Projections (August 2025).
3. **Interest Income Revenue** projections for 2025-2029 are based on projected fund balance multiplied by the latest OEFA interest assumptions (July 2025).

Expenditure Notes:

1. **County Administration & Interfund** includes salaries & benefits that support benefit plan operations in addition to consulting fees. 2026-2027 Proposed matches PBCS. 2028-2029 Projected are based on BFPA growth assumptions.
2. **All Other Expenditure Categories (Medical/Dental/Vision/Pharmacy and Insurance Premiums)** projections from 2025-2029 are based on actuarial projections (August 2025). Note, 2025 medical claims costs are expected to exceed budget based on August 2025 actuarial projections. DHR is requesting a 2025 supplemental request of $22M.
3. **Reserve/Contingency** - Expenditures include a contingency of 8% of actuarial projections for 2026-2027.
4. **Estimated Underexpenditures** - This category includes the contingency budget of $68.4M and additional $8M in underexpenditures from potential new Pharmacy Benefit Manager contract savings (effective 1/1/2026) and estimated underexpenditure in outyear 2027 medical cost projections.

Reserve Notes:

1. **The "Other Reserves"** reflects undesignated reserves calculated by taking the difference between "Ending Fund Balance" and the sum of JLMIC PFR, ATU PFR and the Expenditure Reserve (e.g. IBNR). For the ATU PFR, this plan assumes that a portion of the potential $8M underexpenditure projection will be allocated to ATU's PFR balance based on projected enrollment percentages for 2026 and 2027.
2. **Beginning Fund Balance** tie to what has been published on PSB's budgetary fund balance.
3. **Expenditure Reserve (IBNR)** - Incurred But Not Reported claim liabilities are estimated by Mercer as of 12/31/2024. The amount may vary from amount reflected on Benefits fund Sliders due to timing (Accounting Adjustments recorded on following year's file.

Last Updated 09/03/2025 by Andres Fuerte using data from PBCS, BFPA assumptions, and agency internal assumptions.