

Cleveland Bakers & Teamsters

How a Pension Fund Preserved its Retiree Health Plan

RetireeFirst

Cleveland Bakers & Teamsters Pension Fund

Challenge

An Ohio-based multi-employer pension fund was facing dramatic cost increases for their retiree health plans due to rising healthcare costs and a growing retiree population.

With ballooning costs eating over \$30 million in pension funds in short order, retiree healthcare benefits were becoming unsustainable for both the fund and its members.

Canceling benefits was not an option. The fund knew that, by switching coverage from its traditional medical plan to a Medicare supplement, it could cut costs and retain the same benefits. **However, making the change would be an administrative burden and still require a hefty out-of-pocket expense for retirees.**



Cleveland Bakers & Teamsters Pension Fund

Solution

With these challenges in mind, the fund reached out to RetireeFirst for a solution. RetireeFirst reviewed the fund's current plan, contacted the carrier directly, and provided an option that would significantly reduce costs, preserve the quality of benefits retirees were promised during their working years, and take the stress out of the process—all before being officially hired.



Cleveland Bakers & Teamsters Pension Fund

Solution

To bring down costs while maintaining high quality benefits, RetireeFirst's initial step was to review the pension fund's contract and conduct extensive research into alternative plan options and carriers.

After analyzing the fund's existing plan and identifying areas that could be removed or optimized, RetireeFirst put out a bid to secure a better price and helped the fund select and implement a new Medicare retirement benefits plan.

RetireeFirst also supported retirees through the process, helping them navigate the plan and services, fielding calls that would otherwise be directed to the fund manager.



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Solution

The partnership has been so successful that the fund has been a RetireeFirst client for over eight years. In addition to reduced costs for the fund, its retirees have seen a drastic reduction in fees.

Prior to becoming a client, retirees were contributing roughly \$60–70 per month—a significant expense for those on a fixed income. Now, they are paying only \$4 per month—without seeing a cut to their benefits.

The fund has been able to reallocate the savings to other benefits, as converting to a Medicare supplement via a partnership with RetireeFirst has also freed up staff time, enabling team members to dedicate resources to more value-driven initiatives.

“Working with RetireeFirst has completely transformed the funding of our plan as it relates to retiree healthcare. They have been a valuable partner for over eight years, from designing to implementing to managing our Medicare retirement benefits. They do all of this while guaranteeing quality retiree benefits that are still affordable.”



Carl Pecoraro

**Fund Chairman
Cleveland Bakers and Teamsters
Pension Fund**

Cleveland Bakers & Teamsters Pension Fund

Results



50%

Cost Reduction

Cut cost for retirees by half in the partnership's first year, and reduced cost to \$4/month by 2022 without sacrificing quality of benefit



0% Increase

Negotiated

Negotiated 0% increase for the first year of the partnership



Record Gain

in 2020

Increased gain share in conjunction with reduction of retiree benefits costs, enabling the fund to set aside profit for future use; the fund saw its highest gain share yet in 2020 and was able to apply it to retiree premiums



Ensured

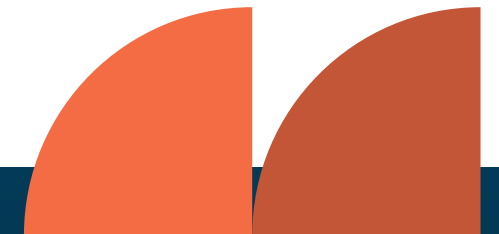
No Premium Increases

Ensured cost of retiree health plan premium has stayed under what fund was originally paying since taking over the plan in 2014

About RetireeFirst

We are the premier Retiree Benefit Management provider, enhancing the experience and outcomes for group plan sponsors and their retirees. We provide an end-to-end solution built on three pillars: Strategy, Support, and Advocacy, and partner with brokers, consultants, and clients to meet their unique needs—ultimately reducing costs while preserving group retiree benefits.

To learn more, contact sales@RetireeFirst.com



RetireeFirst

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Preserving Retiree Healthcare.

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