Town of Jamestown, RI
Postretirement Medical Plan

Financial Disclosure Information

in accordance with Statement of Governmental Accounting Standards Board No. 45

for the period beginning July 1, 2013 and ending June 30, 2014

Prepared By:

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December, 2014

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I. INTRODUCTION

The purpose of this report is to present certain financial information relative to the Town of Jamestown, RI Postretirement Medical Plan in accordance with the Statement of Governmental Accounting Standards Board No. 45 (GASB45).

The report presents information regarding the Town of Jamestown, RI Postretirement Medical Plan for the period beginning July 1, 2013 and ending June 30, 2014. This information includes the determination of Annual Required Contribution (ARC) and OPEB cost, disclosure of the Net OPEB Obligation and Funding Progress as well as other Required Supplementary Information. Sensitivity analysis on various financial and demographic assumptions is also provided.

This report was based on information submitted to our firm in the form of census data, medical insurance premiums and rates, and other plan claims information and descriptions of Plan benefits as provided by the Town of Jamestown, RI. Although the data has been reviewed for reasonableness, an audit of the data was not performed. We have relied on the information provided, including plan provisions and participant data, as complete and accurate.

Actuarial computations under GASB45 are for purposes of fulfilling employer accounting requirements and require assumptions about future events. We believe that the calculations and assumptions reported herein have been made on a basis consistent with our understanding of GASB45 and are reasonable for this purpose and should not be used for any other purposes than financial disclosures. In addition, no relationship exists with the plan or plan sponsor that impairs the objectivity of our work.

I meet the GASB No. 45 Qualification Standards of the American Academy of Actuaries, based upon my education, experience and continuing education.

Brian W. Corbett

December 31, 2014

Brian W. Corbett, A.S.A., E.A., M.A.A.A. — Date

Consulting Actuary

II. DESCRIPTIVE INFORMATION

Plan Description:	Single-employer, defined benefit postretirement health insurance program.
Groups Covered:	Police officers of the International Brotherhood of Police Officers Local 305 bargaining unit that retire from the Jamestown Police Department upon reaching their normal retirement date.
Pension Members' Retirement Eligibility:	Police officers of the Jamestown Police Department are eligible for retirement under the Defined Benefit Pension Plan after working 10 years of vesting service and after attaining age 55. Normal retirement date is defined as age 55 with 20 years of service.
Benefit Formula:	Individual or family medical coverage is available to retirees under Blue Cross Healthmate Coast to Coast plan. The Town of Jamestown, Rhode Island (the "Town") covers 100% of the coverage for retired members hired prior to March 1, 1996 (except as described below); the Town also covers 80% of the coverage for retired members hired after March 1, 1996. Retired members are covered for their lifetime or until the time they become eligible for equal or better coverage through a future employer or spouse's employer. Retired members are not paid a subsidy or lump sum payment when opting out of coverage. Effective with future retirees that were hired prior to March 1, 1996, the Town would cover 93% of the coverage in 2011, and 85% of coverage for years beginning in 2012. Retired members may elect dental coverage under this Plan however the Town does not contribute towards dental benefits therefore the entire coverage is paid for by the retiree. The implicit rate subsidy resulting from the dental coverage borne by the Town is expected to be small, not material to the valuation, and not valued in this report. Life insurance is not offered to retired members.
Significant Events:	None.

III. ACTUARIAL METHODS

Measurement Date:	July 1, 2013 for all purposes.
Actuarial Cost Method:	The Annual Required Contribution ("ARC") has been determined utilizing the projected unit credit funding method (with service proration). Under this funding method, projected benefits are assumed to accrue on a straight line basis from date of hire to expected retirement date for each participant. Normal cost for a participant is the present value of the projected benefit which accrues in the current plan year. Normal cost for the Plan is the sum of the normal costs for all participants.
Asset Valuation Method:	Not applicable as plan is currently unfunded. Plan benefits are paid out of the Town of Jamestown, RI's general assets.
Amortization of Unfunded Liabilities:	The portion of unfunded actuarial liabilities included in the ARC is determined using the level dollar thirty year open amortization basis.
Census Information:	Census data and premium information as of July 1, 2013 were used to calculate the ARC, OPEB cost and Net OPEB Obligation.
Net OPEB Obligation at Fiscal Year End:	Based on actual benefit payments, actual contributions to the Plan trust (if applicable), and estimated implicit rate subsidy, for the fiscal year ending June 30, 2014.

IV. ACTUARIAL ASSUMPTIONS

Actuarial assumptions are estimates as to the occurrence of future events impacting the costs of the plan such as mortality rates, withdrawal rates, medical trend rates, retirement ages, rates of investment earnings, etc. The assumptions have been chosen to anticipate the long-term experience of the plan.

Assumptions for the Current Valuation

Discount Rate: 4.00%

Long Term Rate of Return on Assets: Not applicable - there are no plan assets

Healthy Mortality: RP-2000 Male/Female Combined Healthy Mortality Table. The mortality table does not include projected mortality improvement.

Disabled Rates: Disability assumed to be three times (3x) the rates specified by the 1974 Railroad Retirement Board Valuation.

Turnover: None

Retirement: Rates of retirement by age are:

Age	Rate
50-51	5%
52-53	15%
54	25%
55-59	50%
60	100%

It is understood that under the Defined Benefit Pension Plan retirement is assumed to be at age 55 with 20 years of service. In addition to the above rates, retirement is assumed to be 100% under this Plan at 32.5 years of service, the time at which benefits are maximized under the Defined Benefit Pension Plan offered to members.

IV. ACTUARIAL ASSUMPTIONS (cont'd)

Participation:	It is assumed that 100% of future retirees elect medical coverage and remain covered for their lifetime. All current retirees are assumed to continue coverage. Upon attainment of age 65, it is assumed retirees are covered under the Medicare Supplement Plan, Plan 65.
Current Health Care Monthly Premium Rates (7/1/2013):	July 1, 2013 Medical Premiums: Single Coverage: $683.35 per month Family Coverage: $1,614.45 per month Plan 65: $188.47 per month Premium for 1 Non-Union Retiree: $367.47 per month
Health Care Cost Trend Rates:	7.0% per year graded off 0.5% per year to an ultimate rate of 4.5% per year after five years.
Marital Status:	90% of future retirees are assumed to be married and elect family medical coverage. Female spouses are assumed to be 3 years younger than males. Actual spousal information is used for current retirees if available.
Aging Assumption:	Claim costs are assumed to increase 3.0% per year up to age 65 to reflect higher healthcare costs for older individuals. Plan 65 premiums are considered community rated and do not include aging assumptions.

V. CALCULATION OF ANNUAL REQUIRED CONTRIBUTION

The Annual Required Contribution (ARC) of the employer is the portion of the present value of future benefits that is to be recognized in the current fiscal year. It is made of the following components (See the Glossary for definitions of terms):

A. Normal cost, or the portion of the APV attributable to service in the current year
B. Amortization of the unfunded AAL-PUC resulting from plan amendments, actuarial (gains)/losses or initial adoption(s) of the plan
C. Interest Cost, or the expected increase in the AAL attributable to the passage of time (during the year)
D. Expected return on OPEB liability/asset, if any, (may reduce the other costs)

A.	**Normal cost as of July 1, 2013**	$	176,089
B.	**Amortization of Unfunded Liability**		
1.	Amortization of initial unfunded liability	$	148,606
2.	Amortization of UAAL: plan amendments		0
3.	Amortization of UAAL: (gains)/losses		0
4.	Amortization of UAAL, [(1) + (2) + (3)]	$	148,606
C.	**Interest on Normal Cost and Unfunded Liability**		
1.	Normal Cost + Amortization of UAAL, [(A) + (B.4)]	$	324,695
2.	Interest to end of period at 4.000%	$	12,988
D.	**Interest Cost on OPEB liability/(asset)**		
1.	OPEB liability/(asset)	$	0
2.	Interest to end of period at 4.000%	$	0
E.	**Annual Required Contribution [(A) + (B.4) + (C.2) + (D.2)]**	$	337,683
F.	**Expected Benefit Payments**	$	139,349
G.	**Increase in ARC over Pay-as-you-go [(E) - (F)]**	$	198,334
H.	**Covered Payroll**	$	799,640
I.	**ARC as a Percent of Covered Payroll [(E) / (H)]**		42.23%

VI. DEVELOPMENT OF NET OPEB OBLIGATION

A. Fiscal Year Ending June 30, 2014

1.	Annual Required Contribution	$	337,683
2.	Interest on net OPEB obligation as of July 1, 2013		26,349
3.	Adjustment to ARC (amortization of OPEB obligation)		(38,094)
4.	Annual OPEB cost [(1) + (2) + (3)]		325,938
5.	Actual Plan Contributions During Fiscal Year		
	a. Contributions for Actual Benefit Payments		105,262
	b. Additional Contribuions to Plan Trust:		0
	c. Allocation for Expected Benefit Payments (implicit subsidy)		60,902
	d. Total Plan Contributions		166,164
6.	Increase in net OPEB obligation [(4) - (5.d)]		159,774
7.	Net OPEB obligation as of July 1, 2013		658,715
8.	Net OPEB obligation as of June 30, 2014 [(6) + (7)]	$	818,489

B. Recent Net OPEB Obligation History

Fiscal Year End	Annual OPEB Cost	Plan Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	233,368	129,242	55.4%	104,126
6/30/2010	214,367	77,643	36.2%	240,850
6/30/2011	211,930	127,130	60.0%	325,650
6/30/2012	327,648	169,392	51.7%	483,906
6/30/2013	324,826	150,017	46.2%	658,715
6/30/2014	325,938	166,164	51.0%	818,489

VII. SCHEDULE OF FUNDING PROGRESS

A. Actuarial Present Value of Total Projected Benefits

Actuarial Present Value of Total Projected Benefits (APV) is the actuarial present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Set forth below are the results of the valuation of the present value of future benefits as of the valuation date, July 1, 2013.

1.	Actuarial Present Value of total projected benefits		
	a. APV Active participants total	$	4,588,600
	b. APV Retirees		1,163,320
	c. Total APV, [(a) + (b)]	$	5,751,920

B. Actuarial Accrued Liability

Actuarial Accrued Liability (AAL-PUC) is defined as the actuarial present value of benefits allocated to all periods prior to the valuation date. The Projected Unit Credit (PUC) Actuarial Cost Method was used to allocate costs to various years. Set forth below are the results of the valuation of the AAL-PUC as of the valuation date, July 1, 2013.

2.	Actuarial Accrued Liability		
	a. AAL-PUC Active participants total	$	1,509,173
	b. AAL-PUC Retirees		1,163,320
	c. Total AAL-PUC, [(a) + (b)]	$	2,672,493
3.	Fair Value of Assets as of July 1, 2013	$	0
4.	Statement of Funded Status as of July 1, 2013		
	a. Actuarial Present Value - total projected benefits, [(1.c)]	$	5,751,920
	b. Future accruals for active participants		3,079,427
	c. Actuarial Accrued Liability, [(2.c)]		2,672,493
	d. Fair Value of Assets, [(3)]		0
	e. Funded status, [(d) - (c)]	$	(2,672,493)
	f. Unfunded Actuarial Accrued Liability (UAAL)		2,672,493
5.	Funding Percentageas of July 1, 2013 [(3) / (2.c)]		0.00%

VIII. SCHEDULE OF FUNDING PROGRESS (cont'd)

C. Reconciliation of Actuarial Accrued Liability and Development of (Gain)/Loss

1.	Actuarial Accrued Liability as of July 1, 2011	$	3,482,971
2.	Normal Cost plus Interest at 4.00% (2011 and 2012)		268,157
3.	Interest Cost		274,363
4.	Actual Benefit Payments plus Implicit Subsidy		(319,409)
5.	Projected Actuarial Accrued Liability	$	3,706,082
6.	(Gain)/Loss due to Plan Experience		(1,033,589)
7.	(Gain)/Loss due to Actuarial Method Change		0
8.	Actuarial Accrued Liability as of July 1, 2013	$	2,672,493

D. Fair Value of Assets - Projected Reconciliation of Plan Assets through June 30, 2014

The following table projects the reconciliation of the change in the market value of assets over the upcoming plan year based upon financial information provided by Town of Jamestown, RI:

1.	Market Value of Assets July 1, 2013		$0
2.	Additions during the year		
	a. Town's contributions to fund	$0	
	b. Actual Town payments	$166,164	
	c. Actual retiree contributions	$0	
	d. Interest earned	$0	
	e. Total additions		$166,164
3.	Disbursements during the year		
	a. Actual benefit payments	N/A	
	b. Allocation for expected benefit payments	($105,262)	
	c. Allocation for expected benefit payments (implicit subsidy)	($60,902)	
	d. Other disbursements from fund	$0	
	e. Total disbursements		($166,164)
4.	Market Value of Assets June 30, 2014		$0
5.	Estimated investment rate of return (net of expenses)		N/A

VIII. SCHEDULE OF FUNDING PROGRESS (cont'd)

E. Funded Ratio and UAAL as a Percentage of Covered Payroll

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1/1/2008	N/A	1,874,075	1,874,075	0.0%	611,409	306.5%
7/1/2009	N/A	1,661,060	1,661,060	0.0%	634,944	261.6%
7/1/2011	N/A	3,482,971	3,482,971	0.0%	607,589	573.2%
7/1/2013	N/A	2,672,493	2,672,493	0.0%	799,640	334.2%

VIII. AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Actuarial Accrued Liability is amortized over 30 or fewer years. The 30 year level dollar amortization is presumed to be established on an open amortization basis. This means that the period of amortization is reset each year to be 30 years.

	Base Amount	Date of First Charge or (Credit)	Amort. Period (years)	Amort. Interest Rate	Amort. Factor	Outstanding Balance	Amort. Charge or (Credit)
1. Initial UAAL	2,672,493	7/1/2013	30.00	4.000%	17.98	2,672,493	148,606
2. UAAL from amendments	0	N/A	N/A	N/A	N/A	0	0
3. UAAL (gain)/loss	0	N/A	N/A	N/A	N/A	0	0
4. Total	2,672,493					2,672,493	148,606

IX. CASH FLOW PROJECTIONS

The Plan liability will be satisfied through the payment of benefits for current and future retirees. Using the same assumptions for retirement, mortality, and increases in claims costs that were used to perform the valuation, the cash requirements are projected for each of the next fifteen years. The cash requirements are based on projected claims costs, less retiree contributions, if applicable, for both current and future retirees.

The cash flow projections show costs under the current funding (Pay-as-You-Go), compared to the Annual Required Contribution (ARC). The Total ARC equals the sum of the Normal Cost, Interest Cost, and Amortization Payment. The projections show total cash flows for the thirty year open amortization method. This means that the period of amortization is reset each year to be 30 years. Amortization may also be allowed as a percent of payroll under the GASB standards, or may be on a closed basis amortization. This means that the period of amortization decreases each year by one year. The first year amortization period being 30 years, the second being 29 years and so forth until in the thirtieth year the amortization period is 1 year.

The projections below are prepared on a closed group basis, meaning no new employees are added to the existing population for future years.

The cost projection in subsection A below, Projection with Partial Prefunding, applies only if the plan is not prefunded and contributions are only the Pay-As-You-Go (PAYGO) costs. However, if the OPEB Trust Fund has an initial balance, plan assets continue to grow with investment return.

The cost projection in subsection B below, Projection with Prefunding, applies only if the Plan is prefunded and the employer makes annual contributions to the plan equal to the ARC. If the employer does not make annual contributions, as shown, or makes only partial annual contributions, the ARC for years after June 30, 2014 will be higher than those shown in subsection B. Please note that if the Town contributes to the OPEB Trust Fund an amount equal to the ARC that is less than the PAYGO amount, benefit payments reduce the plan's assets resulting in a lower funded position than if the Town continued to contribute the PAYGO amount.

IX. CASH FLOW PROJECTIONS (cont'd)

A. Projection with Partial Prefunding (4.00% discount rate)

Plan Year Ending	Contribution (PAYGO)	Annual Required Contribution	Annual OPEB Cost	Net OPEB Obligation	Projected Actuarial Liability	Plan Assets (beg. yr.)	Funding Percentage (beg. yr.)
6/30/2014	$166,164	$337,683	$325,938	$818,489	$2,672,493	$0	0.00%
6/30/2015	133,000	350,000	335,000	1,020,000	2,793,000	0	0.00%
6/30/2016	155,000	357,000	339,000	1,204,000	2,957,000	0	0.00%
6/30/2017	138,000	367,000	346,000	1,412,000	3,103,000	0	0.00%
6/30/2018	150,000	380,000	355,000	1,617,000	3,273,000	0	0.00%
6/30/2019	123,000	395,000	366,000	1,860,000	3,442,000	0	0.00%
6/30/2020	109,000	412,000	379,000	2,130,000	3,649,000	0	0.00%
6/30/2021	98,000	432,000	394,000	2,426,000	3,886,000	0	0.00%
6/30/2022	103,000	453,000	410,000	2,733,000	4,148,000	0	0.00%
6/30/2023	109,000	474,000	425,000	3,049,000	4,421,000	0	0.00%
6/30/2024	90,000	497,000	443,000	3,402,000	4,704,000	0	0.00%
6/30/2025	95,000	521,000	460,000	3,767,000	5,026,000	0	0.00%
6/30/2026	81,000	547,000	480,000	4,166,000	5,361,000	0	0.00%
6/30/2027	85,000	574,000	500,000	4,581,000	5,730,000	0	0.00%
6/30/2028	158,000	565,000	483,000	4,906,000	6,115,000	0	0.00%

Results show the impact of the funding projections assuming the Annual Required Contribution is recalculated each year. Projections are based on the closed population as of July 1, 2013.

IX. CASH FLOW PROJECTIONS (cont'd)

B. Projection with Full Prefunding (7.00% discount rate)

Plan Year Ending	Contribution (ARC)	Annual Required Contribution	Annual OPEB Cost	Net OPEB Obligation	Projected Actuarial Liability	Plan Assets (beg. yr.)	Funding Percentage (beg. yr.)
6/30/2014	$166,164	$337,683	$325,938	$818,489	$2,672,493	$0	0.00%
6/30/2015	247,000	247,000	238,000	809,000	1,855,000	0	0.00%
6/30/2016	243,000	243,000	234,000	800,000	1,945,000	122,000	6.30%
6/30/2017	243,000	243,000	235,000	792,000	2,016,000	225,000	11.17%
6/30/2018	244,000	244,000	236,000	784,000	2,113,000	353,000	16.73%
6/30/2019	247,000	247,000	239,000	776,000	2,207,000	478,000	21.68%
6/30/2020	250,000	250,000	242,000	768,000	2,341,000	644,000	27.51%
6/30/2021	254,000	254,000	246,000	760,000	2,505,000	840,000	33.54%
6/30/2022	258,000	258,000	250,000	752,000	2,698,000	1,066,000	39.50%
6/30/2023	262,000	262,000	254,000	744,000	2,906,000	1,306,000	44.94%
6/30/2024	267,000	267,000	259,000	736,000	3,129,000	1,561,000	49.88%
6/30/2025	272,000	272,000	264,000	728,000	3,395,000	1,859,000	54.77%
6/30/2026	277,000	277,000	269,000	720,000	3,683,000	2,179,000	59.18%
6/30/2027	283,000	283,000	275,000	712,000	4,013,000	2,542,000	63.35%
6/30/2028	258,000	258,000	250,000	704,000	4,370,000	2,932,000	67.09%

Results for 6/30/2014 are based on actual no prefunding (4.00% discount rate). Results show the impact of the funding projections assuming the Annual Required Contribution is recalculated each year. Projections are based on the closed population as of July 1, 2013.

X. ASSUMPTION SENSITIVITY ANALYSIS

A. Discount Rate of 4.00% (ARC Not Contributed to Trust)

Normal Cost	$176,089
Actuarial Accrued Liability	$2,672,493
Annual Required Contribution	$337,683
Covered Payroll	$799,640
ARC as a Percent of Payroll	42.23%

B. Discount Rate of 7.00% (ARC Fully Contributed to Trust)

Normal Cost	$86,266
Actuarial Accrued Liability	$1,808,873
Annual Required Contribution	$238,075
Increase/(Decrease) to ARC in Section VI	*(99,608)*
ARC as a Percent of Payroll	29.77%

C. Increase Medical Trend by 1%

Normal Cost	$227,669
Actuarial Accrued Liability	$3,118,932
Annual Required Contribution	$417,144
Increase/(Decrease) to ARC in Section VI	*79,461*
ARC as a Percent of Payroll	52.17%

D. Decrease Medical Trend by 1%

Normal Cost	$137,184
Actuarial Accrued Liability	$2,316,468
Annual Required Contribution	$276,633
Increase/(Decrease) to ARC in Section VI	*(61,050)*
ARC as a Percent of Payroll	34.59%

XI. PER CAPITA MEDICAL COSTS

A. Under Age 65 Per Capita Medical Costs, July 1, 2013

1.	Fiscal 2014 single premium cost	8,200.20
2.	Fiscal 2014 family premium cost	19,373.40
3.	Fiscal 2014 additional cost for 'spouse' [(2)-(1)]	11,173.20
4.	Estimate fiscal 2014 premium cost adjusted to age 65 basis	
	a. Average age of covered participants	46.00
	b. Factor to adjust to age 65 per assumptions [1.030 ^ (65.00 - (a))]	175.35%
	c. Annual single cost adjsuted to fiscal 2014 age 65 basis, [(4.b) x (1)]	14,379.10
	d. Annual family cost adjsuted to fiscal 2014 age 65 basis, [(4.b) x (2)]	33,971.37
	e. Annual additional 'spousal' cost [(4.d)-(4.c)]:	19,592.27

B. Over Age 65 Per Capita Medical Costs, July 1, 2013 2,261.64

C. Historical Medical Premiums

	7/1/2010	7/1/2011	7/1/2013
Blue Cross Healthmate Coast to Coast			
a. Single Coverage	541.33	594.38	683.35
b. Family Coverage	1,363.24	1,496.83	1,614.45
Plan 65	N/A	182.59	188.47

D. Sample Projected Per Capita Medical Costs

Age	Aging Assumption	Single Premium	Single Estimated Claims Costs	Family Premium	Family Estimated Claims Costs
50	3.00%	8,200.20	9,229.40	19,373.40	21,804.93
55	3.00%	8,200.20	10,699.40	19,373.40	25,277.89
60	3.00%	8,200.20	12,403.54	19,373.40	29,304.01
64	3.00%	8,200.20	13,960.29	19,373.40	32,981.92
65	0.00%	2,261.64	2,261.64	4,523.28	4,523.28
70	0.00%	2,261.64	2,261.64	4,523.28	4,523.28
75	0.00%	2,261.64	2,261.64	4,523.28	4,523.28
80+	0.00%	2,261.64	2,261.64	4,523.28	4,523.28

XII. CENSUS OF ELIGIBLE MEMBERS

A. Active Members as of July 1, 2013

Name	Date of Birth	Date of Hire	Current Salary	Coverage Percentage at Retirement
Employee 1	01/15/1972	12/01/2003	58,987	80%
Employee 2	08/05/1980	12/01/2003	66,072	80%
Employee 3	10/12/1976	08/13/2002	64,556	80%
Employee 4	12/26/1987	01/09/2012	40,863	80%
Employee 5	08/02/1972	06/19/1994	73,578	85%
Employee 6	04/11/1988	01/09/2012	40,863	80%
Employee 7	11/07/1979	08/10/2004	58,708	80%
Employee 8	06/10/1976	03/19/2007	58,151	80%
Employee 9	05/07/1979	03/15/2004	64,253	80%
Employee 10	09/04/1970	03/16/2009	57,593	80%
Employee 11	03/04/1968	09/19/2011	84,255	80%
Employee 12	11/29/1972	03/23/1998	66,076	80%
Employee 13	09/30/1960	11/25/1990	68,202	85%
Employee 14	09/02/1981	12/20/2012	38,627	85%

B. Retired Members as of July 1, 2013

Name	Date of Birth	Date of Retirement	Current Coverage	Current Coverage Percentage
Retiree 1*	11/24/1946	04/05/2006	Family	100%
Retiree 2	07/27/1955	04/26/2010	Family	100%
Retiree 3	11/30/1953	12/18/2006	Family	100%
Retiree 4	07/19/1951	03/01/1997	Family	100%
Retiree 5	08/15/1941	06/30/2009	Family	100%
Retiree 6	12/05/1948	06/03/2010	Family	100%

* It is assumed that Retiree 1 become covered under Plan 65 upon attained age 65, or current age if later.

The valuation does not include the liability for former members that are currently covered under the Town's healthcare from positions held other than on the Jamestown Police Department.

XIII. PARTICIPANT DATA

A. Reconciliation of Participant Data

	Actives	*Retirees*	*Total*
Total as of July 1, 2011	10	8	18
New Entrants	4	n/a	4
Terminations	-	n/a	0
Active deaths	-	n/a	0
New retirees	-	-	0
Retiree/beneficiary deaths	n/a	(1)	(1)
Dropped coverage	n/a	-	0
Data adjustments	-	(1)	(1)
Total as of July 1, 2013	14	6	20

B. Age and Service Distribution of Members

1. Eligible Active Members:

Complete Years of Service as of July 1, 2013

Attained Age	*0-1*	*1-4*	*5-9*	*10-14*	*15-19*	*20-29*	*30+*	*Total*
Under 25	-	-	-	-	-	-	-	0
25 - 29	-	2	-	-	-	-	-	2
30-34	1	-	3	-	-	-	-	4
35-39	-	-	1	1	-	-	-	2
40-44	-	1	1	-	2	-	-	4
45-49	-	1	-	-	-	-	-	1
50-54	-	-	-	-	-	1	-	1
55+	-	-	-	-	-	-	-	0
Total	1	4	5	1	2	1	0	14

XIV. PARTICIPANT DATA (cont'd)

2. Retired Members:

Attained Age	*Total*
Under 50	-
50-54	-
55-59	2
60-64	2
65+	2
Total	6

C. Participant Statistics

		7/1/2013	7/1/2011
1.	Eligible Active Members:		
	Average age of active members:	36.6	37.3
	Average past service of active members:	8.1	9.6
	Average future service until retirement:	18.5	18.0
	Average age of retirement for active members:	55.1	55.3
2.	Retired Members and Spouses:		
	Average age of all retired members:	63.8	59.9
	Average age at retirement:	57.0	55.0
	Average service at retirement:	31.6	30.5
3.	Average Age of Retired Members and other Town Employees - Used to determine Claims Costs (see Section XII.A.4)	46.0	45.0

XV. GLOSSARY FOR OPEB AND GASB 45

Actuarial Accrued Liability (AAL) – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value (APV) of plan benefits and expenses allocated to all periods prior to the valuation date. This is the amount of the APV not provided by future Normal Costs. For example, AAL-PUC references the fact that the Projected Unit Credit Actuarial Cost Method was used to allocate costs to various years.

a) 100% of the actuarial present value of benefits expected to be paid (APV) to:
  i) Retirees and their dependants
  ii) Active employees who have attained their expected retirement date and their dependants

b) Proportionate amount, based on employee service recognized up to the valuation date, of the actuarial present value of benefits expected to be paid (AAL) for active employees who have not yet attained their expected retirement date.

The AAL is the benefit obligation disclosed in the financial statements representing current plan liability.

Active Plan Participant – Any active employee who has rendered service during the credited service period and is expected to receive benefits, including benefits to or for any beneficiaries and covered dependents, under the Postemployment benefit plan.

Actuarial Cost Method or Funding Method – A procedure for determining the Actuarial Present Value of OPEB plan benefits and expenses and for developing an actuarial equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Actuarial Present Value of Total Projected Benefits (APV) – The actuarial present value of the cost to finance, as of a specified date, all future benefit costs or a series of benefit costs, with each amount adjusted to reflect (a) the time value of money (through discounts for interest) and (b) the probability of payment (for example, by means of decrements for events such as death, disability, withdrawal or retirement) between the specified date and the expected date of payment. This includes benefits to current active members, terminated employees entitled to benefits but not yet receiving them, if any, retirees, their beneficiaries and any covered dependents pursuant to the terms of the OPEB plan. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.

Amortization Payment – That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability (UAAL).

Annual Required Contribution of the Employer (ARC) – The amount recognized in an employer's financial statement as the required annual contribution to a defined benefit OPEB plan. Components include normal cost, interest cost, actual return on OPEB liability/asset, gain and loss, amortization of gains and losses.

Attribution Period – The period of an employee's service to which the actuarial present value of total projected benefits for that employee is assigned. The beginning of that period is generally the employee's date of hire and the end of the attribution period is the full eligibility date.

XV. GLOSSARY FOR OPEB AND GASB 45

Discount Rate – The interest rate used in developing present values to reflect the time value of money. The discount rate is used to determine the present value, as of the valuation date, of future cash flows currently expected to be required to satisfy the OPEB obligation.

Determined as the rate of investment return used to discount future cash flows currently expected to be required to satisfy the Postemployment obligation. The discount rate assumption should be based on the rates of return on high quality, fixed-income investments currently available whose cash flows match the timing and amount of expected payments.

Full Eligibility Date – The date at which an employee has rendered all service necessary to receive full benefits under the plan.

Gains and Losses – Changes in the Unfunded Actuarial Accrued Liability (UAAL) that is the result of actual experience of the plan being different than what was expected.

Health Care Cost Trend Rate (HCCTR) – An assumption about the annual rate(s) of change in the cost of health care benefits which are currently provided by the Postemployment benefit plan, due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. The Health Care Cost Trend Rate implicitly considers estimates of health care inflation, changes in health care utilization or delivery patterns, technological advances, and changes in the health status of the plan participants.

Differing types of service, such as hospital care and dental care, may have different trend rates as may service for different portions of the plan population, such as Medicare eligible and non-Medicare eligible members.

Implicit Rate Subsidy – It is a common practice to permit retired employees to continue in the town’s group health insurance plan at their own cost once eligibility for town paid benefits is exhausted. This practice creates an OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees. Therefore, unless the premium rate for retirees is set to fully recover their health costs, the premium for active employees is implicitly overstated to subsidize utilization by retirees. This is called implicit rate subsidy. This rate subsidy is considered a benefit subject to OPEB valuation, included in GASB45.

The OPEB liability normally includes the cost of the implicit rate subsidy for the years in which the retiree is paying the insurance costs for continued coverage. When the retiree is eligible for Medicare, the cost of coverage is generally much closer to the premium cost. Therefore, there is no OPEB liability assumed for Medicare-eligible retirees paying 100% of the premium.

Interest Cost (component of Annual Required Contribution (ARC)) – The accrual of interest on the Normal Cost and Amortization of UAAL for the year of the valuation. It is calculated by applying the beginning of year Discount Rate to the sum of the NC and UAAL as of the beginning of year.

Market Value (or Fair Value) of Plan Assets – The amount that a plan could reasonable expect to receive for an investment in a current sale between a willing buyer and a willing seller.

XV. GLOSSARY FOR OPEB AND GASB 45

<u>Market-Related Value of Plan Assets</u> – A balance used to calculate the Expected Return of Plan Assets. Market-related value can be either fair value or a calculated value that recognizes changes in fair value in a systematic and rational manner over not more than five years.

<u>Normal Cost (component of Annual Required Contribution (ARC))</u> – The portion of the Actuarial Present Value of Total Projected Benefits (APV) attributed to employee service during a valuation year by the Actuarial Cost Method.

<u>OPEB Assets</u> – The amount recognized by an employer for contributions to an OPEB plan greater than the OPEB expense.

<u>OPEB Expenditures</u> – The amount recognized by an employer in each accounting period for contributions to an OPEB plan on the modified accrual basis of accounting.

<u>OPEB Expense</u> – The amount recognized by an employer in each accounting period for contributions to an OPEB plan on the accrual basis of accounting.

<u>OPEB Liabilities</u> – The amount recognized by an employer in each accounting period for contributions to an OPEB plan less than OPEB expense/expenditures.

<u>Open Group/Closed Group</u> – Terms used to distinguish between two classes of Actuarial Cost Methods. Under an Open Group Actuarial Cost Method, Actuarial Present Values associated with expected future entrants are considered; under a Closed Group Actuarial Cost Method, Actuarial Present Values associated with expected future entrants are not considered.

<u>Pay-As-You-Go (PAYGO)</u> – A method of expensing retiree medical benefits recognizing as an expense the cash currently paid as benefits to retirees, spouses and covered dependents. The minimum method of financing a plan, having no pre-funding until benefits actually become payable.

<u>Per Capita Benefit Cost by Age</u> – The current cost of providing OPEB health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.

<u>Plan Assets</u> – Assets which have been irrevocably dedicated to the payment of benefits under the plan.

<u>Postemployment</u> – The period between termination of employment and retirement as well as the period after retirement.

<u>Postemployment Benefits</u> – All forms of benefits, other than retirement income (pensions), provided by the employer to the retiree, including, but not limited to, health care, life insurance and legal assistance.

XV. GLOSSARY FOR OPEB AND GASB 45

Projected Unit Credit Actuarial Cost Method -- A method under which the projected benefits of each individual included in an Actuarial Valuation are allocated by a consistent formula to valuation years. The Actuarial Present Value of benefits allocated to a valuation year is called the Normal Cost. The Actuarial Present Value of benefits allocated to all periods prior to a valuation year is called the Actuarial Accrued Liability.

Substantive Plan – The terms of a postemployment benefit plan as understood by an employer and plan members that provides postemployment benefits to the employees who render services in exchange for those benefits. The substantive plan is the basis for the accounting for this transaction. In some situations an employer's cost-sharing policy, as evidenced by past practice or by communication of intended changes to a plan's cost-sharing provisions, or a past practice of regular increases in certain monetary benefits may indicate that the substantive plan differs from the existing written plan.

Unfunded Actuarial Accrued Liability (UAAL) -- The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Valuation Date – The date as of which the plan assets and OPEB obligations are measured.