



CONSULTING GROUP



A POSTRETIREMENT WELFARE BENEFIT GASB 45 ACTUARIAL VALUATION

For:

City of Woonsocket

As of:

July 1, 2015

Prepared by:
USI Consulting Group



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November 18, 2016

City of Woonsocket, RI
169 Main Street
Woonsocket, RI 02895

RE: July 1, 2015 Actuarial Valuation of Postretirement Welfare Benefits

We enclose the report covering the actuarial valuation of the postretirement medical insurance plan for the employees of the City of Woonsocket as of July 1, 2015. The numbers presented in this report reflect the adoption, by the City of Woonsocket, of the Statement of Governmental Accounting Standard No. 45 (GASB 45).

The financial results of the actuarial valuation are summarized in the report. The Executive Summary highlights the results of the valuation, including the calculation of the Annual OPEB Costs for the fiscal year beginning July 1, 2015.

Additional information summarizing census information, actuarial assumptions, and the methodology for developing them, as well as a glossary of selected terms used in this study, are also included in the report.

All calculations are made in accordance with our understanding of the provisions of the Statement of Governmental Accounting Standards Board Number 45 (GASB 45). We believe this report provides all of the information your auditor requires. We would appreciate a copy of the footnote to your financial statement related to the postretirement benefits.

Respectfully submitted,

USI Consulting Group

A handwritten signature in blue ink that reads "Robert W. Webb".

Robert W. Webb, FSA, EA, MAAA
Vice President and Actuary

A handwritten signature in blue ink that reads "John Sheaves".

John Sheaves
Senior Actuarial Consultant

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Section I

Executive Summary

The section presents the results of the July 1, 2015 valuation. The first section provides a brief summary of the valuation results. The Executive Summary Detail provides a more detailed development of the expenses and liabilities. Items I through V show the development of the Annual Required Contribution (ARC). Items VI through IX show the calculation of the Annual OPEB Cost. Item XII provides a brief summary of the key assumptions used in developing the plan's costs and liabilities.

EXECUTIVE SUMMARY

Introduction

This report details the development of the Annual OPEB Cost for the fiscal years ending June 30, 2016 and June 30, 2017. The June 30, 2016 actuarial accrued liability is included in Section III.

The liabilities developed in this report are only valid for purposes of meeting employer accounting requirements as required by Statement of Governmental Accounting Standards Number 45 (GASB 45). Liabilities developed for other purposes could be significantly different than those shown in this report.

Summary of Results

The Actuarial Accrued Liability and Normal Cost are calculated as of the valuation date. The Annual OPEB Cost and Expected Benefit Payments are for the year beginning on the valuation date. Additional detail is developed in the exhibits included in this actuarial valuation report.

Fiscal Year Ending June 30, 2016

<i>Beginning of Year Net OPEB Obligation (NOO)</i>	\$53,728,022
<i>Actuarial Accrued Liability (AAL)</i>	\$109,981,910
<i>Actuarial Value of Assets</i>	\$0
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$109,981,910
<i>Annual Required Contribution (30 year amortization)</i>	\$8,066,508
<i>Annual OPEB Cost</i>	\$7,301,162
<i>Expected Benefit Payments</i>	\$3,684,588

Fiscal Year Ending June 30, 2017

<i>Beginning of Year Net OPEB Obligation (NOO)</i>	\$57,344,595
<i>Actuarial Accrued Liability (AAL)</i>	\$112,797,156
<i>Actuarial Value of Assets</i>	\$0
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$112,797,156
<i>Annual Required Contribution (30 year amortization)</i>	\$8,450,772
<i>Annual OPEB Cost</i>	\$7,541,132
<i>Expected Benefit Payments</i>	\$3,949,289

Economic Assumptions

The employer, with the approval of the auditor, is responsible for selecting the economic assumptions as of the disclosure date. The following table details the selected economic assumptions for the current fiscal year:

<u>Assumption Selection Date</u>	<u>July 1, 2015</u>
<i>Funding Interest Rate*</i>	4.00%
<i>2015 Medical Trend Rates (pre65/post65)</i>	8.00% / 5.00%
<i>Ultimate Medical Trend Rate (pre65/post65)</i>	5.00%
<i>Year Ultimate Trend Rates Reached</i>	2021
<i>Annual Payroll Increase</i>	2.50%

* Reflects current funding policy (assumes no funding).

EXECUTIVE SUMMARY (cont.)

Changes included in current valuation

The assumptions have been changed to coincide with the most recent state Municipal Employees' Retirement System valuation. The impact of the changes is shown in Appendix II.

Accounting for Postretirement Benefits

Government Accounting Standard No. 45 (GAS 45) addresses the accounting and financial reporting requirements by Employers for Postemployment Benefits Other than Pensions (OPEB). Employers that are required to follow Government Accounting Standards are subject to this standard. The statement does not require that the benefits be pre-funded, however, it defines a financial framework for assessing the costs, design, and sustainability of OPEBs offered by employers.

This report presents the annual expense required to be recognized by the plan sponsor for purposes of complying with the accounting requirements of Governmental Accounting Standards Board Statement No. 45. This report also provides the information needed to prepare the footnote in your financial statements related to your postretirement benefit plans.

The Annual Required Contribution (ARC) and Annual OPEB Cost are developed in the Executive Summary Detail included in this section. Section III presents the disclosure information, including the development of the Net OPEB obligation based on expected contributions / benefits to be paid during the fiscal year.

Actuarial Certification

The financial results of the actuarial valuation are summarized in this report. The valuation has been prepared as of July 1, 2015. The detail charts included in this Executive Summary highlight the results of the valuation. Additional information summarizing the census, actuarial assumptions, plan provisions, and a glossary of selected terms used in this study are also included in this report.

The valuation is based on the July 1, 2016 census data and plan information updated through December, 2014 as provided by the employer. We have reviewed both the census and financial data for reasonableness, but have not completed an independent audit of the information.

All costs, liabilities, and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. The calculations are consistent and undertaken with our understanding of Statement of Governmental Accounting Standards Number 45 (GAS 45). In our opinion, the actuarial assumptions are reasonable, taking in account the experience of the plan and reasonable expectations and, individually represent our best estimate of the anticipated experience under the plan.

EXECUTIVE SUMMARY (cont.)

Actuarial Certification (cont.)

I have no relationship with the employer or the plan that would objectively impair, or appear to impair, my ability to perform the work detailed in this report.

I certify that I am a member of the American Academy of Actuaries and meet its Qualification Standards to provide an actuarial opinion in accordance with GASB 45.



Robert W. Webb, FSA, EA, MAAA
Vice President and Actuary



Adeniyi Olaiya, ASA, MAAA
Associate Vice President and Actuary

EXECUTIVE SUMMARY DETAIL

**GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION
AND ANNUAL OPEB COST FOR FYE 6/30/2016 BY EMPLOYEE GROUP**

	<u>Police</u>	<u>Fire</u>	<u>Pro-Tech</u>	<u>Municipal</u>	<u>Non-Union</u>	<u>Total</u>
I. Present value of Future benefits						
A. Retirees/Disableds	\$50,360,911	\$21,010,116	\$2,002,492	\$9,168,982	\$1,352,705	\$83,895,206
B. Active Employees	<u>\$23,426,449</u>	<u>\$22,822,895</u>	<u>\$1,335,069</u>	<u>\$4,541,688</u>	<u>\$939,309</u>	<u>\$53,065,410</u>
C. Total	\$73,787,360	\$43,833,011	\$3,337,561	\$13,710,670	\$2,292,014	\$136,960,616
II. Actuarial Accrued Liability						
A. Retirees/Disableds	\$50,360,911	\$21,010,116	\$2,002,492	\$9,168,982	\$1,352,705	\$83,895,206
B. Active Employees	<u>\$10,063,945</u>	<u>\$12,579,965</u>	<u>\$840,430</u>	<u>\$2,153,564</u>	<u>\$448,800</u>	<u>\$26,086,704</u>
C. Total	\$60,424,856	\$33,590,081	\$2,842,922	\$11,322,546	\$1,801,505	\$109,981,910
III. Actuarial Assets	\$0	\$0	\$0	\$0	\$0	\$0
IV. Unfunded Actuarial Accrued Liability (UAAL)	\$60,424,856	\$33,590,081	\$2,842,922	\$11,322,546	\$1,801,505	\$109,981,910
V. Annual Required Contribution (ARC)						
A. Normal Cost	\$973,391	\$814,358	\$54,527	\$207,037	\$41,312	\$2,090,625
B. Supplemental Cost	\$3,154,007	\$1,737,655	\$148,628	\$604,313	\$91,887	\$5,736,490
C. Compound Interest to Year End	<u>\$132,061</u>	<u>\$78,697</u>	<u>\$5,622</u>	<u>\$18,783</u>	<u>\$4,229</u>	<u>\$239,393</u>
D. Annual Required Contribution [A. + B. + C.]	\$4,259,459	\$2,630,710	\$208,777	\$830,133	\$137,428	\$8,066,508
VI. Net OPEB Obligation	\$28,965,381	\$18,613,727	\$1,152,835	\$4,357,858	\$638,221	\$53,728,022
VII. Interest on net OPEB Obligation	\$1,158,615	\$744,549	\$46,113	\$174,314	\$25,529	\$2,149,120
VIII. Adjustment to ARC	(\$1,571,222)	(\$1,009,698)	(\$62,535)	(\$236,391)	(\$34,620)	(\$2,914,466)
IX. Annual OPEB Cost (Expense) [V.D. + VII. + VIII.]	\$3,846,852	\$2,365,561	\$192,355	\$768,056	\$128,337	\$7,301,162
X. Expected Benefit Payments						
A. Retirees/Disableds	\$1,651,726	\$1,169,165	\$125,190	\$683,563	\$54,944	\$3,684,588
B. Active Employees	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
C. Total	\$1,651,726	\$1,169,165	\$125,190	\$683,563	\$54,944	\$3,684,588

EXECUTIVE SUMMARY DETAIL
GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION
AND ANNUAL OPEB COST FOR FYE 6/30/2017 BY EMPLOYEE GROUP

	<u>Police</u>	<u>Fire</u>	<u>Pro-Tech</u>	<u>Municipal</u>	<u>Non-Union</u>	<u>Total</u>
I. Present value of Future benefits						
A. Retirees/Disableds	\$50,690,587	\$20,657,973	\$1,954,898	\$8,838,507	\$1,350,771	\$83,492,736
B. Active Employees	<u>\$24,363,508</u>	<u>\$23,735,810</u>	<u>\$1,388,472</u>	<u>\$4,723,355</u>	<u>\$976,881</u>	<u>\$55,188,026</u>
C. Total	\$75,054,095	\$44,393,783	\$3,343,370	\$13,561,862	\$2,327,652	\$138,680,762
II. Actuarial Accrued Liability						
A. Retirees/Disableds	\$50,690,587	\$20,657,973	\$1,954,898	\$8,838,507	\$1,350,771	\$83,492,736
B. Active Employees	<u>\$11,478,829</u>	<u>\$13,930,095</u>	<u>\$930,755</u>	<u>\$2,455,025</u>	<u>\$509,716</u>	<u>\$29,304,420</u>
C. Total	\$62,169,416	\$34,588,068	\$2,885,653	\$11,293,532	\$1,860,487	\$112,797,156
III. Actuarial Assets	\$0	\$0	\$0	\$0	\$0	\$0
IV. Unfunded Actuarial Accrued Liability (UAAL)	\$62,169,416	\$34,588,068	\$2,885,653	\$11,293,532	\$1,860,487	\$112,797,156
V. Annual Required Contribution (ARC)						
A. Normal Cost	\$997,726	\$834,717	\$55,890	\$212,213	\$42,345	\$2,142,891
B. Supplemental Cost	\$3,339,321	\$1,840,765	\$155,757	\$625,405	\$97,552	\$6,058,800
C. Compound Interest to Year End	<u>\$137,605</u>	<u>\$82,914</u>	<u>\$5,644</u>	<u>\$18,575</u>	<u>\$4,343</u>	<u>\$249,081</u>
D. Annual Required Contribution [A. + B. + C.]	\$4,474,652	\$2,758,396	\$217,291	\$856,193	\$144,240	\$8,450,772
VI. Net OPEB Obligation	\$31,160,507	\$19,810,123	\$1,220,000	\$4,442,351	\$711,614	\$57,344,595
VII. Interest on net OPEB Obligation	\$1,246,420	\$792,405	\$48,800	\$177,694	\$28,465	\$2,293,784
VIII. Adjustment to ARC	(\$1,740,710)	(\$1,106,647)	(\$68,152)	(\$248,162)	(\$39,753)	(\$3,203,424)
IX. Annual OPEB Cost (Expense) [V.D. + VII. + VIII.]	\$3,980,362	\$2,444,154	\$197,939	\$785,725	\$132,952	\$7,541,132
X. Expected Benefit Payments						
A. Retirees/Disableds	\$1,767,345	\$1,251,007	\$133,952	\$731,412	\$58,790	\$3,942,506
B. Active Employees	<u>\$26,486</u>	<u>(\$45,758)</u>	<u>\$7,118</u>	<u>\$15,071</u>	<u>\$3,866</u>	<u>\$6,783</u>
C. Total	\$1,793,831	\$1,205,249	\$141,070	\$746,483	\$62,656	\$3,949,289

EXECUTIVE SUMMARY DETAIL

GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION

AND ANNUAL OPEB COST FOR FYE 6/30/2016 BY BENEFIT

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
<i>I. Present value of Future benefits</i>				
A. Retirees/Disableds	\$74,706,990	\$4,300,494	\$4,887,722	\$83,895,206
B. Active Employees	<u>\$50,002,884</u>	<u>\$2,397,026</u>	<u>\$665,500</u>	<u>\$53,065,410</u>
C. Total	\$124,709,874	\$6,697,520	\$5,553,222	\$136,960,616
<i>II. Actuarial Accrued Liability</i>				
A. Retirees/Disableds	\$74,706,990	\$4,300,494	\$4,887,722	\$83,895,206
B. Active Employees	<u>\$24,726,539</u>	<u>\$996,598</u>	<u>\$363,567</u>	<u>\$26,086,704</u>
C. Total	\$99,433,529	\$5,297,092	\$5,251,289	\$109,981,910
<i>III. Actuarial Assets</i>	\$0	\$0	\$0	\$0
<i>IV. Unfunded Actuarial Accrued Liability (UAAL)</i>	\$99,433,529	\$5,297,092	\$5,251,289	\$109,981,910
<i>V. Annual Required Contribution (ARC)</i>				
A. Normal Cost	\$1,962,903	\$96,893	\$30,829	\$2,090,625
B. Supplemental Cost	\$5,208,126	\$264,819	\$263,545	\$5,736,490
C. Compound Interest to Year End	<u>\$221,332</u>	<u>\$11,511</u>	<u>\$6,549</u>	<u>\$239,392</u>
D. Annual Required Contribution [A. + B. + C.]	\$7,392,361	\$373,223	\$300,923	\$8,066,507
<i>VI. Net OPEB Obligation</i>	\$51,746,506	\$1,540,602	\$440,914	\$53,728,022
<i>VII. Interest on net OPEB Obligation</i>	\$2,069,859	\$61,624	\$17,637	\$2,149,120
<i>VIII. Adjustment to ARC</i>	(\$2,806,979)	(\$83,570)	(\$23,917)	(\$2,914,466)
<i>IX. Annual OPEB Cost (Expense)</i> <i>[V.D. + VII. + VIII.]</i>	\$6,655,241	\$351,277	\$294,643	\$7,301,161
<i>X. Expected Benefit Payments</i>				
A. Retirees/Disableds	\$3,275,418	\$147,863	\$261,307	\$3,684,588
B. Active Employees	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
C. Total	\$3,275,418	\$147,863	\$261,307	\$3,684,588

EXECUTIVE SUMMARY DETAIL

GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION

AND ANNUAL OPEB COST FOR FYE 6/30/2017 BY BENEFIT

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
<i>I. Present value of Future benefits</i>				
A. Retirees/Disableds	\$74,354,345	\$4,321,693	\$4,816,698	\$83,492,736
B. Active Employees	<u>\$52,002,999</u>	<u>\$2,492,909</u>	<u>\$692,118</u>	<u>\$55,188,026</u>
C. Total	\$126,357,344	\$6,814,602	\$5,508,816	\$138,680,762
<i>II. Actuarial Accrued Liability</i>				
A. Retirees/Disableds	\$74,354,345	\$4,321,693	\$4,816,698	\$83,492,736
B. Active Employees	<u>\$27,757,017</u>	<u>\$1,137,231</u>	<u>\$410,172</u>	<u>\$29,304,420</u>
C. Total	\$102,111,362	\$5,458,924	\$5,226,870	\$112,797,156
<i>III. Actuarial Assets</i>	\$0	\$0	\$0	\$0
<i>IV. Unfunded Actuarial Accrued Liability (UAAL)</i>	\$102,111,362	\$5,458,924	\$5,226,870	\$112,797,156
<i>V. Annual Required Contribution (ARC)</i>				
A. Normal Cost	\$2,011,976	\$99,315	\$31,600	\$2,142,891
B. Supplemental Cost	\$5,506,409	\$280,640	\$271,751	\$6,058,800
C. Compound Interest to Year End	<u>\$230,591</u>	<u>\$11,971</u>	<u>\$6,519</u>	<u>\$249,081</u>
D. Annual Required Contribution [A. + B. + C.]	\$7,748,976	\$391,926	\$309,870	\$8,450,772
<i>VI. Net OPEB Obligation</i>	\$55,126,329	\$1,744,016	\$474,250	\$57,344,595
<i>VII. Interest on net OPEB Obligation</i>	\$2,205,053	\$69,761	\$18,970	\$2,293,784
<i>VIII. Adjustment to ARC</i>	(\$3,079,506)	(\$97,425)	(\$26,493)	(\$3,203,424)
<i>IX. Annual OPEB Cost (Expense)</i> <i>[V.D. + VII. + VIII.]</i>	\$6,874,523	\$364,262	\$302,347	\$7,541,132
<i>X. Expected Benefit Payments</i>				
A. Retirees/Disableds	\$3,504,698	\$158,211	\$279,597	\$3,942,506
B. Active Employees	<u>\$2,506</u>	<u>\$3,138</u>	<u>\$1,139</u>	<u>\$6,783</u>
C. Total	\$3,507,204	\$161,349	\$280,736	\$3,949,289

EXECUTIVE SUMMARY DETAIL

GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION

AND ANNUAL OPEB COST FOR FYE 6/30/2016 BY FUND

	<u>General</u>	<u>User</u>	<u>Wastewater</u>	<u>Water</u>	<u>Total</u>
<i>I. Present value of Future benefits</i>					
A. Retirees/Disableds	\$80,208,537	\$188,637	\$330,922	\$3,167,110	\$83,895,206
B. Active Employees	<u>\$51,626,516</u>	<u>\$0</u>	<u>\$152,324</u>	<u>\$1,286,570</u>	<u>\$53,065,410</u>
C. Total	\$131,835,053	\$188,637	\$483,246	\$4,453,680	\$136,960,616
<i>II. Actuarial Accrued Liability</i>					
A. Retirees/Disableds	\$80,208,537	\$188,637	\$330,922	\$3,167,110	\$83,895,206
B. Active Employees	<u>\$25,252,256</u>	<u>\$0</u>	<u>\$105,963</u>	<u>\$728,485</u>	<u>\$26,086,704</u>
C. Total	\$105,460,793	\$188,637	\$436,885	\$3,895,595	\$109,981,910
<i>III. Actuarial Assets</i>	\$0	\$0	\$0	\$0	\$0
<i>IV. Unfunded Actuarial Accrued Liability (UAAL)</i>	\$105,460,793	\$188,637	\$436,885	\$3,895,595	\$109,981,910
<i>V. Annual Required Contribution (ARC)</i>					
A. Normal Cost	\$2,026,652	\$0	\$5,256	\$58,717	\$2,090,625
B. Supplemental Cost	\$5,468,331	\$38,628	\$22,044	\$207,487	\$5,736,490
C. Compound Interest to Year End	<u>\$231,532</u>	<u>\$1,303</u>	<u>\$563</u>	<u>\$5,994</u>	<u>\$239,392</u>
D. Annual Required Contribution [A. + B. + C.]	\$7,726,515	\$39,931	\$27,863	\$272,198	\$8,066,507
<i>VI. Net OPEB Obligation</i>	\$52,413,397	(\$139,282)	(\$6,664)	\$1,460,571	\$53,728,022
<i>VII. Interest on net OPEB Obligation</i>	\$2,096,535	(\$5,571)	(\$267)	\$58,423	\$2,149,120
<i>VIII. Adjustment to ARC</i>	(\$2,843,154)	\$7,555	\$361	(\$79,228)	(\$2,914,466)
<i>IX. Annual OPEB Cost (Expense)</i> <i>[V.D. + VII. + VIII.]</i>	\$6,979,896	\$41,915	\$27,957	\$251,393	\$7,301,161
<i>X. Expected Benefit Payments</i>					
A. Retirees/Disableds	\$3,413,334	\$12,086	\$26,445	\$232,723	\$3,684,588
B. Active Employees	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
C. Total	\$3,413,334	\$12,086	\$26,445	\$232,723	\$3,684,588

EXECUTIVE SUMMARY DETAIL

GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION

AND ANNUAL OPEB COST FOR FYE 6/30/2017 BY FUND

	<u>General</u>	<u>User</u>	<u>Wastewater</u>	<u>Water</u>	<u>Total</u>
<i>I. Present value of Future benefits</i>					
A. Retirees/Disableds	\$79,935,279	\$183,855	\$317,185	\$3,056,417	\$83,492,736
B. Active Employees	<u>\$53,691,578</u>	<u>\$0</u>	<u>\$158,417</u>	<u>\$1,338,031</u>	<u>\$55,188,026</u>
C. Total	\$133,626,857	\$183,855	\$475,602	\$4,394,448	\$138,680,762
<i>II. Actuarial Accrued Liability</i>					
A. Retirees/Disableds	\$79,935,279	\$183,855	\$317,185	\$3,056,417	\$83,492,736
B. Active Employees	<u>\$28,370,062</u>	<u>\$0</u>	<u>\$115,668</u>	<u>\$818,690</u>	<u>\$29,304,420</u>
C. Total	\$108,305,341	\$183,855	\$432,853	\$3,875,107	\$112,797,156
<i>III. Actuarial Assets</i>	\$0	\$0	\$0	\$0	\$0
<i>IV. Unfunded Actuarial Accrued Liability (UAAL)</i>	\$108,305,341	\$183,855	\$432,853	\$3,875,107	\$112,797,156
<i>V. Annual Required Contribution (ARC)</i>					
A. Normal Cost	\$2,077,319	\$0	\$5,387	\$60,185	\$2,142,891
B. Supplemental Cost	\$5,781,130	\$40,731	\$22,653	\$214,286	\$6,058,800
C. Compound Interest to Year End	<u>\$241,188</u>	<u>\$1,371</u>	<u>\$554</u>	<u>\$5,968</u>	<u>\$249,081</u>
D. Annual Required Contribution [A. + B. + C.]	\$8,099,637	\$42,102	\$28,594	\$280,439	\$8,450,772
<i>VI. Net OPEB Obligation</i>	\$55,979,959	(\$109,453)	(\$5,152)	\$1,479,241	\$57,344,595
<i>VII. Interest on net OPEB Obligation</i>	\$2,239,198	(\$4,378)	(\$206)	\$59,170	\$2,293,784
<i>VIII. Adjustment to ARC</i>	(\$3,127,192)	\$6,114	\$288	(\$82,634)	(\$3,203,424)
<i>IX. Annual OPEB Cost (Expense)</i> <i>[V.D. + VII. + VIII.]</i>	\$7,211,643	\$43,838	\$28,676	\$256,975	\$7,541,132
<i>X. Expected Benefit Payments</i>					
A. Retirees/Disableds	\$3,652,266	\$12,932	\$28,295	\$249,013	\$3,942,506
B. Active Employees	<u>\$5,152</u>	<u>\$0</u>	<u>\$109</u>	<u>\$1,522</u>	<u>\$6,783</u>
C. Total	\$3,657,418	\$12,932	\$28,404	\$250,535	\$3,949,289

Section II

Census Information

This section details statistics related to the participants in the postretirement benefit plan.

CENSUS INFORMATION – A.

EMPLOYEE COUNTS

	<i>As of July 1, 2016</i>			<i>As of July 1, 2013</i>		
	<u>Actives</u>	<u>Retirees*</u>	<u>Total</u>	<u>Actives</u>	<u>Retirees*</u>	<u>Total</u>
Male	267	321	588	274	339	613
Female	70	166	236	64	136	200
Total	337	487	824	338	475	813

COUNTS BY AGE AND ELIGIBILITY STATUS

ACTIVE EMPLOYEES :

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
29 and under	42	9	51
30 - 34	33	3	36
35 - 39	35	3	38
40 - 44	26	6	32
45 - 49	54	12	66
50 - 54	44	12	56
55 - 59	18	13	31
60 - 64	9	10	19
65 and over	6	2	8
Total	267	70	337

CURRENT RETIREES:

<u>Age</u>	<u>Retirees*</u>	<u>Spouse</u>	<u>Total</u>
54 and under	69	66	135
55 - 59	48	19	67
60 - 64	53	42	95
65 - 69	87	34	121
70 - 74	73	29	102
75 - 79	49	16	65
80 and over	108	18	126
Total	487	224	711

* Includes Retirees, Disabled and Survivors

CENSUS INFORMATION – B.

AVERAGE AGE AND SERVICE

	<u>As of July 1, 2016</u>	<u>As of July 1, 2013</u>
ACTIVE EMPLOYEES:		
A. Average Age at Hire		
Males	30.3	30.0
Females	36.8	36.5
Total	31.7	31.2
B. Average Service		
Males	12.8	12.3
Females	11.9	11.9
Total	12.6	12.3
C. Average Current Age		
Males	43.1	42.3
Females	48.7	48.4
Total	44.3	43.5
CURRENT RETIREES		
D. Average Current Age		
Males	66.1	65.3
Females	76.5	72.6
Total	69.6	67.4

Section III

Financial Statement Disclosure

**This section provides the required information and notes to the Financial Statements
For the fiscal years ending June 30, 2016.**

FINANCIAL STATEMENT DISCLOSURE

The GASB standard on accounting for postretirement benefits other than pensions requires the following disclosures in the financial statements with regard to the retiree benefit liability:

1. GASB 45 DISCLOSURE FINANCIALS – ALL FUNDS

A. Annual OPEB Cost and Net OPEB Obligation	<u>7/1/2015 - 6/30/2016</u>	<u>7/1/2016 - 6/30/2017</u>
1. Annual Required Contribution (ARC)	\$8,066,507	\$8,450,772
2. Interest on net OPEB Obligation	\$2,149,120	\$2,293,784
3. Adjustment to ARC	<u>(\$2,914,466)</u>	<u>(\$3,203,424)</u>
4. Annual OPEB Cost (Expense)	\$7,301,161	\$7,541,132
5. Contribution made - Benefit Payments *	<u>(\$3,684,588)</u>	<u>(\$3,949,289)</u>
6. Increase in net OPEB Obligation	\$3,616,573	\$3,591,843
7. Net OPEB Obligation - beginning of year	<u>\$53,728,022</u>	<u>\$57,344,595</u>
8. Net OPEB Obligation - end of year	\$57,344,595	\$60,936,438

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>OPEB Cost % of Pay</u>
6/30/2016	\$7,301,161	50.5%	\$57,344,595	\$16,847,555	43.34%
6/30/2017	\$7,541,132	52.4%	\$60,936,438	\$17,268,744	43.67%

B. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (AAL) (b - a) / c)</u>
7/1/2013	\$0	\$101,512,769	\$101,512,769	0.0%	\$11,440,520	887.3%
7/1/2014	\$0	\$124,356,027	\$124,356,027	0.0%	N/A	N/A
7/1/2015	\$0	\$109,981,910	\$109,981,910	0.0%	\$16,847,555	N/A

C. Methods and Assumptions

- Interest Rate 4.00%
- 2015 Medical Trend Rates (pre65/post65) 8.00% / 5.00%
- Ultimate Medical Trend Rate (pre65/post65) 5.00%
- Year Ultimate Trend Rates Reached 2021
- Actuarial Cost Method Entry Age Normal
- The remaining amortization period at 06/30/2016 20.52
- Annual Payroll Increase 2.50%

FINANCIAL STATEMENT DISCLOSURE (Cont.)

2. GASB 45 DISCLOSURE FINANCIALS – GENERAL FUND

A. Annual OPEB Cost and Net OPEB Obligation	7/1/2015 - 6/30/2016	7/1/2016 - 6/30/2017
1. Annual Required Contribution (ARC)	\$7,726,515	\$8,099,637
2. Interest on net OPEB Obligation	\$2,096,535	\$2,239,198
3. Adjustment to ARC	<u>(\$2,843,154)</u>	<u>(\$3,127,192)</u>
4. Annual OPEB Cost (Expense)	\$6,979,896	\$7,211,643
5. Contribution made - Benefit Payments *	<u>(\$3,413,334)</u>	<u>(\$3,657,418)</u>
7. Increase in net OPEB Obligation	\$3,566,562	\$3,554,225
8. Net OPEB Obligation - beginning of year	<u>\$52,413,397</u>	<u>\$55,979,959</u>
9. Net OPEB Obligation - end of year	\$55,979,959	\$59,534,184

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	Covered Payroll	OPEB Cost % of Pay
6/30/2016	\$6,979,896	48.9%	\$55,979,959	\$15,693,205	44.48%
6/30/2017	\$7,211,643	50.7%	\$59,534,184	\$16,085,535	44.83%

B. Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (AAL) (b - a) / c)
7/1/2013	\$0	\$95,973,786	\$95,973,786	0.0%	N/A	N/A
7/1/2014	\$0	\$118,808,135	\$118,808,135	0.0%	N/A	N/A
7/1/2015	\$0	\$105,460,793	\$105,460,793	0.0%	15,693,205	672.0%

C. Methods and Assumptions

- Interest Rate	4.00%
- 2015 Medical Trend Rates (pre65/post65)	8.00% / 5.00%
- Ultimate Medical Trend Rate (pre65/post65)	5.00%
- Year Ultimate Trend Rates Reached	2021
- Actuarial Cost Method	Entry Age Normal
- The remaining amortization period at 06/30/2016	20.68
- Annual Payroll Increase	2.50%

FINANCIAL STATEMENT DISCLOSURE (Cont.)

3. GASB 45 DISCLOSURE FINANCIALS – USER FUND

A. Annual OPEB Cost and Net OPEB Obligation	7/1/2015 - 6/30/2016	7/1/2016 - 6/30/2017
1. Annual Required Contribution (ARC)	\$39,931	\$42,102
2. Interest on net OPEB Obligation	(\$5,571)	(\$4,378)
3. Adjustment to ARC	<u>\$7,555</u>	<u>\$6,114</u>
4. Annual OPEB Cost (Expense)	\$41,915	\$43,838
5. Contribution made - Benefit Payments *	<u>(\$12,086)</u>	<u>(\$12,932)</u>
7. Increase in net OPEB Obligation	\$29,829	\$30,906
8. Net OPEB Obligation - beginning of year	<u>(\$139,282)</u>	<u>(\$109,453)</u>
9. Net OPEB Obligation - end of year	(\$109,453)	(\$78,547)

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	Covered Payroll	OPEB Cost % of Pay
6/30/2016	\$41,915	28.8%	-\$109,453	\$0	N/A
6/30/2017	\$43,838	29.5%	-\$78,547	\$0	N/A

B. Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (AAL) (b - a) / c)
7/1/2013	\$0	\$400,931	\$400,931	0.0%	N/A	N/A
7/1/2014	\$0	\$374,956	\$374,956	0.0%	N/A	N/A
7/1/2015	\$0	\$188,637	\$188,637	0.0%	\$0	N/A

C. Methods and Assumptions

- Interest Rate	4.00%
- 2015 Medical Trend Rates (pre65/post65)	8.00% / 5.00%
- Ultimate Medical Trend Rate (pre65/post65)	5.00%
- Year Ultimate Trend Rates Reached	2021
- Actuarial Cost Method	Entry Age Normal
- The remaining amortization period at 06/30/2016	3.63
- Annual Payroll Increase	2.50%

FINANCIAL STATEMENT DISCLOSURE (Cont.)

4. GASB 45 DISCLOSURE FINANCIALS – WASTEWATER FUND

A. Annual OPEB Cost and Net OPEB Obligation	7/1/2015 - 6/30/2016	7/1/2016 - 6/30/2017
1. Annual Required Contribution (ARC)	\$27,863	\$28,594
2. Interest on net OPEB Obligation	(\$267)	(\$206)
3. Adjustment to ARC	<u>\$361</u>	<u>\$288</u>
4. Annual OPEB Cost (Expense)	\$27,957	\$28,676
5. Contribution made - Benefit Payments *	<u>(\$26,445)</u>	<u>(\$28,404)</u>
7. Increase in net OPEB Obligation	\$1,512	\$272
8. Net OPEB Obligation - beginning of year	<u>(\$6,664)</u>	<u>(\$5,152)</u>
9. Net OPEB Obligation - end of year	(\$5,152)	(\$4,880)

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	Covered Payroll	OPEB Cost % of Pay
6/30/2016	\$27,957	94.6%	-\$5,152	\$105,896	26.40%
6/30/2017	\$28,676	99.1%	-\$4,880	\$108,543	26.42%

B. Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (AAL) (b - a) / (c)
7/1/2013	\$0	\$433,198	\$433,198	0.0%	N/A	N/A
7/1/2014	\$0	\$425,986	\$425,986	0.0%	N/A	N/A
7/1/2015	\$0	\$436,885	\$436,885	0.0%	105,896	412.6%

C. Methods and Assumptions

- Interest Rate 4.00%
- 2015 Medical Trend Rates (pre65/post65) 8.00% / 5.00%
- Ultimate Medical Trend Rate (pre65/post65) 5.00%
- Year Ultimate Trend Rates Reached 2021
- Actuarial Cost Method Entry Age Normal
- The remaining amortization period at 06/30/2016 21.19
- Annual Payroll Increase 2.50%

FINANCIAL STATEMENT DISCLOSURE (Cont.)

5. GASB 45 DISCLOSURE FINANCIALS – WATER FUND

A. Annual OPEB Cost and Net OPEB Obligation	7/1/2015 - 6/30/2016	7/1/2016 - 6/30/2017
1. Annual Required Contribution (ARC)	\$272,198	\$280,439
2. Interest on net OPEB Obligation	\$58,423	\$59,170
3. Adjustment to ARC	<u>(\$79,228)</u>	<u>(\$82,634)</u>
4. Annual OPEB Cost (Expense)	\$251,393	\$256,975
5. Contribution made - Benefit Payments *	<u>(\$232,723)</u>	<u>(\$250,535)</u>
7. Increase in net OPEB Obligation	\$18,670	\$6,440
8. Net OPEB Obligation - beginning of year	<u>\$1,460,571</u>	<u>\$1,479,241</u>
9. Net OPEB Obligation - end of year	\$1,479,241	\$1,485,681

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	Covered Payroll	OPEB Cost % of Pay
6/30/2016	\$251,393	92.6%	\$1,479,241	\$1,048,454	23.98%
6/30/2017	\$256,975	97.5%	\$1,485,681	\$1,074,665	23.91%

B. Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (AAL) (b - a) / (c)
7/1/2013	\$0	\$4,704,854	\$4,704,854	0.0%	N/A	N/A
7/1/2014	\$0	\$4,746,950	\$4,746,950	0.0%	N/A	N/A
7/1/2015	\$0	\$3,895,595	\$3,895,595	0.0%	1,048,454	371.6%

C. Methods and Assumptions

- Interest Rate	4.00%
- 2015 Medical Trend Rates (pre65/post65)	8.00% / 5.00%
- Ultimate Medical Trend Rate (pre65/post65)	5.00%
- Year Ultimate Trend Rates Reached	2021
- Actuarial Cost Method	Entry Age Normal
- The remaining amortization period at 06/30/2016	19.80
- Annual Payroll Increase	2.50%

FINANCIAL STATEMENT DISCLOSURE (Cont.)

The GASB standard on accounting for postretirement benefits other than pensions requires the following disclosures in the financial statements with regard to the retiree benefit liability:

6. A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND DRUG INSURANCE PLAN:

A. PRO-TECH (C94 Local 3851) CBA 7/1/2012 - 6/30/2017

Retire after 7/1/2013

Eligibility: Retirement after 25 years of continuous service and eligible for normal retirement under ERSRI or eligible to receive Social Security Retirement income

Coverage: Pre-65: Individual to a maximum of 6 years of coverage or until age 65, whichever occurs sooner.

Post 65: Individual Medicare Supplemental Plan

Cost Sharing: Hired on or before 6/30/12: 20% of working rate

Hired on or after 7/1/12: 50% of working rate

Retired as of 7/1/2013

Coverage: Pre 65: Individual or Family - Uniform Plan or High Deductible Plan

Post 65: Retiree and Spouse – Medicare Supplemental Plan

MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	\$998.95 / \$2,488.3	\$435.99 / \$1,102.68
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
7/1/17 +	0%	0%

Non-MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	20%	10.0%
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
7/1/17 +	0%	0%

Post 65: City pays 100% of Medicare Supplemental Plan.

The City pays Part B surcharges for retirees on SSDI as of April 1, 2013 who enrolled in Medicare Part B by 7/1/2013.

FINANCIAL STATEMENT DISCLOSURE (Cont.)

6. A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND DRUG INSURANCE PLAN:

B. NON-UNION CITY EMPLOYEES

Retire after 7/1/2013

Eligibility: Retire on or after July 1, 2013 with at least 25 years of service to the City of Woonsocket

Coverage: Pre-65: Individual. If retiree has 25 years of continuous service to the City as of July 1, 2013, and is eligible for normal retirement under ERSRI, family coverage may be elected
Post 65: Individual Medicare Supplemental Plan

Cost Sharing: Hired before 7/1/13: 20% of working rate
Hired on or after 7/1/13: 50% of working rate

Retired as of 7/1/2013

Coverage: Pre 65: Individual or Family - Uniform Plan or High Deductible Plan
Post 65: Retiree and Spouse – Medicare Supplemental Plan

MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	\$998.95 / \$2,488.3	\$435.99 / \$1,102.68
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
7/1/17 +	0%	0%

Non-MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	20%	10.0%
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
7/1/17 +	0%	0%

Post 65: City pays 100% of Medicare Supplemental Plan.

The City pays Part B surcharges for retirees on SSDI as of April 1, 2013 who enrolled in Medicare Part B by 7/1/2013.

FINANCIAL STATEMENT DISCLOSURE (Cont.)

6. A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND DRUG INSURANCE PLAN:

C. MUNICIPAL EMPLOYEES (C94 Local 670) CBA 7/1/2012 - 6/30/2017

Retire after 7/1/2013

Eligibility: Retirement after 25 years of continuous service and eligible for normal retirement under RSRI or eligible to receive Social Security Retirement income

Coverage: Pre-65: Individual to a maximum of 6 years of coverage or until age 65, whichever occurs sooner.

Post 65: Individual Medicare Supplemental Plan

Cost Sharing: Hired on or before 6/30/12: 20% of working rate
Hired on or after 7/1/12: 50% of working rate

Retired as of 7/1/2013

Coverage: Pre 65: Individual or Family - Uniform Plan or High Deductible Plan

Post 65: Retiree and Spouse – Medicare Supplemental Plan

MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	\$998.95 / \$2,488.3	\$435.99 / \$1,102.68
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
7/1/17 +	0%	0%

Non-MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	20%	10.0%
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
7/1/17 +	0%	0%

Post 65: City pays 100% of Medicare Supplemental Plan.

The City pays Part B surcharges for retirees on SSDI as of April 1, 2013 who enrolled in Medicare Part B by 7/1/2013.

FINANCIAL STATEMENT DISCLOSURE (Cont.)

6. A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND DRUG INSURANCE PLAN:

D. POLICE (IBPO Local 404) CBA 7/1/2014 - 6/30/2019

Retire after 7/1/2013

Eligibility: Hired prior to 7/01/14: Normal retirement under the ERSRI with at least 25 years of continuous service to the City (unless “grandfathered” pursuant to State pension reform of 2012 so as to be eligible for normal retirement under the ERSRI after 20 years of continuous service to the City).

Hired on or after 7/01/14: Eligible for and takes normal retirement under the ERSRI at age 55 or later and with at least 25 years of continuous service to the City.

Coverage: Pre 65:

Hired before 7/1/14: may elect at retirement one or two Individual Plans, or Family plan. Retirees who do not opt for Family Plan at the time of retirement, and retirees who opt out of Family Plan during retirement, shall not be permitted to opt into Family Plan, thereafter.

Hired on or after 7/1/14: One individual Plan and may purchase an additional Individual Plan at 100%

Maximum of 10 years of non-Medicare coverage

Post 65:

Hired before 7/1/14: may elect Medicare Supplement Plan for retiree and spouse, with continued spouse/dependent coverage until Medicare eligibility/age 26.

Hired on or after 7/1/14: One individual Medicare Supplement Plan

Cost Sharing:

Pre 65: Hired before 7/1/14 :

- 20% for Individual Plans
- 25% for dependent coverage

Hired on or after 7/1/14: 50% co-share

Pre 65: Hired before 7/1/14 :

- 20% for Individual Plans
- 25% for dependent coverage

Hired on or after 7/1/14: 20% co-share

Retired as of 7/1/2013

Coverage: Pre 65: Individual or Family - Uniform Plan or High Deductible Plan

Post 65: Retiree and Spouse – Medicare Supplemental Plan

MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	\$998.95 / \$2,488.3	\$435.99 / \$1,102.68
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
	7/1/17 +	0% 0%

FINANCIAL STATEMENT DISCLOSURE (Cont.)

6. A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND DRUG INSURANCE PLAN:

E. POLICE (IBPO Local 404) CBA 7/1/2014 - 6/30/2019

Non-MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	20%	10.0%
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
7/1/17 +	0%	0%

Post 65: City pays 100% of Medicare Supplemental Plan. The City pays 100% of Rx benefits and reimburses the Medicare Part B premium effective 7/1/2014 for MOA Medicare retirees and effective 7/1/2015 for Non MOA III retirees.

The City pays Part B surcharges for retirees who enrolled in Medicare Part B by 7/1/2013.

The City pays Part B surcharges for retirees on SSDI as of April 1, 2013 who enrolled in Medicare Part B by 7/1/2013.

Survivor: Members with at least one year of service receive individual or family coverage for their survivors, until spouse remarries or dependents reach age 19 (not attending college) or age 23 (attending college).

F. FIRE (IAFF Local 732) CBA 7/1/2014 - 6/30/2019

Retire after 7/1/2013

Eligibility: Hired prior to 7/01/14: Normal retirement under the ERSRI with at least 25 years of continuous service to the City (unless “grandfathered” pursuant to State pension reform of 2012 so as to be eligible for normal retirement under the ERSRI after 20 years of continuous service to the City).

Hired on or after 7/01/14: Eligible for and takes normal retirement under the ERSRI at age 55 or later and with at least 25 years of continuous service to the City.

Coverage: Pre 65:

Hired before 7/1/14: may elect at retirement one or two Individual Plans, or Family plan. Retirees who do not opt for Family Plan at the time of retirement, and retirees who opt out of Family Plan during retirement, shall not be permitted to opt into Family Plan, thereafter.

Hired on or after 7/1/14: One individual Plan and may purchase an additional Individual Plan at 100%

Maximum of 10 years of non-Medicare coverage

Post 65:

Hired before 7/1/14: may elect Medicare Supplement Plan for retiree and spouse, with continued spouse/dependent coverage until Medicare eligibility/age 26.

Hired on or after 7/1/14: One individual Medicare Supplement Plan

FINANCIAL STATEMENT DISCLOSURE (Cont.)

6. A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND DRUG INSURANCE PLAN:

F. FIRE (IAFF Local 732) CBA 7/1/2014 - 6/30/2019

Cost Sharing:

Pre 65: Hired before 7/1/14 :
 - 20% for Individual Plans
 - 25% for dependent coverage
Hired on or after 7/1/14: 50% co-share

Pre 65: Hired before 7/1/14 :
 - 20% for Individual Plans
 - 25% for dependent coverage
Hired on or after 7/1/14: 20% co-share

Active contributions: Active firefighters contribute 1.5% of pay toward the cost of retirement benefits. The contribution is scheduled to decrease to 1.0% of pay in Fiscal Years after 6/30/2018.

Retired as of 7/1/2013

Coverage: Pre 65: Individual or Family - Uniform Plan or High Deductible Plan
Post 65: Retiree and Spouse – Medicare Supplemental Plan

MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	\$998.95 / \$2,488.3	\$435.99 / \$1,102.68
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
7/1/17 +	0%	0%

Non-MOA Early retirees:

	<u>Uniform Plan</u>	<u>High Deductible Plan</u>
<u>Cost sharing:</u>	<u>Individual/Family</u>	<u>Individual/Family</u>
7/1/14 – 6/30/15	20%	10.0%
7/1/15 – 6/30/16	\$665.96 / \$1,658.87	\$290.66 / \$735.12
7/1/16 – 6/30/17	\$332.98 / \$829.43	\$145.33 / \$367.56
7/1/17 +	0%	0%

Post 65: City pays 100% of Medicare Supplemental Plan.

The City pays Part B surcharges for retirees on SSDI as of April 1, 2013 who enrolled in Medicare Part B by 7/1/2013.

Survivor : Members who died in the line of duty (within 2 years of injury) receive individual or family coverage for their survivors, until spouse remarries or dies, and upon death of surviving spouse until dependents reach age 21

FINANCIAL STATEMENT DISCLOSURE (Cont.)

6. A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND DRUG INSURANCE PLAN:

H. Dental: City employees to age 65; and Police for life

I. Life: Police and City employees may continue their life insurance coverage at their own expense in retirement. Coverage reduces by one half at age 65.

J. Monthly Premiums: *7/1/2013 – 6/30/2014*

Medical	Individual	Family
Firefighters (active)	534.10	1,330.33
Other City	537.19	1,338.04
Plan 65	155.23	

Uniform Plan (Option 1) *7/1/2014 – 6/30/2015* Individual \$544.97; Family \$1,382.39

High Deductible Plan (Option 2) *7/1/2014 – 6/30/2015* Individual \$484.43; Family \$1,225.20

Dental Individual: Average \$33.00
Family Average \$106.00

Life Insurance: Effective 7/1/2013: \$.47 per thousand

Section IV

Actuarial Assumptions And Methodology

The following pages detail the assumptions used in the calculations.

ACTUARIAL ASSUMPTIONS AND METHODOLOGY

1. **Funding Interest Rate:** An interest rate of 4.00% was used.
2. **Health Care Trend Rates:** It was assumed that health care costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical Rates</u>
2015	8.0%
2016	7.5%
2017	7.0%
2018	6.5%
2019	6.0%
2020	5.5%
2021+	5.0%

For the following demographic (mortality, retirement, disability, and other termination of employment) assumptions we utilized rates used in the actuarial valuation of the Employees' Retirement System of Rhode Island.

3. **Mortality:**
 - Post-retirement mortality rates:
 - a. Male employees: 115% of the RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
 - b. Female employees: 95% of the RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.
 - c. Disabled males – 60% of the PBGC Table Va for disabled males eligible for Social Security disability benefits.
 - d. Disabled females – 60% of the PBGC Table VIa for disabled females eligible for Social Security disability benefits.
 - Pre-retirement mortality (combined ordinary and duty):
 - a. Male employees: 75% of RP-2000 Combined Healthy for Males with White Collar adjustments.
 - b. Female employees: 75% of RP-2000 Combined Healthy for Females with White Collar adjustments

4. **Disability Rates:** Sample rates are shown below:

<u>Age</u>	<u>Male</u>	<u>City</u>	<u>Female</u>	<u>Police/Fire Rate</u>
25	.077%		.033%	.196%
30	.094%		.041%	.253%
35	.128%		.056%	.334%
40	.187%		.081%	.506%
45	.306%		.133%	.828%
50	.519%		.226%	1.392%
55	.859%		.374%	1.392%
60	.120%		.522%	1.392%
65+	1.964%		.855%	1.392%

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

5. **Termination Rates:**

Based on service:

<u>Service</u>	<u>City Rate</u>	<u>Police/Fire Rate</u>
0	17.50%	10.00%
1	17.50%	10.00%
5	7.29%	2.65%
10	3.14%	1.43%
15	1.83%	0.77%
20	1.57%	0.00%
25+	0.58%	0.00%

6. **Retirement Rates:**

City employees:

<u>Age</u>	<u>Rate</u>
55-66	25.0%
67+	100.0%

Police and Firefighters: Unisex rates based on service are used. Sample rates are shown below:

<u>Service</u>	<u>Rate</u>
20	12.0%
21	10.0%
22-23	10.0%
24	12.0%
25	14.0%
26	16.0%
27	18.0%
28	20.0%
29	20.0%
30+	35.0%

7. **Participation Rate:**

It was assumed that 100% of the current active employees covered under the active plan on the day before retirement would enroll in the retiree medical and dental plans upon retirement; that 70% of the current active City employees and 60% of the current active Police would enroll in the retiree life insurance plan upon retirement; and that 95% of the current active City employees and 40% of the current active Police would enroll in the retiree life insurance plan upon disability.

8. **Percent Married:**

It was assumed that 75% of the active employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that male spouses are three years older than their wives and female spouses are three years younger than the retiree. For current retirees, actual census information was used.

9. **Actuarial Value of Assets:**

N/A

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

10. **Per Capita Claims Cost:** Premiums were age-graded on the current participants in the Medical plan. Further details of the annual per capita claims cost is featured in Section V of the report.
11. **Administrative expenses:** Included in premiums used.
12. **Participant Salary Increases:** 2.50% per annum.
13. **Payroll Growth Rate:** 2.50% annually

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

ACTUARIAL COST METHOD

An Actuarial Cost Method develops an orderly allocation of the actuarial present value of benefits payments over the working lifetime of the participants in the plan. The actuarial present value of benefits allocated to a particular fiscal year is called the Normal Cost. The actuarial present value of benefits allocated to all periods prior to a valuation date is called the Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over future years in accordance with the employer's established accounting policy.

The Entry Age Actuarial Cost Method is used in this valuation. Under this method, the Actuarial Present Value of Projected Benefits of each individual included in the Actuarial Valuation is allocated on a level basis over future earnings of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

The amortization of the unfunded actuarial accrued liability is determined as a level percentage of projected payroll of active plan members. The total unfunded actuarial accrued liability is amortized on a closed basis with each new base amortized over 30 years. The amortization amounts are combined and are amortized over an equivalent single amortization period not to exceed the maximum acceptable period.

ADDITIONAL COMMENTS

The values in this GASB 45 valuation represent a closed group and do not reflect new entrants after the census collection date.

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Section V

Representative Claim Costs

Based on combined actual claims and premium experience, age-related representative per capita claims costs were developed. This section shows the development of these costs.

REPRESENTATIVE 2015 PER CAPITA MEDICAL CLAIM COSTS

I. PRE-65 AND POST-65 PER CAPITA RETIREE CLAIM COSTS

	<u>Employer Primary</u>	<u>Medicare Primary</u>
Age 65	\$9,897	\$1,807
Average Age	\$7,790	\$2,144

II. DEVELOPMENT OF PER CAPITA RETIREE CLAIM COSTS

\$4,799,231	Employer Primary Premium Based Claims
<u>\$699,035</u>	Medicare Primary Premium Based Claims
\$5,498,266	Total Premium Based Claims
\$7,790	Retiree (Pre-65) Average Per Capita Claim
\$2,144	Retiree (Post-65) Average Per Capita Claim

ALL ACTIVE PARTICIPANTS EMPLOYER PRIMARY

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>	
24 & under	22	0	0.549	1.312	\$2,521	\$6,025	\$24,101	
25 - 29	27	25	0.591	1.312	\$2,714	\$6,025	\$146,179	
30 - 34	32	28	0.712	1.312	\$3,270	\$6,025	\$193,981	
35 - 39	37	28	0.850	1.312	\$3,904	\$6,025	\$253,902	
40 - 44	42	21	1.000	1.312	\$4,592	\$6,025	\$265,144	
45 - 49	47	50	1.193	1.456	\$5,479	\$6,686	\$554,766	
50 - 54	52	46	1.441	1.599	\$6,618	\$7,343	\$561,420	
55 - 59	57	21	1.753	1.740	\$8,050	\$7,991	\$320,882	
60 - 64	62	16	2.102	1.968	\$9,653	\$9,038	\$308,092	
65 - 69	67	<u>5</u>	<u>3</u>	2.316	2.168	\$10,636	\$9,956	<u>\$83,048</u>
Employer Primary Sub.	240	202					\$2,711,517	

ALL RETIREE PARTICIPANTS EMPLOYER PRIMARY

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>	
44 & under	42	0	1.000	1.312	\$4,592	\$6,025	\$78,327	
45 - 49	47	23	1.193	1.456	\$5,479	\$6,686	\$239,680	
50 - 54	52	31	1.441	1.599	\$6,618	\$7,343	\$476,843	
55 - 59	57	35	1.753	1.740	\$8,050	\$7,991	\$473,541	
60 - 64	62	<u>39</u>	<u>49</u>	2.102	1.968	\$9,653	\$9,038	\$819,323
65 - 69	67	0	2.316	2.168	\$10,636	\$9,956	\$0	
70 - 74	72	0	2.557	2.396	\$11,743	\$11,003	\$0	
75 - 79	77	0	2.769	2.593	\$12,716	\$11,908	\$0	
80 - 84	82	0	2.910	2.724	\$13,364	\$12,510	\$0	
85 - 89	87	0	3.059	2.864	\$14,048	\$13,153	\$0	
90 & Over	92	<u>0</u>	<u>0</u>	3.215	3.010	\$14,764	\$13,823	<u>\$0</u>
Employer Primary Sub.	128	140					\$2,087,714	

ALL RETIREE PARTICIPANTS MEDICARE PRIMARY

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>	
65 - 69	67	42	2.316	2.168	\$1,941	\$1,817	\$174,231	
70 - 74	72	41	2.557	2.396	\$2,144	\$2,009	\$178,269	
75 - 79	77	24	2.769	2.593	\$2,321	\$2,174	\$123,094	
80 - 84	82	23	2.910	2.724	\$2,439	\$2,284	\$117,762	
85 - 89	87	4	3.059	2.864	\$2,564	\$2,401	\$46,270	
90 & Over	92	<u>8</u>	<u>15</u>	3.215	3.010	\$2,695	\$2,523	<u>\$59,410</u>
Medicare Primary Sub.	142	184					\$699,035	
Retiree Subtotal	<u>270</u>	<u>324</u>					<u>\$2,786,749</u>	
Grand Total	<u>510</u>	<u>526</u>					<u>\$5,498,266</u>	

Section VI
Appendices

APPENDIX - I.

ACTIVE EMPLOYEE BY AGE AND SERVICE

AS OF JULY 1, 2016

<u>Age</u>	<u>Service</u>									<u>Total</u>
	<u>0 - 4</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>35 - 39</u>	<u>40+</u>	
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	10	0	0	0	0	0	0	0	0	10
25 - 29	29	12	0	0	0	0	0	0	0	41
30 - 34	9	20	7	0	0	0	0	0	0	36
35 - 39	5	11	13	9	0	0	0	0	0	38
40 - 44	5	4	5	14	4	0	0	0	0	32
45 - 49	7	7	14	12	19	7	0	0	0	66
50 - 54	10	3	7	5	14	14	3	0	0	56
55 - 59	8	1	6	2	6	6	2	0	0	31
60 - 64	2	3	5	4	2	1	0	1	1	19
65 - 69	2	0	3	0	0	1	0	0	0	6
70 - 74	0	0	1	0	0	0	0	0	1	2
75 - 79	0	0	0	0	0	0	0	0	0	0
80 - 84	0	0	0	0	0	0	0	0	0	0
85 and Over	0	0	0	0	0	0	0	0	0	0
Total	87	61	61	46	45	29	5	1	2	337

APPENDIX – II.

RECONCILIATION OF ACTUARIAL ACCRUED LIABILITY

a. 7/1/2014 Actuarial Accrued Liability	\$124,356,027
b. 2014 Normal Cost	\$2,065,089
c. Interest Rate	4.00%
d. Interest on (b. + c.)	\$5,056,845
e. 2014 Expected Benefit Payments	(\$4,421,767)
f. Interest on f.	<u>(\$87,569)</u>
g. 7/1/2015 Expected Actuarial Accrued Liability (a. + b. + d. + e. + f.)	\$126,968,625
h. Change in Actuarial Accrued Liability due to	
i. Demographic and plan cost changes	(\$18,765,067)
ii. Change in Actuarial Assumptions	\$1,778,352
iii. Plan Change	<u>\$0</u>
iv. Total	(\$16,986,715)
i. 7/1/2015 Actuarial Accrued Liability (g. + h. iv.)	\$109,981,910

APPENDIX - III.

DEVELOPMENT OF AMORTIZATION PAYMENT

A. Prior Bases

1. Amortization Base Balance as of 7/1/2014	\$124,356,027
2. 2014 Amortization Payment	(\$5,906,768)
3. Interest	4.00%
4. Interest on (1) + (2)	<u>\$4,737,970</u>
5. Amortization Base Balance as of 7/1/2015 (1) + (2) + (4)	\$123,187,229
6. Remaining Amortization Period	22.91
7. Valuation Interest rate	4.00%
8. Assumed payroll growth	2.50%
9. 2015 Adjusted Amortization Amount	\$6,275,613

B. New Amortization Base

1. Demographic and plan cost changes	(\$18,765,067)
2. Change in Actuarial Assumptions	\$1,778,352
3. Plan Change	\$0
4. Loss due to Funding timing	<u>\$3,781,396</u>
5. Total (1) + (2) + (3) + (4)	(\$13,205,319)
6. Remaining Amortization Period	30
7. Valuation Interest rate	4.00%
8. Assumed payroll growth	2.50%
9. Amortization Amount	(\$539,123)

C. Combined Bases

1. Amortization Base Balance as of 7/1/2015 (A.5. + B.5.)	\$109,981,910
2. 2015 Preliminary Total Amortization Amount (A.9. + B.9.)	\$5,736,490
3. 2015 Minimum Total Amortization Amount (30 year)	\$4,490,131
4. 2015 Total Amortization Amount (greater of 2. and 3.)	\$5,736,490

APPENDIX – IV

PROJECTED BENEFIT PAYMENTS

<u>Year</u>	<u>Amount</u>	<u>Accumulated</u>	<u>Year</u>	<u>Amount</u>	<u>Accumulated</u>	<u>Year</u>	<u>Amount</u>	<u>Accumulated</u>
2015	\$ 3,684,588	\$ 3,684,588	2048	\$ 7,732,320	\$ 226,189,146	2081	\$ 966,814	\$ 347,534,369
2016	\$ 3,949,289	\$ 7,633,877	2049	\$ 7,589,313	\$ 233,778,459	2082	\$ 847,068	\$ 348,381,437
2017	\$ 4,167,289	\$ 11,801,166	2050	\$ 7,301,456	\$ 241,079,915	2083	\$ 735,995	\$ 349,117,432
2018	\$ 4,416,499	\$ 16,217,665	2051	\$ 7,084,159	\$ 248,164,074	2084	\$ 634,255	\$ 349,751,687
2019	\$ 4,620,995	\$ 20,838,660	2052	\$ 6,940,868	\$ 255,104,942	2085	\$ 541,937	\$ 350,293,624
2020	\$ 4,848,292	\$ 25,686,952	2053	\$ 6,462,381	\$ 261,567,323	2086	\$ 459,105	\$ 350,752,729
2021	\$ 5,100,722	\$ 30,787,674	2054	\$ 6,090,992	\$ 267,658,315	2087	\$ 385,704	\$ 351,138,433
2022	\$ 5,353,291	\$ 36,140,965	2055	\$ 5,709,565	\$ 273,367,880	2088	\$ 321,260	\$ 351,459,693
2023	\$ 5,587,350	\$ 41,728,315	2056	\$ 5,235,197	\$ 278,603,077	2089	\$ 265,282	\$ 351,724,975
2024	\$ 5,887,455	\$ 47,615,770	2057	\$ 4,902,615	\$ 283,505,692	2090	\$ 217,120	\$ 351,942,095
2025	\$ 6,065,532	\$ 53,681,302	2058	\$ 4,583,726	\$ 288,089,418	2091	\$ 176,251	\$ 352,118,346
2026	\$ 6,350,949	\$ 60,032,251	2059	\$ 4,323,739	\$ 292,413,157	2092	\$ 141,945	\$ 352,260,291
2027	\$ 6,561,148	\$ 66,593,399	2060	\$ 4,109,834	\$ 296,522,991	2093	\$ 113,369	\$ 352,373,660
2028	\$ 6,570,285	\$ 73,163,684	2061	\$ 3,958,135	\$ 300,481,126	2094	\$ 89,762	\$ 352,463,422
2029	\$ 6,886,341	\$ 80,050,025	2062	\$ 3,807,918	\$ 304,289,044	2095	\$ 70,323	\$ 352,533,745
2030	\$ 6,967,917	\$ 87,017,942	2063	\$ 3,638,846	\$ 307,927,890	2096	\$ 54,440	\$ 352,588,185
2031	\$ 7,087,823	\$ 94,105,765	2064	\$ 3,485,314	\$ 311,413,204	2097	\$ 41,584	\$ 352,629,769
2032	\$ 7,211,750	\$ 101,317,515	2065	\$ 3,334,243	\$ 314,747,447	2098	\$ 31,313	\$ 352,661,082
2033	\$ 7,290,415	\$ 108,607,930	2066	\$ 3,182,754	\$ 317,930,201	2099	\$ 23,211	\$ 352,684,293
2034	\$ 7,371,303	\$ 115,979,233	2067	\$ 3,030,782	\$ 320,960,983	2100	\$ 16,908	\$ 352,701,201
2035	\$ 7,321,079	\$ 123,300,312	2068	\$ 2,878,821	\$ 323,839,804	2101	\$ 12,127	\$ 352,713,328
2036	\$ 7,467,161	\$ 130,767,473	2069	\$ 2,726,343	\$ 326,566,147	2102	\$ 8,568	\$ 352,721,896
2037	\$ 7,518,055	\$ 138,285,528	2070	\$ 2,573,141	\$ 329,139,288	2103	\$ 5,969	\$ 352,727,865
2038	\$ 7,649,918	\$ 145,935,446	2071	\$ 2,419,405	\$ 331,558,693	2104	\$ 4,094	\$ 352,731,959
2039	\$ 7,784,221	\$ 153,719,667	2072	\$ 2,266,171	\$ 333,824,864	2105	\$ 2,760	\$ 352,734,719
2040	\$ 7,953,989	\$ 161,673,656	2073	\$ 2,112,997	\$ 335,937,861	2106	\$ 1,832	\$ 352,736,551
2041	\$ 8,048,333	\$ 169,721,989	2074	\$ 1,960,314	\$ 337,898,175	2107	\$ 1,199	\$ 352,737,750
2042	\$ 8,183,377	\$ 177,905,366	2075	\$ 1,809,066	\$ 339,707,241	2108	\$ 785	\$ 352,738,535
2043	\$ 8,251,632	\$ 186,156,998	2076	\$ 1,659,073	\$ 341,366,314	2109	\$ 496	\$ 352,739,031
2044	\$ 8,227,638	\$ 194,384,636	2077	\$ 1,511,576	\$ 342,877,890	2110	\$ 311	\$ 352,739,342
2045	\$ 8,123,558	\$ 202,508,194	2078	\$ 1,367,548	\$ 344,245,438	2111	\$ 195	\$ 352,739,537
2046	\$ 8,004,336	\$ 210,512,530	2079	\$ 1,227,987	\$ 345,473,425	2112	\$ 109	\$ 352,739,646
2047	\$ 7,944,296	\$ 218,456,826	2080	\$ 1,094,130	\$ 346,567,555	2113	\$ 56	\$ 352,739,702

APPENDIX – V
GLOSSARY

Actuarial Accrued Liability. The portion, as determined by a particular Actuarial Cost Method, of the present value of benefits which is not provided for by future Normal Costs.

Actuarial Cost Method. A procedure for determining the Actuarial Present Value of Total Projected Benefits and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Actuarially Equivalent. Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.

Actuarial Present Value of Total Projected Benefits. The present value, as of the valuation date, of the cost of future benefits to be paid to employees, retirees, and covered dependents, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. 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.

Annual OPEB Cost. The accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB Plan.

Annual Required Contributions of the Employer (ARC). The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters defined in GAS 45.

Investment Return Assumption (Discount Rate). The rate used to adjust a series of future benefit payments to reflect the time value of money.

Healthcare Cost Trend Rate. The rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services and technological developments.

Net OPEB Obligation. The cumulative difference since the effective date of GAS 45 between the annual OPEB cost and the employer's contributions to the plan.

Normal Cost. The portion of the Actuarial Present Value of plan benefits which is allocated to a valuation year by the Actuarial Cost Method.

OPEB. Postemployment benefits other than pension benefits.

Pay-As-You-Go. The amount of the benefits paid out to plan participants during the year.

Per Capita Claims Cost. The current average annual cost of providing postretirement health care benefits per individual.

Supplemental Cost. The amount of the Annual Required Contribution attributable to the amortization of the unfunded Actuarial Accrued Liability.