

Recommendations to the Governor and General Assembly



Local Pension & OPEB Study Commission

January 2015

 **Rhode Island Department of Revenue**
Office of the Director

January 9, 2015

The Honorable Gina M. Raimondo, Governor of Rhode Island
The Honorable Nicholas A. Mattiello, Speaker of the House
The Honorable M. Teresa Paiva-Weed, Senate President
Rhode Island State House
Providence, RI 02903

Dear Governor Raimondo, Speaker Mattiello and President Paiva-Weed:

As chairperson of the Locally-Administered Pension and OPEB Study Commission, I respectfully submit the Commission's recommendations to you for consideration. The Commission was established as part of the 2011 pension reform to review existing legislation and pension plan administrative practices and to make recommendations for the improved security and funding of locally-administered pension and other post-retirement benefit obligations of local entities. After many months of education, meetings, reviewing data, reports and testimony, the time has come to provide you with recommendations, among them the need for continued long-term oversight. The need to understand the diversity in local plans was imperative. We have listened carefully and attentively to local plan sponsors and governing bodies so that our recommendations would be responsive to the needs of plan participants, municipalities and the state.

The data we reviewed in the course of our meetings was complex. We were fortunate to have actuary Dan Sherman and a dedicated staff in the Division of Municipal Finance to break down the numbers and help us pause to put them in context. We are cognizant of our responsibility and the needs of the plan participants whose lives are touched by our actions.

I especially wish to thank the members of the commission for their time and effort as well as their honest expression of opinion for the benefit of all local plan participants. Even in moments of spirited discussion or disagreement, there has always been a tone of respect and courtesy throughout the proceedings. These proceedings, which were recorded on Capitol TV, can be viewed at <http://ricaptv.discovervideo.com/view/search?c=All&k=pension&s=1>. The agenda and attachments can be found at http://sos.ri.gov/openmeetings/?page=view_entity&id=5985.

I hope that you consider the recommendations put forth as we move into the new legislative session. If you have any questions regarding the recommendations, please do not hesitate to contact me.

Sincerely,



Rosemary Booth Gallogly
Chairperson of the Pension & OPEB Study Commission

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Commission Members

Rosemary Booth Gallogly, Chair	Department of Revenue
Jean Bouchard	AFSCME, Council 94
Mark Dingley/Melissa Malone	General Treasurer's Office
Paul Doughty	International Association of Firefighters
Mayor Allan Fung	City of Cranston
Dennis Hoyle	Office of the Auditor General
Bruce Keiser	Town of Jamestown ¹
J. Michael Lenihan	Former State Legislator
Richard Licht	Department of Administration ²
Antonio Pires	Former State Legislator
Mayor Joseph Polisena	Town of Johnston
John Simmons	RI Public Expenditure Council
Steven St. Pierre	Bristol Police Department
Mayor Angel Taveras	City of Providence

¹ Retired September 2013, vacancy not replaced

² Member until August 2014, replaced by Steven Hartford, Director of Administration

Executive Summary

The Commission was established to review existing legislation and pension plan administrative practices and to make recommendations for the improved security and funding of locally-administered pension and other post-retirement benefit obligation plans of municipal entities. The composition of the 14-member commission was designed to bring forward the varying views of the stakeholders involved. As a commission, we believed it was vitally important to fully understand the problem, making the investment of our time to talk to professionals in the actuarial, administrative and legal fields, active and retired plan participants and the governing bodies of local plans. The nature of our analysis was to create awareness of the problem, its magnitude, and foster discussion.

Because the retirement security act required Funding Improvement Plans (FIP), we proactively developed guidelines and templates for the municipalities to use in submitting FIPs. Funding Improvement Plan Guidelines are shown in the appendix. The guidelines provided the Commission with consistent information to begin its comprehensive review of existing practices and help us understand what local plans were doing to move out of critical status.

When the Commission began meeting they looked at local plans in critical status. Critical status means a funded ratio of 60% or less. What makes a funded ratio important? Simply put, it is a measure of assets available to pay benefits. Today, there are 22 plans in critical status. This is a dynamic landscape. East Providence and North Providence emerged from critical status with the receipt of the much-publicized Google funds. The Narragansett Town Employee Plan, the West Warwick Town Employees Plan, and the Woonsocket Police and Fire Plan entered critical status when their new actuarial reports were released to us.

The Commission has met 39 times and together we have logged approximately 1000 hours of meeting time. These numbers don't begin to estimate the time and effort the commission members spent traveling to meetings and reviewing hundreds of pages of support materials to prepare for these meetings. The materials have been complex and the commission members approached this work with care and consideration.

We collected data necessary for objective analysis. We started with a range of knowledge and backgrounds among the members and worked as a team to develop the recommendations contained in this report. We initiated meetings that were aimed at developing actuarial literacy for the commission as well as citizens and groups interested in our work. We have developed a lengthy public record and source of information for policy makers. We have taken the results and made interpretations based upon best practices and objective criteria.

We learned that local plans are varied. Some plans are closed, with no new employees entering the plan. Membership is diverse. Only 12 out of the 34 plans studied remain out of critical status. We believe that the Commission's work over the last two and half years has been crucial to illuminating the issue and developing a path for municipalities to exit critical status. Does a "one-size-fits-all" approach work? The answer was a resounding

no to a one-size-fits-all approach even as it became clear that oversight was a necessary component in restoring vitality to plans in critical status.

We have kept abreast of significant changes in the reporting requirements for government pension and OPEB plans. These changes are expected to have significant effects on liabilities, financial statement disclosure and are the subject of much scrutiny by rating agencies.

As part of our review we looked to neighboring Massachusetts and the structure of its Public Employee Retirement Administration Commission (PERAC). This entity, which oversees local plans in Massachusetts, is a seven member board with appointments from the governor and state auditor. Our many discussions revealed that the Commission was not in favor of centralized oversight like PERAC, particularly in terms of plan administration and approval authority. See appendix for PERAC structure.

The meetings held over almost three years have provided us a breath of experience which has helped shape our recommendations—recommendations that we have considered in a deliberate and circumspect manner. We transmit them to you with our hope that they are a basis for positive change for local plans and forward movement building upon the existing retirement security act.

Further to this point, each member of the Commission was asked to provide input so that the report would fairly balance dissenting opinions. The Commission considered dissenting opinions no less valuable than opinions where agreement was reached and each commission member was invited to add additional comments for the dissenting opinion. Every effort has been made to provide a balanced perspective.

The Crisis

A brief background on the origin of the Commission is important to understanding the process and recommendations we make in this report. In August of 2011, the City of Central Falls filed for bankruptcy. It gained attention in the national news and provided the sobering cautionary tale as to what could happen to public employees in plans with large unfunded pension liabilities. In November of that same year, the Rhode Island House and the Senate voted in support of the Retirement Security Act. The legislation was signed by Governor Chafee on November 18, 2011.

The legislation aimed to ensure the sustainability of the state's public retirement system. While the reforms of 2011 directly impacted the state-administered Municipal Employees Retirement System (MERS), they did not directly extend to locally-administered municipal pension plans. At this point there were 34 locally-administered plans in 24 communities, of which half cover public safety employees. While many of these plans were also underfunded, their independence and the fact that they are affected by various separate collective bargaining agreements made it difficult to include them comprehensively in the 2011 reforms. In other words, the local community is entirely responsible for administering and funding these plans.

The legislation set the stage for additional review of locally-administered plans by establishing this commission and requiring local plans to complete an initial actuarial valuation and experience study by April 1, 2012. For each plan year thereafter, an annual valuation report must be submitted, as well as an experience study no less than every three years. It required specific actions for plans that have funded ratios of less than 60 percent, including notice to all participants and beneficiaries as well as requiring funding improvement plans.

Many positive steps have been taken by municipalities to address pension and OPEB liabilities. However, pension and OPEB funding issues continue to exist on the local level. The problems are in some instances both severe and urgent, and continued oversight and work with the municipalities is needed to ensure both fiscal stability for the municipalities, and pension and healthcare security for municipal employees and retirees. While many communities are addressing local pension plan issues, the OPEB liability for most communities continues to remain largely unfunded. Only twelve municipalities have begun setting aside funds indicating that there is a continuing need to monitor both unfunded liabilities.

Our Challenge

The Commission engaged in a frank discourse over how much guidance is necessary, welcomed or expected by municipalities. The overarching outcome of our recommendations is to provide security and stability for municipalities, retirees, and citizens. Awareness and education is not a compelling enough outcome for Commission. The Commission is, by statute, charged with making recommendations to the General Assembly.

*“The Commission shall review existing legislation and pension plan administrative practices and to make recommendations for the improved security and funding of locally-administered plans and other post-retirement benefit obligations of cities and towns.”
(RIGL §45-65)*

Many discussions took place related to developing tools and changes to legislation that municipalities could use to improve the funded status of their local plans(s). Some ideas were recommended, others not, and some were deemed to require further study regarding implications which could interfere in the collective bargaining process. For example, one idea was to introduce enabling legislation allowing for actions on those plans in critical status to make changes to COLAs or other relief from existing municipal collective bargaining agreements. The intent with such enabling legislation would be to provide municipalities with a tool to address the benefit side of the pension equation.

Guiding Principles

The Commission recommends the future form of oversight be guided by the following principles, and all decisions from the oversight body should reflect these principles:

- Foremost, the need for sustainable government
- A commitment to intergenerational equity (by recognizing promises to retired employees and not shifting costs to future generations) balanced with cost control
- Consideration of the need for competitive retirement benefits balanced with the prudent use of taxpayer dollars (for municipal services, education, maintenance of credit ratings)
- Activities, deliberations and determinations are transparent and respect the public trust
- Funding policies and related methodologies adopted by the locally-administered pension plans and accounting for OPEB liabilities are consistent with sound financial, accounting, and actuarial principles

When the Commission's recommendations are considered and action is taken, the Commission believes that the best outcome would be consistent with these principles. And, as a new oversight board is developed, the Commission would hope that a new board strives to be guided by principles that leave room for responsible people to develop practical solutions—solutions which allow for the independence desired by locally-administered plans while offering security to plan participants and accountability to all stakeholders.

In retrospect, these principles enabled the Commission to engage in respectful, spirited discussions which form the basis for this document. Members of the Commission devoted a considerable amount of time providing their honest expression of opinion for the benefit of local plan participants. Even in moments of spirited discussion or disagreement, there has always been a tone of respect and courtesy throughout the proceedings.

Strategies and Accomplishments

Raising awareness and increasing access to information

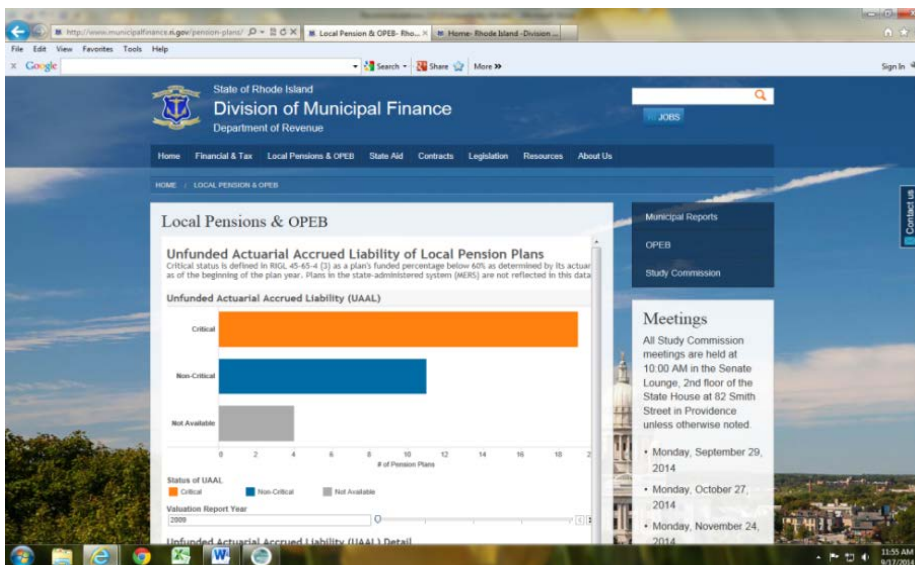
It was important to ensure that stakeholders were aware of the extensive data collected by the Commission and the importance of this information for effective decision-making. This was fundamental to our process. Commission members at one time or another all voiced the sentiment that it is important to have current, relevant data to make informed decisions. The Commission has included an appendix, divided into three parts—part one is supplementary information included specifically for reference to the recommendations; part two includes general pension information such as our recent outreach to all critical status plans highlighting FIP implementation progress and ARC payments planned, paid, and budgeted; part three contains information related to OPEB such as survey results and an important analysis of data based on OPEB valuation reports received through November 2014.

The Division of Municipal Finance (DMF) in the Department of Revenue collects and displays all local municipal pension plan information on its website and continues to work directly with municipalities in training and education on the latest policies effecting pension and post-employment benefits, in conjunction with the Auditor General’s Office. The Department of Revenue staff is always interested in making the data more understandable, meaningful and accessible.

We surveyed municipalities on pension related issues, such as governance structure, plan documents and fiduciary responsibilities. A summary of the survey can be found in the appendix, part II. The importance of transparency cannot be overemphasized. During the course of our meetings many commission members have expressed the necessity to “shine a bright light” on the pension and OPEB issues. To that effect, we also surveyed municipalities on OPEB related issues. The responses to the OPEB survey can be found in the appendix, part III. We provided education on pension terminology, and methods and changes in GASB standards which was essential for commission members and other stakeholders. See the glossary in the appendix, part I.

Commission meetings were televised. In addition to televised meetings, recorded videotaping of each meeting was made by Capitol TV so that stakeholders can view meetings at any time. The link is <http://www.rilin.state.ri.us/CapTV/pages/vod.aspx>

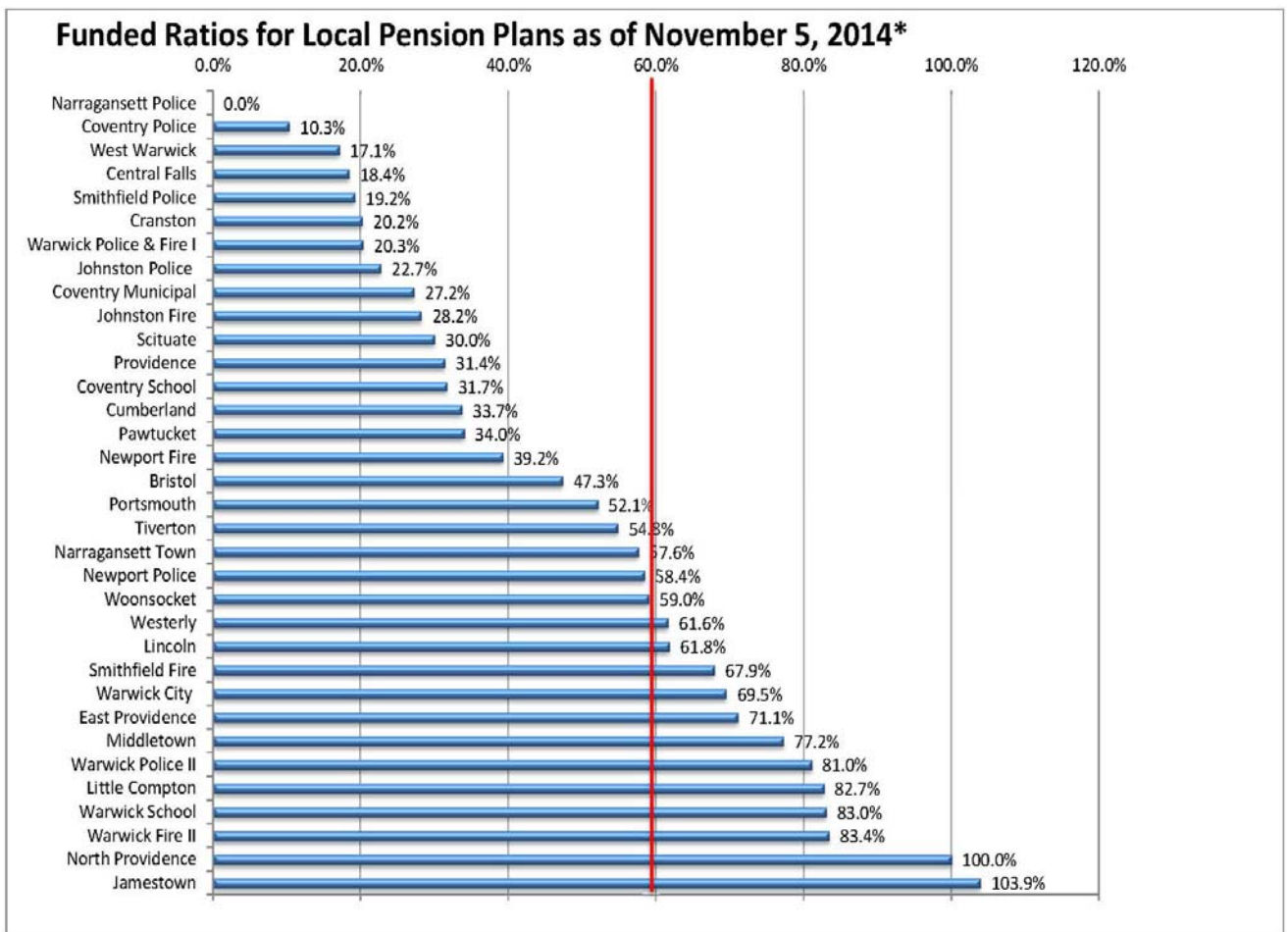
Accurate and detailed minutes of all commission meeting are available on the DMF website. The Division of Municipal Finance has an entire section devoted to pension and OPEB valuations, experience studies and funding improvement plans. DMF assisted the Commission to make it easy for stakeholders—mayors, managers, active and retired plan participants, and policymakers to name a few—to access information easily.



Transparency is vital: On March 6th the Department of Revenue, Division of Municipal Finance launched visualized pension and OPEB data on its site to assist stakeholders not just in accessing information on local plans, but also in understanding this collection of data.

Developing shared goals

Our relationship with municipalities was a vital means of collecting information. Funding improvement plans (FIPs) were required by statute. To encourage consistency from all communities, the Commission developed guidelines, shown in the appendix, part II. With assistance from the Commission’s actuary, a series of public meetings was held over the course of three months where municipalities presented their funding improvement plans before the Commission. With few exceptions, the original FIPs, if implemented, would bring plans out of critical status by 2033. It should be noted that due to the low funding levels, progress in the early years is marginal. As shown below, a graphical representation of plans in critical status based upon the most recent valuations available to the Commission reveals that 22 plans are under 60% funded. The unfunded liability for all locally-administered plans together is more than \$2 billion. Also included in the appendix is a more recent update on the progress of implementation in the form a narrative. Bear in mind that pension and OPEB information constantly requires updating and will be accurate as of the date shown on the exhibit. Many original FIPs required negotiation with employees and in some cases retirees, and therefore final FIPs may yield different results.



* Funded ratios are based on the most recent valuation reports available to the Division of Municipal Finance as of this date.

Ultimately we hope that each municipality has viewed us as partners in the process of developing better financial health for pension and post-employment benefits. We need to ensure that the proposed oversight body facilitates greater interaction, understands the needs of all stakeholders and evaluates data presented using best practices and a public disclosure process.

Delivering training

We developed resources and materials, both online and in hardcopy, to support data contained in actuarial reports received. The Division of Municipal Finance and the Office of the Auditor General conducted training for municipalities to highlight complex Government Accounting Standards Board (GASB) reporting requirements and continues to do so. See appendix for a copy of the jointly issued **Muni-news**.

Developing training and recommendations to improve local pension plan health and achieving improvement in funded ratios is not an easy task. Promoting an increase in the knowledge base and changes in behavior towards best practices relies on regular interaction with municipalities.

Finding

The Locally-Administered Pension and OPEB Study Commission finds that there is a strong need for continued oversight of local pension and OPEB plans. This need is demonstrated by the review process undertaken by the Commission and the ongoing nature of the material reviewed by the Commission and support staff, including valuation reports, experience studies, funding improvement plans, testimony related to actual implementation of improvement plans and responses to survey questions. Each year, new valuation reports are received by the DMF in the Department of Revenue and the Office of the Auditor General and as this occurs, the picture changes relative to plan assets, liabilities, unfunded accrued actuarial liability and the plans funded ratio. Some local plans have declining funded ratios and although not yet falling under the statutory definition of critical status, these communities may need additional guidance.

New accounting and financial reporting guidance will soon require that governmental employers recognize the net pension obligation for its employees participating in defined benefit plans. In most instances, this will be a significant liability newly reflected on local government balance sheets. While this information was largely disclosed in previous government financial statements, the new changes will require that the full amount “owed” for pension liabilities be recognized in a highly visible way thereby increasing focus and attention, particularly when plans are poorly funded.

Similar accounting and financial reporting changes are proposed (but not officially issued) for OPEB plans, which will have a further dramatic effect on governmental financial statements. Few OPEB plans are currently well funded since many have only recently begun to contribute on an actuarially determined basis. Having an oversight body vested with monitoring OPEB plans and exploring options that could ultimately promote efficiency and reduced costs is therefore both timely and necessary.

Recommendations Considered

The Commission has considered eleven recommendations to improve local pension and OPEB plan health and help municipalities meet the challenge that will ensure sustainable benefits that are also affordable and competitive. We've taken great effort to incorporate dissenting viewpoints in this document so that legislators can fully and objectively assess alternatives.

1. Establish an oversight board
2. Expand legislation requiring fiscal impact statements
3. Require an annual funding notice
4. Expand proposed budget language in municipal disclosure process
5. Continue funding municipal incentive aid program
6. Study feasibility of administering a voluntary program to invest plan assets
7. Consider expanding criteria for oversight under the fiscal stability act
8. Develop a voluntary MERS pathway
9. Continue to monitor OPEB plans
10. Consider funding improvement plans for OPEB
11. Consider establishing a state-wide OPEB trust

1 | Establish an Oversight Board

The Commission recommends amending RIGL §45-65-8 to replace the study commission with an oversight board charged with the responsibility of overseeing all locally-administered pension plans. The oversight board would not be involved in determining benefits or benefit structure. Its responsibility would be to ensure that regulations are developed through a public hearing process and that local plans follow the best practices of actuaries and government financial standards.

Membership of the Oversight Board. There was considerable discussion about the membership composition of the board. After consideration of the organization structure of the Pension Study Commission and of other area oversight bodies, the Commission proposed that a balanced oversight body may be composed of the following categories of stakeholders: local elected officials/town managers, labor, state officials and independent public members as follows:

- Local mayors, managers, or town administrators (representing elected and appointed positions)
- Police, fire and municipal representatives – with both active and retiree representation
- School department and teacher representation (considered especially important to the OPEB issues)
- League of Cities & Towns member or designee
- Director of revenue or designee
- Director of administration or designee
- Auditor general or designee
- General treasurer or designee

- Independent public members with expertise in finance, investments, accounting or actuarial expertise

The current statute provides for the following composition of the Pension & OPEB Study Commission: Fourteen (14) members: the director of the department of revenue, or his or her designee; who shall be the chair, the auditor general, one member each representing the department of administration, the general treasurer, the League of Cities and Towns and the Rhode Island Public Expenditures Council, and three (3) members appointed by the governor representing municipal police, fire and non-public safety employees. In addition, the Speaker of the House and President of the State Senate shall each appoint one member to the commission and then shall jointly select and appoint one elected mayor from a city or town with a population greater than 50,000, one elected mayor from a city or town with a population less than 50,000 and one appointed town administrator.

Commissioners expressed the concern that any proposed board that was not balanced in representation may dictate to the municipalities and/or labor without consideration of the interests of these groups. The commission members were conflicted in determining the composition of a group of impartial oversight board members. Mayors and union representatives had concerns about an oversight body without representation from their groups. Some commission members cited a need for representation of active and retired plan members. Other members expressed the concern that impartiality may be difficult for a sitting mayor/ town manager to take a position contrary to another mayor's/town manager's funding improvement plan. The state director of administration was included particularly as the new oversight body begins considering OPEB issues and the possible formation of a state-wide OPEB trust and voluntary MERS pathway.

Clearly, there is a delicate balance between having a board that is large enough to represent all stakeholders and yet small enough to get the job done. Some felt that a large board might be unwieldy and would make it difficult to get even simple matters like a quorum accomplished. Regardless of the size of the board, the principles identified by the Commission and a public process must be adhered to. The public hearing process would be the mechanism for all interested persons or groups to provide testimony, data, and insight into a particular issue being considered by the oversight board.

Any recommendation should be considered in a "form follows function" approach. In other words, once it's been decided what the authority and powers of the board would be, the General Assembly then can develop a body best suited to carry out these functions in an impartial manner. After considerable discussion, the Commission reiterated that a body is needed for oversight and the exact composition should not overshadow the unanimous agreement that an oversight body is necessary.

Authority and Powers of an Oversight Board. The Commission emphasizes that the authority and powers of the Oversight Board are not intended to interfere with the collective bargaining process, or encourage unnecessary involvement in municipal financial affairs. Rather, it is intended to shine a bright light on problems and develop

broad solutions using objective criteria of sound actuarial, accounting and financial practices.

For example, one suggestion is to utilize a ranking (red, yellow, green zones) with certain requirements for each ranking. It was suggested that the new oversight body research concepts in order to provide an automatic correction for plans that enter a low funding range. These automatic correction levels would have varying degrees of authority depending on the deviation from accepted actuarial and accounting practices. Any concept in this section should be further developed through the public hearing process and, when necessary, possibly through the legislative process.

These concepts include:

- Develop regulations or procedures that would set the parameters for the work of the Oversight Board. These would be developed through a public hearing process. The oversight body would contact municipal governments and plan participants via plan sponsors, to engage in dialog and written comment on proposals. The public would be encouraged to participate in recommendations through a public comment period or hearing process. Some members of the Commission have concerns that the public hearing process is not enough. For example, it was expressed that without certain representation on the oversight board, a public hearing process would not be sufficient.
- Establish training standards for members of all locally-administered pension boards or investment bodies. This could include minimum continued education requirements for fiduciary training, investments, ethics, and open meetings. This training requirement should be designed to be flexible so that it does not place an undue burden on local pension and investment board volunteer members. For example training could be delivered through video-taped training sessions or webinars.

- Require all local governments with defined benefit pension plans to formally adopt a funding policy, subject to approval by the Oversight Board, which provides for actuarially sound, reasonable assurance that the cost of those benefits

“The Government Finance Officers Association (GFOA) recommends that every state and local government that offers defined benefit pensions formally adopt a funding policy that provides reasonable assurance that the cost of those benefits will be funded in an equitable and sustainable manner.”

will be funded in an equitable and sustainable manner. This is based on the Government Finance Officers Association’s (GFOA) best practice guidelines for funding defined benefit pensions.³ While municipalities follow GASB for accounting purposes, this best practice is a by-product of GASB 67 and 68 changes where there is a de-linking of the accounting guidance from the funding. Since this is a transition period, municipalities will need to bolster their funding policy.

³ See appendix for the full GFOA best practice guidelines.

- Adopt guidelines for all locally-administered plans, including those in critical status, and utilize these guidelines to provide a standard for measuring the fiscal health of the plan, improvement in funded status and compliance. While not in statute, the guidelines would provide an objective tool for evaluating a FIP when presented, and monitoring FIP progress.
- Review funding improvement plan submissions for those plans in critical status to determine whether the FIP meets the established guidelines.
- Recommend withholding non-education state aid if:
 - a. there are two consecutive years of not paying at least 95% of the actuarially determined contribution for pension plans in each year
 - b. increases in benefits which create an increase in the unfunded liability, are granted when the plan is in critical status
 - c. failure to take actions required in final FIP or failure to submit a FIP

This concept was discussed extensively with respect to binding arbitration decisions increasing ARCs and significant market reductions reducing plan assets. It was suggested that non-education aid funds that are withheld be directed back into the pension plan to reduce the unfunded liability.

- Request data from the locally-administered pension plan regarding its investment and asset allocation policy, and actual investments when the plan's investment performance is 200 basis points or more below the MERS investment return for the same comparable two-year period calculated pursuant to GASB 67 guidelines. The Board may also make recommendations or require investment of the pension fund assets by the State Investment Commission when deemed necessary and appropriate after consideration of the investment policies and investment performance of the locally-administered plan.

While some Commission members questioned whether MERS was the appropriate plan to measure against, the Commission's consulting actuary stated that local plans generally use the state plan as a benchmark. Any wide variation of plan performance (more than 200 basis points) must be viewed in the context of whether or not the plan is closed (where members are retirees only and no active employees entering the plan). These plans should be viewed differently due to asset allocation and stream of income.

- Advocate for sufficient resources to fund the activities of the Division of Municipal Finance in support of the board's responsibilities as part of the annual budget process.
- Power to question and require the plan's actuary to make a presentation on the actuarial assumptions and methodology used in the valuation.
- Ability to refer complaints regarding pension fraud or other matters to the appropriate enforcement body. The process for whom to contact would be outlined by the oversight body in regulation.
- Consider establishing units for actuarial, audit, investment, legal, disability, fraud, information technology and communication services similar to Massachusetts' PERAC agency.
- Review and accept annual report, prepared by the Division of Municipal Finance, and submit report to the governor and general assembly.

- Potential for drafting legislation. One example suggested was enabling legislation allowing for actions on those plans in critical status to make changes to COLAs or other relief from existing municipal collective bargaining agreements. The intent with such enabling legislation would be to provide municipalities with a tool to address the benefit side of the pension equation. This particular concept, in terms of the *specific* example discussed, did not generate consensus. The idea that legislation, in general, might be developed with support from the Commission was agreed upon.

The concepts developed for the authority and powers of the oversight board also met with considerable discussion, particularly as they relate to the withholding of state aid and adoption of a funding policy which must be approved by an oversight body. The auditor general and director of revenue both agreed that some enforcement powers were necessary for steering plans on the path to sustainability. Without enforcement measures there would be slow or little progress other than a process of public shaming. However, as has been stated before, no consensus was reached on withholding state aid.

Whether to require adoption of a formal funding policy addressed what some commission members considered to be an assumption of fiduciary responsibility. It was noted that there is an existing fiduciary responsibility on the part of local plan sponsors to plan participants and that since it was already established it might further be suggested that perhaps the oversight board should consider approving the adopted funding policy.⁴

Other members responded that many of the suggested requirements were over-reaching and gave the state too much control over local issues. Changing certain items to “voluntary” provided some measure of support. One commission member, in expressing his dissent, stated that he had concerns about giving certain powers to an oversight body and that agreement to this recommendation was directly related to the body’s composition. The view was that if there was not a well-composed oversight body, he would have a greater concern with the powers and authority given to the oversight body. His concern is that there would be interference in the collective bargaining process and unnecessary involvement in municipal affairs.

The Division of Municipal Finance and Office of Auditor General will provide staff support for this board, including but not limited to:

- Maintain a database of all actuarial valuations which summarizes key information from the valuations.
- Maintain local pension and OPEB valuations and experience studies on the DMF website.
- Collect and analyze municipal data and make recommendations to the oversight body based upon the principles described and best practices.
- Prepare an annual report summarizing the plans in critical status addressing the progress made and compliance with the guidelines.

⁴ See appendix for the GFOA best practice which outlines the core elements of a funding policy. Also included is a sample funding policy.

- Provide oversight to ensure FIP implementation is on track.
- Confirm whether FIPs have been approved by the governing body of the municipality.
- Provide ongoing education and training.

2 | Expand Legislation Requiring Fiscal Impact Statement

The Commission discussed amending RIGLs §16-2-21.6, and §45-5-22 related to collective bargaining, and fiscal impact statements by requiring that the impact statement be accompanied by a statement from an actuary, with a cost estimate, for collective bargaining changes *affecting only plan design of pension and OPEB items*, prior to entering into them, if there is a material change. One member pointed out that a definition of materiality should be considered.

This recommendation would ensure that the cost or savings to the municipality or fire district is analyzed with a long-term perspective. Without an actuary's analysis, the currently required fiscal impact statement could significantly underestimate the cost or savings of changes in future pension and OPEB promises which will fall upon future generations.

While there was general consensus on this concept, there was discussion about whether this recommendation represented an unfunded mandate. Some commissioners thought that seed money for the first year of implementation would be appropriate and this should be considered. One member asked that the cost for preparation of this estimate be quantified thinking that it could be expensive and since it would be mandated that cost assistance should be provided to the municipality. Others on the commission stated that municipalities should know the full cost for benefits prior to adopting any change as this recommendation is a good management practice. It was suggested that we quantify the cost of preparing an impact statement. One commission member emphasized that we should not undervalue the utility of this recommendation even though there was some debate as to the cost. He noted the Commission's extensive progress made by working collaboratively on issues such as this one. Another commission member thought that this should not be mandatory, but could be a recommended best practice.

Dan Sherman, the commission's actuary, stated that preparing such a statement would not necessarily be a huge cost and the actuary can help in this process.⁵ State law requires an actuarial valuation be prepared prior to action on any changes to state-administered pensions.

⁵ The cost of an actuarial study would be dependent on the nature of the change(s), the size of the group and the complexity of the plan. For example, estimating the cost for going from Final 5 year average to Final 4 year average, would take about an hour of actuarial work costing approximately \$1000. If the request was to change the eligibility for a vested termination benefit from 7 years to 6, an actuary might say "insignificant" and not send a bill.

3 | Require an Annual Funding Notice

One of the commonly stated concerns from plan members, especially those who are making concessions as part of a Funding Improvement Plan, is lack of trust of the plan sponsor to make the annual funding payments and invest the funds prudently. It is important that each stakeholder feels that the information relating to their pension plan is transparent and available to them on a regular basis. The 2011 Retirement Security Act provided that letters be sent to members and other stakeholders if the plan was in critical status. Ongoing communication to plan members is important for all local plans, and is a best practice adopted by the private sector.

The Commission recommends requiring that an annual statement be filed each year by any local plan, to the oversight commission, the governing body, the participants and beneficiaries of the plan, in a format to be determined by the Division of Municipal Finance, which summarizes key information in the valuation report and how to obtain a copy of the report. This Annual Funding Notice would include important information about the funding status of the pension plan. All locally-administered pension plans would provide this notice every year regardless of their funded status. This notice is provided for informational purposes. A sample Annual Funding Notice can be found in the Appendix.

One commission member considered this concept a great comfort to members knowing that there is a public notice requirement. This concept meets the principle of openness and transparency. One municipality is already doing a notice along these lines whereby it is the municipality's requirement to provide notification to all plan participants if the actuarially determined contribution is funded at less than 95%.

Other members felt questions regarding cost need to be considered—actuary and municipal staff time along with postage. It was pointed out that the notice could be delivered to retirees with their paper check and therefore there would be no additional cost to implement this recommendation by mail. The information can generally be completed by the municipal finance director with brief assistance from the actuary. The Treasurer's office weighed in with the observation that the Employee Retirement Income Security Act (ERISA) requires that changes implemented which do not follow the actuary's recommendation require that a notice be sent to all participants. Also, there would need to be information or language stating it is the responsibility of the member, whether active employee or retiree, to inform the plan of any change in contact information or change of address. It was suggested that this be part of both the template and proposed legislation. Alternatively, it was also suggested that the wording in the notice remain flexible in order for municipalities to adjust to their needs. Municipalities should be allowed to disseminate in various ways (i.e. website). One member stated that it is important to ensure that this information would not open up municipalities to any liability issues.

In the City of Pawtucket, the annual funding notice requirement is already required by local ordinance by providing for notice to active and retirees if the funding is budgeted at less than 95% of the actuarially determined contribution. There was general consensus that this recommendation would encourage future municipal leaders to be transparent and continue the work started by the Commission.

Addressing the cost issue, it was noted that MERS notifications sent to its members are part of the administrative cost spread across all the plans. It would be advisable for local plans to discuss this with their advisors before including in administrative costs.

4 | Expand Proposed Budget Language in Municipal Disclosure Process

It is recommended that RIGL §44-35-7 be amended to include language indicating the budgeted actuarially determined contribution (ADC) for locally-administered pension plans (if applicable) for the proposed budget year, the percentage contributed for that year, and the funded ratio based on the most recent actuarial valuation. A draft of language for the change in statute is provided in the Appendix.

There was general consensus that this recommendation was an easy addition to an already required public notice.

5 | Continue Funding Municipal Incentive Aid Program

Recommend continued funding through the Municipal Incentive Aid program for municipalities if criteria according to the statute are met. In addition, the following amendments were recommended by the Commission:

- Amend the statute for municipal incentive aid: if a municipality is not eligible to receive the aid in FY 2014, the respective amount would be re-appropriated into the following fiscal year, at which time the amount re-appropriated would be distributed to the municipality provided that the municipality has satisfied the eligibility requirements for the prior fiscal year and the current fiscal year. This recognizes that the timing for meeting the guidelines for some municipalities will not impose an unintended punitive effect.
- Amend the statute so that the Required Funding Contribution only applies to municipalities that have a funded ratio below 100%. The statute requires that pension plans that are not in critical status fully fund the Required Funding Contribution in order to receive the incentive aid.

It should be noted that the bullet points in this recommendation have been addressed in the budget passed by the General Assembly during the 2014 session.

6 | Study feasibility of Administering a Voluntary Program to Invest Plan Assets

The Commission recommends further study to determine whether the State Investment Commission could administer a program which invests assets of locally-administered pension plans or OPEB trusts on a voluntary basis.

The members of the Commission were somewhat in agreement provided that the language was changed to reflect this as a voluntary program. Others stated that reduced risk, lower fees, diversification of assets, professional management and efficiencies related to economies of scale made this a very worthwhile recommendation. Additional work would need to be provided by the Treasurer's Office. Ultimately, the Commission agreed that further study is necessary to implement this program. The Commission discussed having

the consulting actuary, Dan Sherman, provide assistance in developing a model program similar to Massachusetts.

7 | Consider Expanding Criteria for Oversight under the Fiscal Stability Act

The Commission did not reach consensus on whether to include language that the “critical status” of a locally-administered pension plan would be considered as one of the criteria under the provisions of the Fiscal Stability Act. Under current law, if a municipality or fire district meets two out of five criteria, as specified in the statute, that municipality or fire district may be subject to state oversight. The criteria under RIGL §45-9-3 are:

- The city, town, or fire district projects a deficit in the municipal budget or fire district budget in the current fiscal year and again in the upcoming fiscal year;
- The city, town, or fire district has not filed its required audits with the auditor general by the deadlines required by law for two (2) successive fiscal years (not including extensions authorized by the auditor general);
- The city, town, or fire district has been downgraded by one of the nationally recognized statistical rating organizations;
- The city, town, or fire district is otherwise unable to obtain access to credit markets or obtain financing when necessary on reasonable terms in the sole judgment of the director of revenue;
- The city, town, or fire district does not promptly respond to requests made by the director of revenue, or the auditor general, or the chairpersons of the house and/or senate finance committees, for financial information and operating data necessary to assess the fiscal condition of the city, town, or fire district in the sole judgment of the director of revenue.

It was discussed that critical status be added as an additional event so that there would be two out of six items which might trigger state oversight or perhaps three out of six. This idea, supported by some commission members, is meant as additional criteria for consideration purposes only, perhaps preventing some of the dire situations experienced in other communities. It is a means of additional measurement and is not intended to imply that a municipality with a local plan already in critical status would automatically be placed under oversight. In fact, the Commission Chair stated that the state has not necessarily intervened when a municipality or fire district has met two of the five statutory criteria. The department of revenue will conduct additional analysis first indicating that this is one more measurement tool to assess fiscal stability. An additional reason suggested was that there are examples of municipalities who have had surpluses only because they have not been paying the plan’s ARC. In other words, it might be possible to by-pass the existing criteria by not funding the ARC. Another commission member noted that it may take a rating agency some time to pick up on an issue and until a rating downgrade occurs the entire financial picture would not be clearly depicted. The Commission discussed including language that as long as a municipality is “on the pathway” towards an increased funding level and following the funding improvement plan (FIP) this would not be a criteria. In other words, it remains neutral if a community is

following its FIP. As a point of clarification, expanded criteria would not automatically trigger state oversight.

Commission members remain divided on this recommendation, with one member indicating strong dissent because the recommendation did not specifically address funding and stability of the local plans, but rather was strengthening another statute. It was considered over-reaching of the Commission's power and authority to add more reach to an already powerful statute. The commission member stated that this addition to the statute "increases the potential for it to be exploited and places municipalities at an unnecessary risk" in addition to the belief that it was an unnecessary recommendation. It was emphasized that the statute would work against measures already enacted by the General Assembly and exposes municipalities to what was felt as unnecessary oversight.

8 | Develop a Voluntary MERS Pathway

Create a voluntary and optional pathway to MERS that interested communities can follow:

- Consider providing one-time incentives
- Provide specific period to reach benchmark funding requirements
- Allow for re-amortization of recalculated unfunded liability
- Allow members to retain existing service credits
- Include additional protection for existing MERS plans and members by developing entrance agreements which address a local plan's responsibility to fund the actuarially determined contribution and the consequences for failure to make the required funding contribution. This would ensure that a local plan's funding has the same priority as a MERS plan. This is particularly important for a poorly funded closed plan.

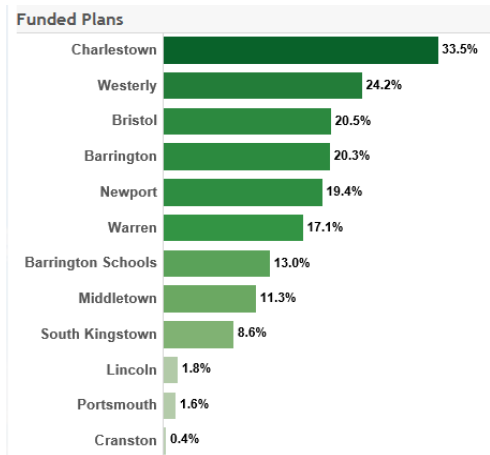
The Commission was not opposed to this recommendation provided that it remains a voluntary and optional pathway.

Benefits to local plans joining MERS include the ARC payment requirement, minimized investment risk, and the investment return potentially optimized by participation in a professionally managed and diversified portfolio. Further, there would be economies of scale derived from reduced investment expense and actuarial costs (costs are spread over a larger portfolio), the elimination of local administration duties and elimination of the local disability determination process.

It should be noted that closed plans present a particular challenge. Commission members recommended further study as this is conceptually agreeable but needs to be cautiously developed. This would be especially important with regard to closed plans. Most commissioners expressed the idea that a mandatory recommendation to move plans into MERS would not work and some expressed very strong opposition to anything mandatory.

9 | Continue to Monitor OPEB Plans

The Commission considered regular submission of OPEB valuations, similar to the requirements for pension valuations, to the Auditor General and Division of Municipal Finance. The submissions would follow GASB requirements, generally biennially for plans with a total membership of 200 or more, triennially for plans with less than 200 total members.



We studied the 52 locally-administered public plan sponsors in Rhode Island (including 39 cities and towns, nine separate school valuations, and four regional school districts). Most were found to provide some level of OPEB at the end of FY 2012. At this time we have not included fire districts, water and sewer authorities and housing authorities. The total OPEB liability for Rhode Island’s cities, towns and regional school districts is \$3.1 billion based on the most recent valuations received. This liability is funded at 1.4%, resulting in a net unfunded liability of \$3.0 billion.

It was also clear from our study that actuarial data lags behind fiscal year reporting. In FY 2012 financial statements, 19 of the 52 plan sponsors had 2012 valuation reports (37%). The number of plan sponsors that have begun prefunding the OPEB liability is 14, or 27%, of the 52 plan sponsors studied. Seventy three percent of local OPEB plan sponsors have not set aside money to pay future benefits. On a national level, many consider this unfunded liability perhaps more critical than pension issues due to the varied nature of the bundle of benefits provided in a plan.

The Commission agreed that continued monitoring of OPEB plans would be valuable.

10 | Consider Funding Improvement Plans for OPEB

The Commission discussed whether to recommend that a funding improvement plan for OPEB, similar to the FIP for pensions, be required. There was no consensus on this although all commission members agreed that this is a substantial liability that will need to be addressed in some way. The Commission recognizes that guidelines would need a different approach due to the magnitude of the issue. Again, the total OPEB liability for Rhode Island’s cities, towns, and regional school districts is over \$3 billion based on the most recent valuations received with funding at less than 2%.

11 | Consider Establishing a State-wide OPEB Trust

The Commission discussed whether to recommend establishing a state-wide OPEB trust to maximize efficiencies and investments for local plans. The Commission considered it important noting that most plans are paying for benefits on a pay-as-you-go basis and the liabilities are substantial (over \$3 billion for 52 plans studied). Collectively, assets totaling approximately 1% of liabilities have been set aside for the payment of future benefits. A

trust could be created by the State similar to the Municipal Employees Retirement System (MERS) agent multi-employer plan or as a collaborative of cities and towns administered by the RI Interlocal Trust. This structure allows for separate accounting whereby one plan's assets are not used to pay for another plan's liabilities.

Both could be established to administer benefits and/or pooling of investments. The pooled investments would maximize returns and help to reduce risk. Again, economies of scale would bring benefits to small plans and reduce inefficiencies in the existing approach. Commission members acknowledged that administering benefits would be burdensome. The Commission recommended further study before a state-wide trust is established. This may even be an extension of the concept of shared or pooled services. Some commission members felt that specifying a minimum number of municipalities volunteering to participate was necessary in order to create the structure.

Conclusion

The Commission is hopeful that these recommendations and comments will provide a strong foundation for the General Assembly to make informed decisions and adopt legislation that embodies the principles we as a commission have utilized in our deliberations.

The Commission is grateful to Dan Sherman, of Sherman Actuarial Services, LLC who serves as consulting actuary to our group. Dan's expert testimony was always clear, understandable and based upon sound practice. We were also fortunate to have other actuaries address us—Joe Newton from Gabriel Roeder Smith (GRS), Becky Sielman from Milliman, and David Ward from Angell Pension Group. We thank Frank Karpinski Executive Director from the State of Rhode Island Retirement System who explained MERS to us and Joe Connarton from the Massachusetts Public Employees Retirement System who explained local plan oversight in our neighboring state. The Commission greatly appreciates their assistance to us.

The Commission recognizes the ongoing support Rhode Island municipalities need to begin to effectively manage the substantial liabilities present in local pension and OPEB plans and put these plans on a path toward fiscal sustainability. While we have achieved our goal of presenting recommendations to the General Assembly, the Commission recognizes that there is an ongoing yearly flow of actuarial data to collect and analyze, as well as continuous monitoring required so that the long-term health of local pension and OPEB benefits is clear and achievable.

Appendix

Part I – Supplementary Information for Recommendations

Part II – General Pension Related Information

Part III – OPEB Related Information

Retirement Security Act for Locally Administered Pension Funds

Chapter 45-65

§ 45-65-1 Short title. – This chapter shall be known as and may be cited as the "Pathway to Retirement Security for Locally Administered Pension Funds Act."

§ 45-65-2 Purpose. – The purpose of this chapter is to provide retirement security to current and retired municipal employees by codifying standards to promote the sustainability and longevity of pension plans established and administered by municipalities.

§ 45-65-3 Legislative findings. – It is the intention of the general assembly to begin the process of ensuring the sustainability of locally administered pension plans and to advance and maintain the long-term stability of such plans. The general assembly finds and declares that:

(1) Rhode Island law authorizes and empowers municipalities to administer their own municipal pension plans; currently, there are thirty-six (36) such plans administered by twenty-four (24) municipalities.

(2) According to a report by the Office of the Auditor General entitled Pension and OPEB Plans Administered by Rhode Island Municipalities (September 2011): "Many municipal pension plans are severely underfunded which presents the risk that sufficient funds will not be available to meet promised benefits to retirees. It also undermines the overall fiscal health of the plan's sponsor."

(3) It is in the best interests of individual employees, taxpayers, municipalities and the state itself to maintain viable and sustainable municipal public pension plans. These interests include:

Preserving a level of pension benefits that is, over the long term, reasonable for current and retired municipal employees and affordable for taxpayers;

Avoiding significant and unanticipated retirement benefit reductions, which could cause an increase in poverty among retired municipal employees and a resulting strain on state social services;

Maintaining investments in infrastructure and education on the state and local levels in lieu of diverting critical resources to satisfy pension obligations;

Preventing the financial downgrade of municipalities by rating agencies as a result of unfunded pension obligations, which would make it more difficult to access the capital markets and increase the costs of borrowing;

Encouraging rating agencies, in recognition of the state's proactive approach toward financial discipline, to take positive credit actions on Rhode Island municipal bonds; and

Creating a more stable and well-managed environment in Rhode Island to attract new businesses and maintain and expand existing businesses, which will diminish the uncertainty and fiscal instability that accompany uncontrolled pension obligations.

(4) The first step in ensuring the viability and sustainability of local pension plans is to get an accurate analysis of the current condition and fiscal health of the individual plans. **§ 45-65-4**

Definitions. – As used in this chapter the following terms shall have the following meanings:

(1) "Actuarial experience study" means a report provided by an actuary that includes a recent discussion of plan experience, recommendations for actuarial assumptions and methods, and information about the actuarial impact of these recommendations on the liabilities and other key actuarial measures.

(2) "Annual actuarial valuation study" means a valuation of a locally administered plan completed by an actuary, and a certification based on that valuation indicating whether such plan is or is not in critical status, on an annual basis.

(3) "Critical status" means that, as determined by its actuary, as of the beginning of the plan year, a plan's funded percentage for such plan year is less than sixty percent (60%).

(4) "Locally administered plan" or "plan" means any defined benefit pension plan established by a municipality for its employees, other than: (a) A plan that is part of the Employees' Retirement System of Rhode Island as defined in chapter 36-8 or the Municipal Employees' Retirement System of Rhode Island as defined in chapter 45-21; or (b) A plan established by a municipality that has filed for bankruptcy protection pursuant to chapter 9 of title 11 of the United States Code, a plan established by a municipality for which a receiver has been appointed pursuant to chapter 45-9 or a plan established by a municipality for which a fiscal overseer has been appointed pursuant to chapter 45-9.

(5) "Municipality" means any town or city in the State of Rhode Island, any city or town housing authority, fire, water, sewer district, regional school district or public building authority as established by chapter 14 of title 37.

§ 45-65-5 Actuarial valuation methodology. – Actuarial methods used by the actuary in preparing an actuarial experience study or annual actuarial valuation shall be in compliance with accepted actuarial standards and applicable public pension accounting laws, rules and regulations. The actuary shall not, year to year, change actuarial methods for the sole purpose of achieving a more favorable funding or fiscal result. Any actuarial study shall be made by the actuary in good faith and in accordance with accepted actuarial standards.

§ 45-65-6 Certification and notice requirements. – (1) Every municipality that maintains a locally administered plan shall submit its initial annual actuarial valuation study to the study commission created herein under § 45-64-8 on or before April 1, 2012, and for each plan year ending on or after December 31, 2012, within six (6) months of completing such plan year. The initial actuarial experience study shall be submitted to the study commission on or before April 1, 2012, and subsequent actuarial experience studies must be submitted to the study commission no less frequently than once every three (3) years.

(2) In any case in which an actuary certifies that a locally administered plan is in critical status for a plan year, the municipality administering such a plan shall, not later than thirty (30) business days following the certification, provide notification of the critical status to the participants and beneficiaries of the plan and to the general assembly, the governor, the general treasurer, the director of revenue, and the auditor general. The notification shall also be posted electronically on the general treasurer's website. Within one hundred eighty (180) days of sending the critical status notice, the municipality shall submit to the study commission a reasonable alternative funding improvement plan to emerge from critical status.

(3) The state shall reimburse every municipality for fifty percent (50%) of the cost of undertaking its annual actuarial valuation study, which is due on April 1, 2012.

(4) Notwithstanding any other law to the contrary, the funding improvement plans and actuarial valuation studies submitted pursuant to this section shall be public records.

§ 45-65-7 Failure to comply. – (1) With respect to any municipality that fails to comply with the requirements of this chapter within the prescribed time, the general treasurer is authorized to withhold moneys due to the municipality from the state for any purpose other than education, including, but not limited to, municipal aid and other aid provided under §§ 45-13-5.1, 45-13-12, 44-34.1-2, 44-13-13, 44-18-18.1, 44-18-36.1(b) and 42-63.1-3.

§ 45-65-8 Study commission. – A study commission for locally administered plans shall be established to review existing legislation and pension plan administrative practices and to make recommendations for the improved security and funding of locally administered plans and other post-retirement benefit obligations of cities and towns. The commission shall consist of fourteen (14) members: the director of the department of revenue, or his or her designee; who shall be the chair, the auditor general, one member each representing the department of administration, the general treasurer, the League of Cities and Towns and the Rhode Island Public Expenditures Council, and three (3) members appointed by the governor representing municipal police, fire and non-public safety employees. In addition, the Speaker of the House and President of the State Senate shall each appoint one member to the commission and then shall jointly select and appoint one elected mayor from a city or town with a population greater than 50,000, one elected mayor from a city or town with a population less than 50,000 and one appointed town administrator.

§ 45-65-9 Severability; indispensable party. – The holding of any section or sections or parts hereof to be void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other section or part hereof. The state shall be an indispensable party in any action contesting the validity of this chapter.

Structure of Massachusetts Public Employee Retirement Commission (PERAC)

PERAC consists of seven members. The Governor appoints three members:

- the Governor or his designee
- a representative of a public safety union
- an expert in the investment of funds

The State Auditor appoints three members:

- the Auditor or her designee
- the President of the Massachusetts AFL-CIO or his designee
- a representative of the Massachusetts Municipal Association

A seventh member of PERAC is appointed by the other six members and serves as Chairman.

An executive director, selected by the Commission, plans, directs, coordinates, and executes administrative functions in conformity with the policies and directives of the Commission. Nearly all contributory retirement boards for public employees in Massachusetts consist of five members. PERAC oversees 106 retirement boards with over 500,000 members.

PERAC Commission Members¹

- Governor Deval Patrick or his designee: Alan G. Macdonald, President Emeritus, Massachusetts Business Roundtable
- A representative of a public safety union (appointed by the Governor): James M. Machado, Sergeant, Fall River Police Department
- A person trained and experienced in the investment of funds, having been principally employed in such occupation for ten years (appointed by the Governor): Gregory R. Menis, Assistant Secretary, Finance and Infrastructure, Administration and Finance
- State Auditor Suzanne M. Bump or her designee: Gerald A. McDonough, Deputy Auditor for Legal and Policy, Office of the State Auditor
- The President of the AFL/CIO or his designee (appointed by the Auditor): Robert B. McCarthy, President Emeritus of the Professional Firefighters of Massachusetts
- A representative of the Massachusetts Municipal Association (appointed by the Auditor): Donald R. Marquis, Former Town Manager, Arlington
- The Chairman of the Commission (appointed by the other six Commission members): The Honorable Domenic J.R. Russo, Retired First Justice of the East Boston Division, District Court of Massachusetts

¹ This list shows PERAC's members according to an April 9, 2012 presentation from PERAC's Executive Director, Joseph E. Connarton to the Locally-Administered Pension & OPEB Study Commission. According to the most recent annual report, the Governor's designee and the investment professional have been replaced by John Langan, Deputy Director from the Office of Employee Relations and Philip Y. Brown, Esq., respectively. New appointments to the board, based upon the election of a new governor and a term vacancy, will require new appointments. Visit www.mass.gov/perac for more information.

PERAC Organization Structure and Staff

PERAC was created for and is dedicated to the oversight, guidance, monitoring and regulation of the Massachusetts Public Pension Systems. Its mission is the professional, prudent, and efficient administration of these 105 public pension systems is for the mutual benefit of the public employees, public employers and citizens of Massachusetts. PERAC is organized in nine separate units with 46 staff members. The units are identified and shown with the number of staff positions as follows:

1. Administration, 11
2. Actuarial, 5
3. Audit, 8
4. Communications, 4
5. Disability, 6
6. Fraud Prevention, 1
7. Information Systems, 6
8. Investment, 5
9. Legal, 5

PERAC compiles an annual report indicating investment return performance, asset growth, investment return history, and history of appropriations. Also included is actuarial data including funded ratio, valuation date, actuary, assumed rate of return, funding schedule, unfunded liability. See sample for Wakefield, MA included on next page.

In addition to the actuarial profiles, PERAC assists local plans with medical panel requests and conducts comprehensive medical evaluations. PERAC also conducts re-examinations of disability retirees and post-retirement monitoring of disabled retirees.

PERAC conducts audits of retirement systems, follow-up audits and issues Certificates of Achievement to retirement systems operating in an exemplary fashion.

PERAC conducts seminars and training regarding issues arising from pension reforms, open meeting law regulations and preparation of the required Annual Statement. See attached.

Councils and Governing Bodies

(Pertaining to Recommendation #2)

CHAPTER 45-5

§ 45-5-22 Collective bargaining fiscal impact statements. – (a) Prior to executing any collective bargaining agreement between a city or town and representatives of police personnel, firefighters, and/or other municipal employees, (other than teachers and/or other school employees), the city or town council shall prepare or cause to be prepared a collective bargaining fiscal impact statement. These statements shall set forth, in dollar amounts, estimates of the fiscal impact, during the term of the proposed agreement. No comment or opinion relative to the merits of the terms of the contract shall be included, except that technical or mechanical errors or defects may be noted.

(b) The fiscal impact statement and the awarded contract shall be publicized and shall be made immediately available upon ratification of the contract.

School Committees and Superintendents [See Title 16 Chapter 97 – The Rhode Island Board of Education Act]

(Pertaining to Recommendation #2)

CHAPTER 16-2

§ 16-2-21.6 Collective bargaining fiscal impact statements. – (a) Prior to executing any collective bargaining agreement between a school committee and representatives of teachers and/or other school employees, the school committee in any municipality, or regional school district with an elected school committee, or the chief executive officer in any municipality with an appointed school committee shall prepare or cause to be prepared a collective bargaining fiscal impact statement. These statements shall set forth, in dollar amounts, estimates of the fiscal impact, during the term of the proposed agreement. No comment or opinion relative to the merits of the terms of the contract shall be included, except that technical or mechanical errors or defects may be noted.

(b) The fiscal impact statement and the awarded contract shall be publicized and shall be made immediately available upon ratification of the contract.



GFOA Best Practice

The Role of the Actuarial Valuation Report in Plan Funding

Background. The actuarial valuation report has always played an important role as the basic source document for information regarding actuarially determined contributions¹ and the funded status of pension and other post-employment benefit (OPEB) plans. The actuarial valuation report, prepared in accordance with Actuarial Standards of Practice (ASOP), will soon come to play an even more critical role in the wake of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, because funding information for pensions will no longer automatically be provided in financial reports. That is, the actuarial valuation report will soon be the sole source of information for many financial decision makers desiring to make informed decisions about the funding of pension benefits.

GFOA recommends that state and local government finance officials and others with decision-making authority carefully review and understand their actuarial valuation report and use the information it contains to make policy decisions that ensure that pension benefits are funded in a sustainable manner, consistent with the pension funding guidelines developed by GFOA and the other major state and local government professional organizations.²

Reviewing and Understanding the Valuation Report

The purpose of an actuarial valuation is 1) to determine the amount of actuarially determined contributions (i.e., an amount that, if contributed consistently and combined with investment earnings, would be sufficient to pay promised benefits in full over the long-term) and 2) to measure the plan's funding progress. Key items to consider in reviewing the valuation report include:

- **Actuarially Determined Contribution.** The actuarially determined contribution represents the amount needed to fund benefits over time. If the contributions are not fully paid, interest accrues on the unpaid portion at the plan's expected long-term rate of return.³ Persistent underfunding will ultimately jeopardize the plan's sustainability. The GFOA recommends that the full amount of the actuarially determined contribution be paid to the plan each year.
- **Liabilities, Assets, and Funded Ratio.** The actuarial accrued liability (AAL) represents the present value of benefits earned, calculated using the plan's actuarial cost method. The actuarial value of assets (AVA) reflects the financial resources available to liquidate the liability. The unfunded actuarial accrued liability (UAAL) is the difference between the AAL and the AVA. The funded ratio (AVA/AAL) reflects the extent to which accumulated plan assets are sufficient to pay future benefits. The GFOA recommends that the

funding policy aim to achieve a funded ratio that approaches 100 percent, with asset smoothing and amortization methods consistent with the government's funding policy and ASOP.

- Actuarial Assumptions. Since the future is unknown, actuarial valuations must be based on assumptions. For an actuarial valuation to be reliable, the assumptions used should reflect the best information available, which should be supported by rigorous discussion and analysis. Likewise, information concerning the demographic characteristics of the covered population needs to be current.
- Historical Information. Certain historical information is especially useful for understanding funding:
 - Multi-year information on the plan's funding progress that includes the AAL, the AVA, the funded ratio, and the UAAL as a percentage of payroll, consistent with the government's funding policy; and
 - Multi-year information on both actuarially determined contributions and actual amounts contributed (by definition, if actuarially determined annual required contributions are paid faithfully each year to the plan, the plan should accumulate sufficient resources over time to pay benefits, regardless of the actuarial cost method selected).

In both cases, the number of periods for which data are presented should be sufficient to allow for the meaningful analysis of trends (e.g., 6 to 10 years and longer if available).

- Actuarial Comments. Actuarial Standards of Practice (ASOPs) require actuaries to make certain disclosures in their reports. These disclosures are commonly presented as comments intended to help users understand the report and include: 1) the report's intended purpose; 2) cautions regarding risk and uncertainty; and 3) constraints regarding the use of the report for other than its intended purpose. In addition, if a prescribed assumption or method is used that the actuary believes is unreasonable or conflicts with the ASOPs, the actuary has a duty to disclose that fact in the report.⁴
- Information Needed to Prepare Financial Reports. The actuarial report may also provide all of the information needed to prepare the government's financial reports in conformity with generally accepted accounting principles (GAAP) or legal or contractual requirements. This information may be provided as part of the valuation report or through a separate actuarial report.
- Other information. An actuarial valuation report also may include: 1) projections of future contributions and funded status; 2) an analysis of the impact of potential changes in actuarial assumptions; and 3) the impact of economic volatility on the plan's contributions and funded ratio.⁵

Recommendation.

Using the Actuarial Report to Make Appropriate Decisions

The information contained in an actuarial report is complex and can be difficult to understand for those who are not accustomed to working with this kind of information. For this reason, simply providing a copy of the actuarial report to

decision makers does not ensure that everyone has a full understanding of its short-term and long-term implications. In most governments, the finance officer is in the best position to communicate the contents of the actuarial report, as the finance officer is familiar with the nuances of the actuarial report and is also intimately familiar with the organization's financial situation. Accordingly, the first step toward using an actuarial report to make appropriate decisions is for the finance officer to communicate the information the report contains to decision makers and the general public in a clear and understandable manner. Effective communication is especially important when changes to benefits are being considered.

To draw full benefit from the information contained in an actuarial report, the review of the information it contains must be followed by appropriate action steps:

- **Making Required Contributions.** The key purpose of an actuarial valuation is to inform plan sponsors of the amount that needs to be contributed each year to adequately fund benefits. Consequently, the first action step is to take appropriate steps to ensure that actuarially determined contributions are faithfully paid to the plan each year. If those contributions are not made, follow-up action should be taken to understand the underlying cause of the underfunding and to resolve it.
- **Assessing Funding Progress.** Historical information should be used to assess funding progress (e.g., Is the plan's funded ratio improving over time? Is the rate of improvement consistent with the employee's funding policy?).
- **Mitigating Risks.** Information from the actuarial valuation can help to uncover risk exposure related to the funding of benefits. Decision makers should identify those risks and take appropriate and timely action to mitigate them. For example, if the valuation shows a high degree of asset volatility, it may be prudent to lower that volatility through adjustments to asset allocations or by other means, such as examining the methodology used to determine the actuarial value of assets.
- **Ensuring Reliable Data.** For an actuarial valuation to be reliable, the underlying data must be reliable as well, including the demographic information related to plan members, the economic information related to investment returns and payroll growth, and the detailed descriptions of current benefits. Employers should work closely with the actuary to ensure that reliable information is provided in a timely manner.
- **Validating Methods and Assumptions through Experience Studies.** The reliability of an actuarial valuation also depends on the use of reasonable methods and assumptions. Experience studies, performed no less frequently than every five years, can help to ensure the assumptions are in line with the plan's demographic and economic experience, or can be used as a guide to make necessary changes. Likewise, a comprehensive audit of the plan's actuarial valuations performed by an independent actuary at least once every five to eight years can be used to evaluate the appropriateness of the actuarial methods, assumptions, and their application.

Notes:

- 1 The new GASB standards no longer use the term “annual required contribution” or “ARC.” Instead, the new standards refer to the disclosure of an “actuarially determined contribution.”
- 2 Guidelines for Funding Defined Benefit Pensions, GFOA best practice, 2013.
- 3 The long-term expected rate of return is significantly higher than the short-term rates used in operating funds.
- 4 Actuarial Standards Board, Actuarial Standards of Practice No. 41, *Actuarial Communications*, December 2010.
- 5 California Actuarial Advisory Panel, *Model Disclosure Elements for Actuarial Valuation Reports on Public Retirement Systems in California*, December 2011.

Approved by the GFOA's Executive Board, February, 2013.



GFOA Best Practice

Core Elements of a Funding Policy

Background. The Government Finance Officers Association (GFOA) has recommended that every state and local government that offers defined benefit pensions formally adopt a funding policy that provides reasonable assurance that the cost of those benefits will be funded in an equitable and sustainable manner¹ To provide the desired degree of assurance, a pension funding policy would need to incorporate the following principles and objectives:

1. Every government employer that offers defined benefit pensions should obtain no less than biennially an actuarially determined contribution (ADC) to serve as the basis for its contributions;
2. The ADC should be calculated in a manner that fully funds the long-term costs of promised benefits, while balancing the goals of 1) keeping contributions relatively stable and 2) equitably allocating the costs over the employees' period of active service;
3. Every government employer that offers defined benefit pensions should make a commitment to fund the full amount of the ADC each period. (For some government employers, a reasonable transition period will be necessary before this objective can be accomplished);
4. Every government employer that offers defined benefit pensions should demonstrate accountability and transparency by communicating all of the information necessary for assessing the government's progress toward meeting its pension funding objectives.

These principles and objectives necessarily will affect decisions related to the treatment of three core elements of a comprehensive pension funding policy:

- *Actuarial cost method*- the technique used to allocate the total present value of future benefits over an employee's working career (normal cost/service cost).
- *Asset smoothing method*- the technique used to recognize gains or losses in pension assets over some period of time so as to reduce the effects of market volatility and stabilize contributions.
- *Amortization policy* - The length of time and the structure selected for increasing or decreasing contributions to systematically eliminate any unfunded actuarial accrued liability or surplus.

Recommendation. To ensure consistency with the principles and objectives described above, the GFOA recommends that a pension funding policy treat each of its core elements as follows:

Actuarial cost method. The actuarial cost method selected for funding purposes should conform to actuarial standards of practice and allocate normal costs over a period beginning no earlier than the date of employment and should not exceed the last assumed retirement age. Moreover, the selected actuarial cost method should be designed to fully fund the long-term costs of promised benefits, consistent with the objective of keeping contributions relatively stable and equitably allocating the costs over the employees' period of active service.² While not the only method that would satisfy this criterion, the entry age method—level percentage of pay normal cost—is especially well suited to achieving this purpose.

Asset smoothing. The method used for asset smoothing should:

- Be unbiased relative to market. Thus, for example:
 - The same smoothing period should be used for both gains and losses, and
 - Market corridors (a range beyond which deviations are not smoothed), if used, should be symmetrical³, and
- Provide for smoothing to occur over fixed periods (the use of rolling periods normally should be avoided), ideally of five years or less, but never longer than ten years.
 - Provide for a market corridor if smoothing is to occur over a period longer than five years.

Amortization. Amortization of the unfunded actuarial accrued liability⁴ should:

- Use fixed (closed) periods that
 - Are selected so as to balance the twin goals of demographic matching (equitable allocation of cost among generations) and volatility management (funding at a level percentage of payroll) and
 - Never exceed 25 years, but ideally fall in the 15-20 year range;
- Use a layered approach for the various components to be amortized (that is, an approach that separately tracks the different components to be amortized); and emerge as a level percentage of member compensation or as a level dollar amount.

Additional considerations for plans closed to new entrants. When a plan is closed to new participants, the aggregate actuarial cost method – level percentage of pay normal cost – is especially well suited for funding.

For closed plans with no remaining active members:

- Special attention needs to be given to the mix of investments (given the shorter time horizon); and
- In comparison to open plans:
 - Asset smoothing periods should be shorter (typically no longer than three years);
 - Corridors, if used, should be narrower; and

- Amortization periods should be shorter (typically no longer than 10 years for gains and losses).

For closed plans that still have active members:

- The continued use of level percent of member compensation amortization remains appropriate, but not for a long period (i.e., as the number of active members decreases); and
- In comparison to open plans:
 - Asset smoothing periods should be shorter;
 - For asset smoothing periods that exceed five years, a corridor (not to exceed 20 percent) should be used; and
 - Amortization periods should be shorter.

References.

California Actuarial Advisory Panel, *Actuarial Funding Policies and Practices for Public Pension and OPEB Plans*, February 2013

NOTES:

¹ "Funding Defined Benefit Pensions" (2013) (CORBA).

² Employers using some other actuarial cost method should carefully monitor demographic changes and trends in the covered workforce inasmuch as such changes could result in increased employer contributions as a percentage of payroll.

³ Generally, the appropriate corridor will depend upon the length of the smoothing period, with longer smoothing periods requiring narrower corridors.

⁴ Special considerations may apply to the amortization of a surplus (e.g., use of a longer amortization period).

Approved by the GFOA's Executive Board, March, 2013.

Sample Funding Policy

Emerald City Pension Plan

The City has adopted a revised funding policy effective (*enter date*) that provides reasonable assurance that the cost of those benefits will be funded in an equitable and sustainable manner. The City, with consultation with its actuary and the most recent Experience Study, shall establish reasonable actuarial assumptions in the determination the liabilities. The essential elements of the Policy are as follows:

Actuarial Cost Method

The costs of the Plan have been determined in accordance with the (*enter method*) actuarial cost method.

Asset Method

Assets held by the fund are valued at market value. The actuarial value of assets is determined using (*enter asset method*).

Amortization Method

Describe how the unfunded accrued liability will be paid. Include the number of years, the rate of increase in payments, if any. Include whether it is a closed or open amortization method. If it is closed, describe how new unfunded liabilities will be amortized when they become known.

ANNUAL FUNDING NOTICE TEMPLATE

Annual Funding Notice
For
[insert name of pension plan]

Introduction

This notice includes important information about the funding status of your pension plan (“the Plan”), as well as other information such as participant information and funding and investment policies. All locally-administered pension plans must provide this notice every year regardless of their funded status. This notice is provided for informational purposes and you are not required to respond in any way. As a plan member, you are responsible for providing the plan sponsor with your current address and contact information at all times. This notice is for the plan year beginning [insert beginning date] and ending [insert ending date] (“Plan Year”).

How Well Funded Is Your Plan

[Under Rhode Island law], the plan must report how well it is funded by using a measure called the “funded ratio.” This percentage is obtained by dividing the Plan’s Assets by Plan Liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan’s funded ratio percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period. In addition, the required funding payment and the planned contribution for the plan year, as well as the required funded payment and actual payments for the two preceding plan years are shown, along with the funded percentage for each year.

Summary of Key Valuation, Funding and Investment Data				
		[Insert plan year- most recent]	[Insert plan year - preceding]	[Insert plan year - 2 years preceding]
1	Valuation date	[xx/xx/xx]	[xx/xx/xx]	[xx/xx/xx]
2	Plan assets	[amount]	[amount]	[amount]
3	Plan liabilities	[amount]	[amount]	[amount]
4	Funded ratio	[=line2/line3]	[=line2/line3]	[=line2/line3]
5	Actuarially determined contribution	[amount]	[amount]	[amount]
6a.	Funding from general fund	[amount]	[amount]	[amount]
6b.	Funding from non-general fund	[amount]	[amount]	[amount]
6	Total funding	[amount]	[amount]	[amount]
7	Planned/actual payment	[amount]	[amount]	[amount]
8	Percentage contributed	[line7/line 5]	[line7/line 5]	[line7/line 5]
9	Money weighted rate of return	[percentage]	[percentage]	[percentage]

SAMPLE FUNDING NOTICE (PAWTUCKET EXAMPLE)

ANNUAL FUNDING NOTICE
For
City of Pawtucket Police and Firefighters Pension Plan

Introduction

This notice includes important information about the funding status of your pension plan (“the Plan”), as well as other information such as participant information and funding and investment policies. All locally-administered pension plans must provide this notice every year regardless of their funded status. As a plan member, you are responsible for providing the plan sponsor with your current address and contact information at all times. This notice is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning July 1, 2013 and ending June 30, 2014 (“Plan Year”).

How Well Funded Is Your Plan

Under Rhode Island law, the plan must report how well it is funded by using a measure called the “funded ratio.” This percentage is obtained by dividing the Plan’s Assets by Plan Liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan’s funded ratio percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period. In addition, the required funding payment and the planned contribution for the plan year, as well as the required funded payment and actual payments for the two preceding plan years are shown, along with the funded percentage for each year.

	2014	2013	2012
1 Valuation date	July 1, 2014	July 1, 2013	July 1, 2012
2 Plan assets	97,220,726	82,981,582	73,435,524
3 Plan liabilities	238,725,116	243,784,564	218,309,558
4 Funded ratio	40.7%	34.0%	33.6%
5 Actuarially determined contribution	12,996,379	12,386,341	11,391,106
6a. Funding from general fund	12,996,379	12,386,341	11,391,106
6b. Funding from non-general fund	-	-	-
6 Total funding	12,996,379	12,386,341	11,391,106
7 Planned/actual payment	12,996,379	12,386,341	11,391,106
8 Percentage contributed	100%	100%	100%
9 Money weighted rate of return	[percentage]	[percentage]	[percentage]

Property Tax and Fiscal Disclosure – Municipal Budgets (Pertaining to Recommendation #4)

Chapter 44-35

§ 44-35-7 **Publication of town and city budget summary.** – At least ten (10) calendar days prior to the financial town meeting or, for towns and cities without town meetings, the first hearing on the budget for the purpose of adopting the budget, the chief elected official in each town and city shall cause to be published a budget summary in a newspaper of general circulation in the town or city. The budget summary shall set out proposed expenditures by department or function and receipts by source for the proposed budget year, and comparisons of these with estimated expenditures and receipts for the current budget year.

The published budget summary shall be in the following form:

(CITY, TOWN) of (NAME)

REPORT TO TAXPAYERS ON CURRENT AND PROPOSED BUDGET

Function or Purpose of Expenditures	Amounts Proposed
Actually Budgeted for Operating	
Budgeted for Operating	
Current Year Capital	
Operating	
Capital	
Expenditures	
1. Education	
2. General Financial	
Admin.	
3. Public Works	
4. Police Protection	
5. Fire Protection	
6. Sewerage	
7. Other Sanitation	
8. Parks and Recreation	
9. Interest on General	
Debt	
10. Principal on	
General Debt	
11. All Other (Specify)	
Revenues	
1. Local Property	
2. Local Non-Property	
3. Federal	
4. State	
5. All Other (Specify)	

TOTAL BUDGET

Suggested new language for §44-35-7:

The [insert name of municipality] administers locally-pension plan(s) for [insert name of locally-administered pension plan(s)]. It is proposed to contribute \$xx to the plan(s) for the proposed budget year which would amount to xx percent (xx%) contributed for that year, based on the most recent actuarial valuation report dated xx/xx/xx. This contribution consists of \$xx from the general fund and \$xx from other funds. The pension plan(s) is xx percent (xx%) funded, based on the most recent actuarial valuation. The plan is above/below critical status (critical status is defined as a funded ratio of less than 60 percent).

Certification: This is to certify that data contained in this report are accurate to the best of my knowledge.

Date

Signature of Official

RIGL 45013.2 Municipal Incentive Aid Article 2 (Pertaining to Recommendation #5)

art.002/6/002/5/002/4/002/3/002/2/002/1

ARTICLE 2 AS AMENDED

RELATING TO STATE AID

SECTION 1. Sections 45-13.2-4 and 45-13.2-6 of the General Laws in Chapter 45-13.2 entitled "Municipal Incentive Aid" is hereby amended to read as follows.

45-13.2-4. State Aid Incentive Program appropriated. – There are hereby appropriated funds for a state aid program entitled "Municipal Incentive Aid Program." For fiscal year 2014, ~~fiscal year 2015 and fiscal year 2016~~, the amount of five million dollars (\$5,000,000) shall be appropriated, ~~and an amount of ten million dollars (\$10,000,000) will be requested for appropriation for fiscal year 2015 and for fiscal year 2016.~~ Municipal Incentive Aid shall be administered and managed by the division of municipal finance within the department of revenue.

45-13.2-6. Distributions. – (a) Municipal Incentive Aid described in this chapter shall be distributed to eligible municipalities on the basis of the most recent population estimate for each municipality as a share of the total state population reported by the U.S. Department of Commerce, Bureau of the Census ~~as of January 1 in the year of the payment.~~ Such payments shall be made to eligible communities in March ~~2014, March 2015, and March 2016 of each year to the extent that funds are appropriated.~~

(b) For fiscal year 2014, municipalities shall be eligible to receive aid under this chapter if: (1) the municipality has no locally-administered pension; or (2) the municipality notified plan participants, beneficiaries and others pursuant to chapter 45-65, and submitted to the state's department of revenue a Funding Improvement Plan ("FIP"), pursuant to section 45-65-6, for every locally-administered pension plan in that municipality, and each FIP had been approved by the plan sponsor and the local governing body no later than June 1, 2013; or (3) there existed a locally-administered pension plan(s) in that municipality, but either: (i) no FIP was required pursuant to chapter 45-65; or (ii) a FIP is required pursuant to chapter 45-65, but, the due date for the FIP submission is after the March payment of state aid.

(c) For fiscal years ~~year 2015 and 2016 and each fiscal year thereafter that municipal incentive aid is distributed to eligible municipalities under this chapter,~~ municipalities shall be eligible to receive aid under this chapter, if: (1) the municipality has no locally-administered pension; or (2) the municipality has transitioned all locally-administered pension plans into MERS by June 30, 2014; or (3) the municipality had notified plan participants, beneficiaries and

Art2
RELATING TO STATE AID
(Page 1 of 4)

1 others pursuant to chapter 45-65 and had submitted to the state's department of revenue a FIP,
2 pursuant to chapter 45-65, for every locally-administered pension plan and each submitted FIP
3 meets the guidelines of the Study Commission on Locally-Administered Pension Plans created
4 pursuant to section 45-65-8 or otherwise applicable guidelines or regulations and each FIP has
5 been approved by the plan sponsor and the local governing body; or (4) the municipality has
6 implemented the original recommended FIP or an amended FIP pursuant to chapter 45-65 within
7 one month after the close of the fiscal year and made the required funding payment (formerly
8 referred to as Annually Required Contribution, or ARC) in compliance with the municipality's
9 adopted FIP(s) and the funding guidelines established by the Pension Study Commission eighteen
10 (18) months after an actuary has certified that a locally-administered plan is in critical status for a
11 plan year and the FIPs are approved by the plan sponsor and the local governing body; or (5)
12 there existed a locally-administered pension plan in that municipality, but either: (i) no FIP was
13 required pursuant to chapter 45-65 and either: (A) the municipality is funding one hundred
14 percent (100%) of its required funding payment; Annually Required Contribution (ARC) or (B)
15 the municipality has a funded ratio of one hundred percent (100%) or greater; or (ii) FIP is
16 required pursuant to chapter 45-65, however, the due date for the FIP submission or
17 implementation is after the March payment of this municipal incentive aid.

18 (d) In any fiscal year that a municipality does not receive an appropriation under this
19 chapter, the amount that would have been allocated to the municipality will be distributed in the
20 month of May among the other eligible municipalities for that fiscal year, on the basis of the most
21 recent population estimate for each municipality as a share of the total state population reported
22 by the U.S. Department of Commerce, Bureau of the Census. For fiscal year 2014, and in any
23 year thereafter that a municipality is not eligible to receive a distribution under this chapter, the
24 distribution that said municipality would have received had it been eligible shall be
25 reappropriated to the immediately following fiscal year, at which time the amount reappropriated
26 shall be distributed to said municipality, provided that said municipality has satisfied the
27 eligibility requirements of both the prior fiscal year and the then current fiscal year. In the event
28 that said municipality fails to satisfy the eligibility requirements for the prior and the then current
29 fiscal year by the time that eligibility to receive distributions in the next fiscal year is determined,
30 then the amount that would have been distributed to the municipality for said prior year will be
31 distributed in the month of May among the municipalities that received a distribution in the prior
32 fiscal year, with the share to be received by each municipality calculated in the same manner as
33 distributions were calculated in the prior fiscal year.

34 SECTION 2. Section 45-13-5.1 of the General Laws in Chapter 45-13 entitled "State

Glossary

Actuarial Accrued Liability - Generally represents the portion of the present value of fully projected benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Assumptions - Factors which actuaries use in estimating the cost of funding a defined benefit pension plan. Examples include: the rate of return on plan investments, mortality rates, and the rates at which plan participants are expected to leave the system because of retirement, disability, termination, etc.

Annual Required Contribution (ARC) - The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB 25. The ARC consists of the Employer Normal Cost and the Amortization Payment.

Actuarial Valuation - The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An actuarial valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB 25, such as the funded ratio and the ARC.

Actuarial Value of Assets - The value of pension plan investments and other property used by the actuary for the purpose of an actuarial valuation (sometimes referred to as valuation assets). Actuaries often select an asset valuation method that smoothes the effects of short-term volatility in the market value of assets.

Amortization - Paying off an interest bearing liability by gradual reduction through a series of installments, as opposed to paying it off by one lump sum payment.

Amortization Payment - That portion of the pension plan contribution or ARC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Annuity - A series of periodic payments, usually for life, payable monthly or other specified intervals. The term is often used to describe the part of a retirement allowance derived from a participant's contributions. A deferred annuity is one in which payments do not commence until a designated time in the future.

Critical Status – A status, as determined by a municipality's actuary, as of the beginning of the plan year, where a plan's funded percentage for such plan year is less than sixty percent (60%).

Defined Benefit (DB) Plan - A pension plan that is designed to provide participants with a predefined, predictable and guaranteed benefit based on a formula that takes into account an employee's compensation, years of service, and age, or a combination thereof.

Defined Contribution (DC) Plan - A pension plan in which contributions are made to an individual account for each employee. The retirement benefit is not pre-determined and is entirely dependent upon the account balance at retirement, and is based on the money that

accumulates in an employee's account, reflecting any employer contributions and employee contributions and any investment gains or losses.

ERISA: Employee Retirement Income Security Act - This federal legislation sets minimum standards for pension design to increase the security of private sector employees' benefits.

Experience Study - A periodic review and analysis of the actual experience of the Retirement Fund which may lead to a revision of some actuarial assumptions. Actual rates of death, retirement, disability, or termination and salary increases are compared to the assumed values and modified as appropriate by the actuary.

Funded Ratio - The ratio of the actuarial value of assets (AVA) to the actuarial accrued liability (AAL). Plans sometimes calculate a market funded ratio, using the market value of assets (MVA), rather than the AVA, although GASB 25 reporting requires the use of the AVA.

Normal Cost - The normal cost generally represents the portion of the cost of projected benefits allocated to the current plan year. The employer normal cost equals the total normal cost of the plan less employee contributions.

Normal Retirement Age - Participants are not required to retire when they reach retirement age. Participants generally continue to earn benefits if they work past retirement age.

Portability - The ability of an employee who changes jobs and joins a different retirement system to bring his or her retirement assets with them without penalty.

Present Value - The current worth of an amount or series of amounts payable in the future, after discounting each amount at an assumed rate of interest and adjusting for the probability of its payment or receipt.

Post Retirement Benefit Increase – Often referred to as cost of living adjustments (COLAs), these are increases to the initial benefit received upon retirement and can be a percentage based on an index such as inflation or a fixed dollar amount.

Rate of Return – This is the gain or loss of an investment over a specific period of time. The Real Rate of Return is return on an investment after adjusting for inflation. Actuarial gains or losses represent the difference between the actual rate of return and that expected based on the actuarial assumptions.

Social Security Retirement Age - The age, used as the normal retirement age under the Social Security Act, to pay unreduced benefits, that depends on the calendar year of birth.

Unfunded Actuarial Accrued Liability (UAAL) - The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets. In other words, the present value of benefits earned to date that are not covered by current plan assets.

Vesting - Determination that an employee has reached a defined number of years of service to be eligible to receive a pension benefit based on the benefits he or she has accrued, or some portion of them, even if employment under the plan is terminated.

401(k), 403(b), and 457 Plans - These are defined contribution plans which permit employees to save for retirement on a tax-deferred basis. 401(k) plans are found in the private sector and the public sector in some states. 403(b) plans are for employees of public educational institutions and certain non-profit tax-exempt organization. 457 plans (also known as deferred compensation plans) are for governmental employees and non- church-controlled tax-exempt organizations.



Issued jointly by the:

- **Division of Municipal Finance, Department of Revenue**
- **Office of the Auditor General**

April 2014

Planning for GASB's New Pension Accounting Standards

Two accounting pronouncements issued by the Governmental Accounting Standards Board (GASB) - Statements No. 67 and 68 - will have a significant impact on government financial statements beginning in fiscal 2014. For separately issued plan financial statements and municipalities with locally administered pension plans, changes will be required in 2014. In fiscal 2015, all government employers participating in a defined benefit pension plan will be required to make changes in their financial reporting.

The following is a brief summary of:

- the likely impact on fiscal 2014 and 2015 financial reporting depending upon which defined benefit pension plans (ERS, MERS, or locally-administered plans) cover a municipality's employees;
- ongoing planning activities at the State level to assist employers that participate in the state-administered ERS and MERS plans to implement the new standards;
- recommended planning activities if the municipality administers its own pension plan (a locally-administered pension plan); and
- resources available to help with the implementation of these new pension accounting standards and explain the impact of these standards on the financial reporting of governments to elected officials and citizens.

The new standards –

Statement No. 67 – Financial Reporting for Pension Plans (an amendment of GASB Statement No. 25) – effective for fiscal 2014 financial statements – generally impacts separately issued plan financial statements and governments that include a locally-administered pension plan as a pension trust fund within its financial statements.

Statement No. 68 – Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27) – effective for fiscal 2015 financial statements – applicable to the financial statements of any governmental employer contributing to a defined benefit pension plan for its employees.

Fiscal 2014 financial reporting –

If the municipality only participates in the state-administered ERS (teachers) or MERS plans and does not have a locally-administered defined benefit plan there will be no impact due to the new standards on a municipality's fiscal 2014 financial statements. However, significant financial reporting changes will occur in fiscal 2015 as described below.

If the municipality has a locally-administered pension plan(s), which is included as a pension trust fund within the financial statements, new note disclosures and required supplementary information (RSI) are required to be included within the financial statements for fiscal 2014. This information needs to be provided by the plan's actuary. Advance planning with the actuary to ensure this new data is available to meet the fiscal 2014 financial reporting/audit timeline is critical. GASB has outlined requirements regarding when the actuarial data must be measured. For locally-administered plans, a municipality and its actuary need to coordinate the measurement dates, any required changes in actuarial assumptions, and the timing of data provided to and from the actuary. GASB requires that decisions regarding measurement dates be consistently observed in future periods. This requires advance planning to ensure the new actuarial schedule is workable and can be adhered to going forward. When a municipality has a locally-administered plan, the fiscal 2014 financial reporting impact is limited to the inclusion of new note disclosures and RSI. Further financial reporting changes occur in fiscal 2015.

Muni-news is a new joint effort between the Department of Revenue and the Office of the Auditor General to communicate matters of interest to municipalities. This first newsletter, prepared by the OAG, highlights recommended planning considerations for the financial reporting impact of the new GASB pension accounting standards.

Fiscal 2015 financial reporting –

For all government employers with employees participating in a defined benefit plan, the net pension liability will be recorded on the government-wide financial statements at June 30, 2015. The net pension liability will be calculated in accordance with the new GASB requirements and reflects the market or fair value of assets accumulated as of the measurement date. Under current accounting standards, a liability was recorded on the financial statements only when a government contributed less than the

annual required contribution. The recording of the new net pension liability (for all defined benefit pension plans) will likely be a material liability on a government's financial statements.

Annual pension expense is generally the change in the net pension liability between years – this amount is different from the previous recognition of annual pension cost based on the annual required contribution. Certain actuarial gains and losses are deferred and amortized over a defined period as outlined in the standard rather than recognized immediately. The governmental fund level financial statements will still include contribution or funding based amounts as expenditures as opposed to the new pension expense amounts described above.

For employers who participate in multiple plans (e.g., a combination of state-administered and locally-administered plans) – the net pension liability and pension expense recorded on the government-wide financial statements will be a composite of all the defined benefit plans. For a cost-sharing plan, such as ERS which includes teachers, the municipality will recognize their proportionate share of the ERS plan's net pension liability and pension expense.

For employers participating in the state-administered ERS and MERS plans, the data needed to meet the new net pension liability, pension expense, and note disclosure requirements will be provided by the Employees' Retirement System of Rhode Island (ERSRI) and the Office of the Auditor General (OAG). ERSRI's actuary will calculate and provide the new GASB required information including each participating employer's proportionate amounts. ERSRI's actuary will also provide the new information for each participating employer in the MERS plan (an agent plan). The OAG will audit and opine on the data provided by ERSRI's actuary. This will allow the auditor of a municipality's financial statements to rely on the audited data provided by ERSRI with only minimal tests of the data.

Planning between ERSRI, ERSRI's actuary, and the OAG is underway to coordinate specific responsibilities and the timeline to ensure that employers participating in plans administered by ERSRI have GASB compliant, audited data available to meet their financial reporting needs for fiscal 2015.

For locally-administered plans, the data needed for fiscal 2015 financial reporting will again largely be provided by the plan's actuary. Planning decisions made to meet the fiscal 2014 financial reporting considerations for a municipality with a locally-administered plan should facilitate obtaining the information needed to record the net pension liability and pension expense.

Conclusion -

Due to the complexity of these new pension accounting standards, municipalities should immediately begin planning with their

actuary and auditor to ensure all the necessary information will be available for inclusion in their financial statements.

The significant changes in financial reporting and actuarial information provided for pension plans should be discussed in advance with elected officials and those charged with governance.

Additional training opportunities are planned to assist Rhode Island municipalities in meeting the new pension accounting standards. These future training events will include detail about the nature and timing of information for the state-administered ERS and MERS plans.

Technical Resources -

GASB has good implementation guidance on its website at [gasb.org](http://www.gasb.org). Copies of the statements, implementation guides in a Q&A format, podcasts, and other related guidance materials are available at no cost. *Links to guidance materials:*

- About the new standards

<http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176163528472>

- Implementation toolkit

<http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176163527940>

The Government Finance Officers Association (GFOA) has the following document available for purchase:

An Elected Official's Guide: The New Pension Accounting

<http://gfoa.org/downloads/GFOA2013EOGNewPensionAccounting.pdf>

Newsletter policy: This newsletter is intended to provide municipal officials and other interested parties with general information on matters of interest to municipalities. It is neither designed nor intended to address complex issues in detail. Accordingly, guidance provided in this newsletter cannot replace specific guidance provided to a municipality.

This newsletter will typically be published quarterly.

Inquiries about matters included in the newsletter can be directed to:

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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July 3, 2012

Dear Mayors, City and Town Managers, and Town Administrators,

Over the course of several months, the Pension Study Commission (“Commission”) worked to develop funding improvement guidelines to assist municipalities whose locally-administered pension plans are deemed to be in critical status. As you know, R.I. Gen. Laws § 45-65-6 (2) states

“...Within one hundred eighty (180) days of sending the critical status notice, the municipality shall submit to the study commission a reasonable alternative funding improvement plan to emerge from critical status.”

This means that a funding improvement plan to restore the funded ratio to 60% or better is due no later than November 11, 2012.

Numerous discussions ensued and at its last meeting on June 18, the Commission voted to provide these guidelines to municipalities.

Part I provides an overview of the documentation that the municipalities should include in their funding improvement plans and **Part II** lists specific guidelines. The Commission also provides a sample improvement plan, which is included as an Appendix to this letter.

I. FUNDING IMPROVEMENT PLAN DOCUMENTATION

A funding improvement plan should be formulated, based on reasonably anticipated experience and reasonable actuarial assumptions, and should show at least the following:

- FY 2014 Funding of the ARC before and after changes are made;
- Amortization cost, method, including period, interest rate and rate of increase in payments, if any;
- Assets (Market and Actuarial) and liabilities, before and after changes were made;
- Funded status, before and after changes were made;
- Employer and Employee Normal Costs, before and after changes were made;
- Description of benefit changes (if applicable);

- Provide a description of the plan to emerge from critical status;
- Time frame when municipality expects to emerge from critical status;
- Required actions to implement the plan;
- Two deterministic forecasts over the amortization period and two years afterwards of the after change values listed in items 1 through 5 above, plus, total Payroll and total Benefit Payments. One forecast is based on the actuarial assumptions. The second on the same assumptions except the investment return is 50 basis points lower than the assumption for all years;
- Include the actuarial assumptions used to forecast total Payroll growth, new entrants for open plans; and
- Five-Year Forecast of municipal revenue growth for the time period until plan is no longer in critical status.

II. FUNDING IMPROVEMENT PLAN GUIDELINES

The Commission has developed guidelines to further assist cities and towns in the formulation of the Funding Improvement Plans. Generally, the funding improvement period should not exceed 20 years with the plan emerging from critical status within that timeframe.

The local governing body shall submit four funding improvement strategies to the Pension Study Commission consistent with these guidelines and identify which one has been chosen as the funding improvement plan. If no funding improvement strategy is approved by the local governing body, the Pension Study Commission will notify the General Assembly.

1. For municipalities that are funding 100% of the Annual Required Contribution (ARC):

- Maximum amortization period of 30 years in which plans must emerge from critical status within 20 years;
- maximum percent increase in amortization payments would be 4% (except to make up for funding of 100% of ARC);
- no decrease in contribution from one year to the next unless the reduction is the result of a reduction in benefits;
- encourage shorter amortization schedules, with increasing payments;
- for frozen plans with only retirees the amortization period would be not more than the average future lifetime of the retirees;
- no open amortization method;

- future changes in UAL due to changes in plan benefits, actuarial assumptions and methods, or experience may be amortized up to 20 years as a separate base; and
- relief provision that would provide for a temporary increase in ARC payments by no more than 8%.

2. For municipalities that are not funding 100% of the ARC:

- Contribution has to be increased such that the portion of the ARC actually contributed increases by 20 percentage points each year until it reaches 100%;
- maximum amortization period of 30 years in which plans must emerge from critical status within 20 years;
- maximum percent increase in amortization payments would be 4% (except to make up for funding of 100% of ARC);
- no decrease in contribution from one year to the next unless the reduction is the result of a reduction in benefits;
- encourage shorter amortization schedules, with increasing payments;
- for frozen plans with only retirees the amortization period would be not more than the average future lifetime of the retirees;
- no open amortization method; and
- future changes in UAL due to changes in plan benefits, actuarial assumptions and methods, or experience may be amortized up to 20 years as a separate base.

If the local governing body believes they cannot meet these guidelines due to extenuating circumstances or other situations, a full explanation should be provided to the Commission.

In addition, the local governing body shall indicate if they considered a transition to MERS and, if so, identify what were the significant factors and/or obstacles in that consideration. Further, it would be helpful for the Commission if municipalities identified what actions could be taken to potentially facilitate moving locally administered plans to MERS.

We hope that you find these guidelines and the sample improvement plan helpful. I would also like to mention two seminars that will be held on July 10 and August 7. On these dates we will discuss these guidelines and will answer any questions you may have. You will receive an agenda for these seminars under separate cover.

Sincerely,

A handwritten signature in black ink that reads "Rosemary Booth Gallogly". The signature is written in a cursive style with a large initial 'R' and 'B'.

Rosemary Booth Gallogly
Chairperson of the Pension Study Commission

Cc:
Members of the Pension Study Commission
Susanne Greschner, Chief, Division of Municipal Finance

APPENDIX

Example of a Funding Improvement Plan (Option 1 of 4)

**For Community X
Police and Fire Retirement System
October 31, 2012**

This represents a sample funding improvement plan which is based on actual data for a Rhode Island community, but does not reflect the proposals for benefit modifications.

SAMPLE

Executive Summary

In accordance with Rhode Island General Laws Section 45-65-6, the City is submitting this Funding Improvement Plan (Plan) to the Locally-Administered Pension Plans Study Commission. The City had completed an actuarial valuation and an experience study as of October 31, 2011. Based on these results the funded status of the pension system is 33.6% and therefore, considered in critical status.

In the pages that follow we will describe our plans for increasing this ratio to the point that the plan is no longer considered in critical status. The local governing body for the City has adopted option number 1, in order to emerge from critical status. The other options are described in separate reports. This will be accomplished through increased funding and negotiating pension benefit reductions with the members of the retirement system. We expect to achieve this goal in about 16 years.

Current Funding

The City has accepted the recommendations of our actuary for modifications to the actuarial assumptions. Based on these results, the actuary is recommending a pension contribution of \$7,525,388 to the trust based on a 30 year amortization with payments increasing 4.25% per year. The City has budgeted \$1,795,827 for fiscal year 2012, or 23.9% of the recommended contribution. This also represents 1.44% of our revenue. For fiscal year 2011, the City contributed 20% of the recommended contribution.

Option 1

Future Funding

The Plan is to increase the funding of the system for fiscal year 2013 to 40% of the recommended contribution. This will be increased 20% per year until it reaches 100% of the recommended contribution for fiscal year 2016. The amortization period will be shortened from 30 years to 25 years in the determination of the recommended contribution. Exhibit A shows the forecast of key values under this approach based on the actuarial assumptions adopted, and new participants entering the plan to replace those terminating and retiring. Exhibits D and E describe the actuarial assumptions and plan provisions, respectively.

To support this substantial increase the funding of the system, cuts in other line items of our budget will be required. The following reductions will be made for FYE13:

- Ten positions in various departments will be eliminated
- The Capital budget will be reduced by \$500,000
- Negotiated changes in healthcare benefits will save \$2,500,000

The revenue enhancements will be made as follows:

- Enhancement #1
- Enhancement #2
- Enhancement #3
- Enhancement #4

Plan Changes

The City intends to negotiate reductions in the pension benefits provided to current active and retired plan participants as follows:

- Current Cost of Living adjustments are 3% compounded regardless of the Consumer Price Index. Our intent is to decrease this to the lesser of 2.5% or the change in Consumer Price Index.
- Currently, a participant is eligible to retire at any age after 20 years of service, with no reduction for early commencement. Our intent is to increase the number of years to 25 and include age 60 to receive an unreduced benefit. Early retirement eligibility will be age 55 with at least 10 years of service. However, the benefit for early commencement will include an actuarial reduction for commencing benefits prior to age 62.
- Currently, the benefit formula provides 2.5% of the final average salary of each of the first 24 years of service. Starting with the next collective bargaining agreement, we expect to lower this rate to 2.25%.
- The benefit is currently based on the final salary earned by the participant prior to retirement. We expect to negotiate a change to using the highest 3 year average salary as the basis of the benefit calculation.

Our actuary has estimated that these modifications will substantially reduce the costs and liabilities of the plan. Their estimates are as follows:

	Current Plan Provisions	Proposed Plan Provisions
Employer Normal Cost	\$1,893,623	\$1,420,217
Employee Normal Cost	\$986,056	\$986,056
Total Normal Cost	\$2,879,679	\$2,406,273
Accrued Liability	\$159,321,987	\$143,389,788
Unfunded Accrued Liability	\$105,800,574	\$89,868,375
Funded Ratio	33.6%	37.3%
ARC	\$8,166,245	\$6,748,264

Exhibit B shows the key values forecasted for the next 27 years based on these revised provisions and the new Funding Policy. Exhibit C is the same forecast as Exhibit B, except the actual return on investments is .5% less than the assumption.

The City assumed that there will be no changes in the retirement system benefits that generate a net increase in the costs and liabilities of the system until the system and the OPEB plan have each achieved at least an 80% funded ratio.

Exhibit A
Forecast of key values

Exhibit B
Forecast of key values (revised provisions)

Exhibit C
Same Forecast than Exhibit B, except actuarial return on investment is 0.5% less than assumption

Exhibit D
Actuarial Assumptions
(List all pertinent assumptions)

Exhibit E
Plan Provisions
(List all significant plan provisions here, both before and after changes are made to the program)

Option 1 - Exhibit A

Current Forecast of Actuarial Valuation results, adopted Actuarial Assumptions, prior to Benefit Changes

Year	Payment against the ARC		Employer Normal Cost		Amortization		ARC		Contribution		as a % of Payroll		Benefit Payments		Assets		Accrued Liability		Unfunded Liability		Funded Ratio		Revenue Forecast		Contribution as a % of Revenue	
	40%	60%	1,893,623	1,964,634	6,272,622	8,166,245	3,227,849	124.5%	12,695,471	25.4%	9,226,974	52,493,868	164,795,192	112,301,324	31.9%	124,669,391	2.6%									
2012	40%	60%	1,893,623	1,964,634	6,272,622	8,166,245	3,227,849	124.5%	12,695,471	25.4%	9,226,974	52,493,868	164,795,192	112,301,324	31.9%	124,669,391	2.6%									
2013	60%	80%	1,964,634	2,038,308	7,077,647	9,042,281	5,382,574	66.8%	13,171,551	40.9%	9,642,188	53,314,605	170,364,243	117,049,637	31.3%	126,016,658	4.3%									
2014	80%	100%	2,038,308	2,114,744	7,580,666	9,618,973	7,649,655	42.1%	13,665,540	56.0%	10,076,086	56,225,134	176,021,296	119,796,162	31.9%	127,912,402	6.0%									
2015	100%	100%	2,114,744	2,194,047	7,987,135	10,101,879	10,054,069	31.4%	14,177,940	70.9%	10,529,510	61,511,115	181,757,215	120,246,100	33.8%	129,910,503	7.7%									
2016	100%	100%	2,194,047	2,276,324	8,269,588	10,463,635	10,463,635	4.1%	14,709,613	71.1%	11,003,338	67,186,681	187,561,431	120,374,750	35.8%	132,113,563	7.9%									
2017	100%	100%	2,276,324	2,361,686	8,557,652	10,833,975	10,833,975	3.5%	15,261,223	71.0%	11,498,488	73,218,429	193,421,810	120,203,381	37.9%											
2018	100%	100%	2,361,686	2,450,249	8,854,923	11,216,609	11,216,609	3.5%	15,833,519	70.8%	12,015,920	79,624,901	199,324,493	119,699,592	39.9%											
2019	100%	100%	2,450,249	2,542,134	9,161,568	11,611,817	11,611,817	3.5%	16,427,276	70.7%	12,556,636	86,425,353	205,253,730	118,828,377	42.1%											
2020	100%	100%	2,542,134	2,637,464	9,477,724	12,019,858	12,019,858	3.5%	17,043,299	70.5%	13,121,685	93,639,747	211,191,699	117,551,951	44.3%											
2021	100%	100%	2,637,464	2,736,368	9,803,498	12,440,962	12,440,962	3.5%	17,682,423	70.4%	13,712,161	101,288,723	217,118,310	115,829,587	46.7%											
2022	100%	100%	2,736,368	2,838,982	10,138,949	12,875,318	12,875,318	3.5%	18,345,513	70.2%	14,329,208	109,393,556	223,010,991	113,617,436	49.1%											
2023	100%	100%	2,838,982	2,945,444	10,484,076	13,323,058	13,323,058	3.5%	19,033,470	70.0%	14,974,023	117,976,093	228,844,455	110,868,362	51.6%											
2024	100%	100%	2,945,444	3,055,898	10,838,793	13,784,237	13,784,237	3.5%	19,747,225	69.8%	15,498,113	127,214,017	234,745,803	107,531,786	54.2%											
2025	100%	100%	3,055,898	3,170,494	11,202,903	14,258,801	14,258,801	3.4%	20,487,746	69.6%	16,040,547	137,154,076	240,707,626	103,553,550	57.0%											
2026	100%	100%	3,170,494	3,289,388	11,576,048	14,746,543	14,746,543	3.4%	21,256,037	69.4%	16,601,966	147,845,723	246,721,537	98,875,814	59.9%											
2027	100%	100%	3,289,388	3,412,740	11,957,652	15,247,040	15,247,040	3.4%	22,053,138	69.1%	17,183,035	159,341,059	252,778,084	93,437,025	63.0%											
2028	100%	100%	3,412,740	3,540,718	12,346,810	15,759,550	15,759,550	3.4%	22,880,131	68.9%	17,784,442	171,694,676	258,866,656	87,171,981	66.3%											
2029	100%	100%	3,540,718	3,673,495	12,742,137	16,282,855	16,282,855	3.3%	23,738,136	68.6%	18,406,897	184,963,301	264,975,383	80,012,082	69.8%											
2030	100%	100%	3,673,495	3,811,251	13,141,486	16,814,981	16,814,981	3.3%	24,628,316	68.3%	19,051,138	199,205,132	271,091,023	71,885,890	73.5%											
2031	100%	100%	3,811,251	3,954,173	13,541,460	17,352,711	17,352,711	3.2%	25,551,878	67.9%	19,717,928	214,478,580	277,198,842	62,720,262	77.4%											
2032	100%	100%	3,954,173	4,102,454	13,936,431	17,890,603	17,890,603	3.1%	26,510,073	67.5%	20,408,056	230,839,872	283,282,491	52,442,619	81.5%											
2033	100%	100%	4,102,454	4,256,296	14,316,377	18,418,831	18,418,831	3.0%	27,504,201	67.0%	21,122,338	248,338,152	289,323,862	40,985,710	85.8%											
2034	100%	100%	4,256,296	4,415,907	14,661,197	18,917,493	18,917,493	2.7%	28,535,608	66.3%	21,861,619	267,004,090	295,302,941	28,298,851	90.4%											
2035	100%	100%	4,415,907	4,581,504	14,921,102	19,337,010	19,337,010	2.2%	29,605,694	65.3%	22,626,776	286,816,567	301,197,647	14,381,080	95.2%											
2036	100%	100%	4,581,504	4,753,310	14,900,878	19,482,382	19,482,382	0.8%	30,715,907	63.4%	23,418,713	307,542,439	307,542,439	-	100.0%											
2037	100%	100%	4,753,310	4,931,559	-	4,753,310	4,753,310	-75.6%	31,867,754	14.9%	24,238,368	313,234,907	313,234,907	-	100.0%											
2038	100%	100%	4,931,559	-	-	4,931,559	4,931,559	3.8%	33,062,794	14.9%	25,086,711	318,765,683	318,765,683	-	100.0%											

Option 1 - Exhibit B
Forecast of Actuarial Valuation results - Funding Improvement plan #1

Year	Payment against the ARC	Normal Cost	Amortization	ARC	Contribution	Increase	Payroll	Contribution as a %			Unfunded Liability	Funded Ratio	Revenue Forecast	Contribution as a % of Revenue	
								Benefit Payments	Assets	Liability					
2012	40%	1,420,217	5,328,046	6,748,264	2,667,368	85.5%	12,695,471	21.0%	9,271,122	51,845,547	147,113,364	95,267,817	35.2%	124,669,391	2.1%
2013	60%	1,473,475	6,004,132	7,477,608	4,451,175	66.9%	13,171,551	33.8%	9,641,967	51,616,635	150,828,511	99,211,876	34.2%	126,016,658	3.5%
2014	80%	1,528,731	6,425,411	7,954,142	6,325,669	42.1%	13,665,540	46.3%	10,027,646	53,026,788	154,522,846	101,496,058	34.3%	127,912,402	4.9%
2015	100%	1,586,058	6,767,017	8,353,075	8,313,542	31.4%	14,177,940	58.6%	10,428,751	56,306,363	158,182,581	101,876,217	35.6%	129,910,503	6.4%
2016	100%	1,645,535	7,006,251	8,651,786	8,651,786	4.1%	14,709,613	58.8%	10,845,901	59,807,176	161,792,390	101,985,214	37.0%	132,113,563	6.5%
2017	100%	1,707,243	7,250,307	8,957,550	8,957,550	3.5%	15,261,223	58.7%	11,279,737	63,495,258	165,335,282	101,840,024	38.4%		
2018	100%	1,771,264	7,502,165	9,273,429	9,273,429	3.5%	15,833,519	58.6%	11,730,927	67,379,254	168,792,452	101,413,199	39.9%		
2019	100%	1,837,687	7,761,964	9,599,650	9,599,650	3.5%	16,427,276	58.4%	12,200,164	71,468,044	172,143,122	100,675,078	41.5%		
2020	100%	1,906,600	8,029,821	9,936,421	9,936,421	3.5%	17,043,299	58.3%	12,688,171	75,770,717	175,364,368	99,593,651	43.2%		
2021	100%	1,978,098	8,305,827	10,283,925	10,283,925	3.5%	17,682,423	58.2%	13,132,257	80,362,352	178,496,762	98,134,411	45.0%		
2022	100%	2,052,276	8,590,032	10,642,308	10,642,308	3.5%	18,345,513	58.0%	13,591,886	85,262,193	181,522,400	96,260,207	47.0%		
2023	100%	2,129,237	8,882,434	11,011,670	11,011,670	3.5%	19,033,470	57.9%	14,067,602	90,490,548	184,421,654	93,931,107	49.1%		
2024	100%	2,209,083	9,182,961	11,392,044	11,392,044	3.5%	19,747,225	57.7%	14,559,968	96,068,774	187,173,031	91,104,257	51.3%		
2025	100%	2,291,924	9,491,446	11,783,369	11,783,369	3.4%	20,487,746	57.5%	15,069,567	102,019,244	189,753,016	87,733,772	53.8%		
2026	100%	2,377,871	9,807,586	12,185,457	12,185,457	3.4%	21,256,037	57.3%	15,597,001	108,365,262	192,135,912	83,770,649	56.4%		
2027	100%	2,467,041	10,130,892	12,597,933	12,597,933	3.4%	22,053,138	57.1%	16,064,911	115,211,829	194,374,567	79,162,739	59.3%		
2028	100%	2,559,555	10,460,600	13,020,155	13,020,155	3.4%	22,880,131	56.9%	16,546,859	122,594,895	196,449,695	73,854,800	62.4%		
2029	100%	2,655,538	10,795,533	13,451,071	13,451,071	3.3%	23,738,136	56.7%	17,043,264	130,551,638	198,340,350	67,788,712	65.8%		
2030	100%	2,755,121	11,133,874	13,888,995	13,888,995	3.3%	24,628,316	56.4%	17,554,562	139,119,857	200,023,808	60,903,951	69.6%		
2031	100%	2,858,438	11,472,744	14,331,182	14,331,182	3.2%	25,551,878	56.1%	17,993,426	148,427,936	201,566,483	53,138,547	73.6%		
2032	100%	2,965,629	11,807,375	14,773,005	14,773,005	3.1%	26,510,073	55.7%	18,443,262	158,522,485	202,953,495	44,431,010	78.1%		
2033	100%	3,076,841	12,129,278	15,206,118	15,206,118	2.9%	27,504,201	55.3%	18,904,344	169,444,463	204,168,825	34,724,362	83.0%		
2034	100%	3,192,222	12,421,420	15,613,642	15,613,642	2.7%	28,535,608	54.7%	19,376,952	181,219,577	205,195,239	23,975,662	88.3%		
2035	100%	3,311,930	12,641,620	15,953,550	15,953,550	2.2%	29,605,694	53.9%	19,861,376	193,830,099	206,014,195	12,184,096	94.1%		
2036	100%	3,436,128	12,624,485	16,060,613	16,060,613	0.7%	30,715,907	52.3%	20,357,910	207,079,167	207,079,167	-	100.0%		
2037	100%	3,564,983	-	3,564,983	3,564,983	-77.8%	31,867,754	11.2%	20,866,858	207,457,379	207,457,379	-	100.0%		
2038	100%	3,698,669	-	3,698,669	3,698,669	3.8%	33,062,794	11.2%	21,388,530	207,566,347	207,566,347	-	100.0%		

Option 1 - Exhibit C
Forecast of Actuarial Valuation results - Funding Improvement plan #1 with .5% lower investment return for 19 years

Year	Payment against the ARC	Normal Cost	Amortization	ARC	Contribution	Increase	Payroll	Contribution as a %			Accrued Liability	Unfunded Liability	Funded Ratio	Revenue Forecast	Contribution as a % of Revenue
								of Payroll	Benefit Payments	Assets					
2012	40%	1,420,217	5,328,046	6,748,264	2,667,368	85.5%	12,695,471	21.0%	9,271,122	51,585,223	147,113,364	95,528,140	35.1%	124,669,391	2.1%
2013	60%	1,473,475	6,020,539	7,494,014	4,460,941	67.2%	13,171,551	33.9%	9,641,967	51,088,506	150,828,511	99,740,004	33.9%	126,016,658	3.5%
2014	80%	1,528,731	6,459,615	7,988,346	6,352,870	42.4%	13,665,484	46.5%	10,027,646	52,223,401	154,522,846	102,299,446	33.8%	127,912,402	5.0%
2015	100%	1,586,058	6,820,581	8,406,639	8,366,853	31.7%	14,177,940	59.0%	10,428,751	55,220,295	158,182,581	102,962,286	34.9%	129,910,503	6.4%
2016	100%	1,645,535	7,080,942	8,726,478	8,726,478	4.3%	14,709,613	59.3%	10,845,901	58,424,363	161,792,390	103,368,026	36.1%	132,113,563	6.6%
2017	100%	1,707,243	7,348,614	9,055,857	9,055,857	3.8%	15,261,223	59.3%	11,279,737	61,802,137	165,335,282	103,533,145	37.4%		
2018	100%	1,771,264	7,626,891	9,398,155	9,398,155	3.8%	15,833,519	59.4%	11,730,927	65,369,365	168,792,452	103,429,087	38.7%		
2019	100%	1,837,687	7,916,256	9,753,943	9,753,943	3.8%	16,427,276	59.4%	12,200,164	69,118,432	172,143,122	103,024,689	40.2%		
2020	100%	1,906,600	8,217,226	10,123,826	10,123,826	3.8%	17,043,299	59.4%	12,688,171	73,078,420	175,364,368	102,285,948	41.7%		
2021	100%	1,978,098	8,530,357	10,508,455	10,508,455	3.8%	17,682,423	59.4%	13,132,257	77,320,836	178,496,762	101,175,926	43.3%		
2022	100%	2,052,276	8,856,266	10,908,542	10,908,542	3.8%	18,345,513	59.5%	13,591,886	81,867,902	181,522,400	99,654,498	45.1%		
2023	100%	2,129,237	9,195,643	11,324,879	11,324,879	3.8%	19,033,470	59.5%	14,067,602	86,743,756	184,421,654	97,677,899	47.0%		
2024	100%	2,209,083	9,549,258	11,758,341	11,758,341	3.8%	19,747,225	59.5%	14,559,968	91,974,653	187,173,031	95,198,378	49.1%		
2025	100%	2,291,924	9,917,980	12,209,904	12,209,904	3.8%	20,487,746	59.6%	15,069,567	97,589,212	189,753,016	92,163,804	51.4%		
2026	100%	2,377,871	10,302,811	12,680,682	12,680,682	3.9%	21,256,037	59.7%	15,597,001	103,618,705	192,135,912	88,517,206	53.9%		
2027	100%	2,467,041	10,704,922	13,171,963	13,171,963	3.9%	22,053,138	59.7%	16,064,911	110,178,128	194,374,567	84,196,439	56.7%		
2028	100%	2,559,555	11,125,755	13,685,310	13,685,310	3.9%	22,880,131	59.8%	16,546,859	117,316,150	196,449,695	79,133,545	59.7%		
2029	100%	2,655,538	11,567,140	14,222,678	14,222,678	3.9%	23,738,136	59.9%	17,043,264	125,086,596	198,340,350	73,253,754	63.1%		
2030	100%	2,755,121	12,031,473	14,786,594	14,786,594	4.0%	24,628,316	60.0%	17,554,562	133,549,415	200,023,808	66,474,393	66.8%		
2031	100%	2,858,438	12,522,073	15,380,511	15,380,511	4.0%	25,551,878	60.2%	17,993,426	143,567,739	201,566,483	57,998,744	71.2%		
2032	100%	2,965,629	12,887,310	15,852,940	15,852,940	3.1%	26,510,073	59.8%	18,443,262	154,458,703	202,953,495	48,494,791	76.1%		
2033	100%	3,076,841	13,238,655	16,315,495	16,315,495	2.9%	27,504,201	59.3%	18,904,344	166,268,478	204,168,825	37,900,347	81.4%		
2034	100%	3,192,222	13,557,517	16,749,739	16,749,739	2.7%	28,535,608	58.7%	19,376,952	179,026,697	205,195,239	26,168,542	87.2%		
2035	100%	3,311,930	13,797,857	17,109,787	17,109,787	2.1%	29,605,694	57.8%	19,861,376	192,715,708	206,014,195	13,298,487	93.5%		
2036	100%	3,436,128	13,779,155	17,215,283	17,215,283	0.6%	30,715,907	56.0%	20,357,910	207,122,467	207,122,467	-	100.0%		
2037	100%	3,564,983	-	3,564,983	3,564,983	-79.3%	31,867,754	11.2%	20,866,858	207,503,927	207,503,927	-	100.0%		
2038	100%	3,698,669	-	3,698,669	3,698,669	3.8%	33,062,794	11.2%	21,388,530	207,616,385	207,616,385	-	100.0%		

Summary of Responses to Locally-Administered Pension Plan Surveys

Prepared by: Division of Municipal Finance

Date: March 27, 2012

Note: There are 24 municipalities administering 36 local pension plans. All communities responded to the survey. In instances where municipalities administer more than one plan, it was not always clear whether the response was for all plans or just for one. Furthermore, in some instances respondents gave multiple answers to the same question resulting in more responses than the number of respondents. In other instances, respondents did not answer the question. Lastly, the following overview, as compiled by the Division of Municipal Finance should be used for an overall comparison. Results by municipality are provided separately.

1) What is the date of your most recent experience study?

Fall, 2011: 1	March, 2012: 3
3/19/2012: 2	March 8, 2012: 1
July, 2008: 1	1/28/2011: 1
2/27/2012: 1	Never Done: 5
Expected 4/1/2012: 6	In process: 2
6/10/2011: 2	Not available: 1
July 1, 2011	

2) Has your municipality hired, or is in the process of hiring, an actuary to complete the experience study, which has to be submitted to the Study Commission by April 1, 2012? If yes, when do you expect to submit the experience study to the Study Commission? If no, please provide written notification to the Pension Study Commission explaining why not.

5 – will be completed by April 1, 2012 deadline
3 – yes
1 – anticipated completion is March 19, 2012
1 – in process of
1 – yes – March 27, 2012
1 – March 31st
2 – Town expects the report to be ready by April 1, 2012
3 – yes – prior to April 1
1 - we are attempting to make the April 1st deadline
2 – we will be submitting the experience study by April 1, 2012
1 – in progress to be completed by April 1, 2012
1 - will need additional time to complete the actual study (Warwick Public Schools)
1 – actuary said they will not be able to meet the April 1 deadline (West Warwick)
1- we believe information provided by Buck Consultants and Sherman Actuarial Services satisfy the Pension Study Commission’s requirements (Central Falls)
1 – Yes, Hopefully by April 1st
1 – Actuaries are working to have it completed by 4/1/12. It will be submitted at time of receipt

3) What is the date of your most recent actuarial valuation(s)?

6/30/2011: 16 10/31/2010: 1 1/1/2011: 1 3/31/2011: 1 7/1/2010: 2
 6/30/2010: 3 6/30/2009: 1 1/2012: 1 7/1/2012 (To be finalized shortly)

4) How often do you have an actuarial valuation completed? Have you been in compliance with GASB standards on frequency of valuations?

Of the 24 cities and towns which responded to our survey on Local Pension Plans, a total of 18 (75%) responded that they have an actuarial valuation completed annually. The remaining 6 (25%) cities and town have the valuation completed every 2 years.

5) Has your municipality hired, or is in the process of hiring, an actuary to complete the valuation, which has to be submitted to the Study Commission by April 1, 2012? If yes, when do you expect to submit the valuation to the Study Commission? If no, please provide written notification to the Pension Study Commission explaining why not.

Of the 24 communities, 22 responded they either have or will send the valuation to the Study Commission by April 1, one community responded the valuation is current, and one community responded it is in process.

Yes – 4/1/2012: 19 Yes – no date: 1 Already submitted: 1
 Completed and already submitted: 2 In process: 1
 Our valuation is current: 1 Sent to DMF: 2

6) If applicable, which actuarial firm has your municipality hired?

Angel Pension: 3 Fallon Pension Actuaries: 1 Nyhart: 3 McCloud &
 Buck Consultants: 5 Gabriel, Roeder & Smith: 3 Segal: 1 Nichols: 1
 Buck Consultants & Hooker & Holcombe: 1 Stone: 1 NA: 1
 Sherman Actuarial: 1 Milliman: 4 USI Advisor: 2

7) How was the governance structure established? (Please note: Multiple answers were given to this question.)

	Benefit Administration	Investment Assets
a) Ordinance	19	9
b) Contract	11	4
c) Arbitration Decision	2	2
d) Past Practice	3	2
e) Plan Document	2	2
f) Ordinance & Contract	2	-
g) City Charter	2	2
h) Council Resolution	1	1
i) Other: To Be Determined	1	1
j) Other: Trust		1

8) How were plan benefit provisions enacted? (Please Note: Multiple answers were given to this question.)

- a) Ordinance 14
- b) Contract 20
- c) Arbitration Decision 6
- d) Past Practice 1
- e) Resolution 1
- f) Plan Document 1
- g) Other: To be determined 1

9) Where are your plan documents as they relate to benefit structure located (e.g., city/town website, employee manual, with plan administrator)? (Please Note: Multiple answers were given to this question.)

- Plan Administrator: 11
- Finance Department: 8
- Town Mgr/Administrator: 2
- Pension Board: 1
- Town/City Clerk: 4
- Legal Department: 1
- Town Council Pres.: 1
- Personnel Office: 1
- Website: 4
- Town Ordinance: 1
- Police/Fire Contracts: 1

10) Who has fiduciary responsibility over decisions? (Please Note: Multiple answers were given to this question.)

a) Investments

- Pension Board: 1
- (along with town treasurer)
- Pension Board/Comm.: 10
- Investment Committee: 3
- Washington Trust: 1
- Budget Committee: 1
- Plan Administrator: 1
- Investment Counsel: 1
- Finance Director: 3
- Town Council: 1
- City Treasurer: 1
- Inv. Board and City Council: 1
- Town Manager: 1

b) Benefit administration

- Town Treasurer: 1
- Pension Board/Comm.: 8
- Finance Director/Dept: 7
- Washington Trust: 1
- Budget Committee: 1
- Town Administration: 3
- Personnel Office: 2
- Town Council: 2
- Treasurer's Office: 2
- Citizens Bank: 1
- Town Manager: 1

11) Please identify who is responsible for day-to-day local administration of the plan. (Please Note: Multiple answers were given to this question.)

a. Investments

- Wells Fargo: 1
- Pension Board & Investment Advisor: 8
- Janney, Montgomery & Scott: 1
- Washington Trust: 2
- Wainwright Investment Counsel: 2
- Pension Committee: 2
- Investment Advisor/Finance Director: 3

Finance Director: 5
Investment Manager: 1

School Admin. & Union Designees: 1
To Be Determined: 1

b. Benefit administration

Town/City Treasurer: 2
Citizens Bank: 2
Finance Department: 5
Accounting Supervisor: 1
Finance Director: 3
Budget Committee: 1

Human Resources Director: 6
Pension Committee: 2
Finance Dept. & HR Mgr: 1
Pension Board & Dir. of Finance: 1
Pension Admin. & Retirement Office: 1

Pension Board &
Town Admin.: 1
To Be Determined: 1

12) How often does your Governance Board receive updates on status and performance of plan investments?

Quarterly: 17
Monthly: 9
To Be Determined: 1

13) If you have a retirement board and/or an investment committee, what type of fiduciary training are you providing to your retirement board and/or investment committee? If fiduciary training were available, would you like to attend?

- 16 - indicated no training provided, but would attend if available.
- 1 - indicated minimal training was provided.
- 1 - indicated no training provided, but is working with RI League of Cities & Towns to implement training.
- 1 - indicated their board of seasoned executives with finance experience are provided with information from Washington Trust.
- 1 – indicated board members are experienced investment or banking professionals
- 1 – indicated board members receive training via meetings with actuaries and investment manager.
- 1 – indicated training provided by Investment Counselor.
- 1 – indicated they didn't know due to the experience of the members of the city's Trust and Investment Commission.
- 1 – The city has retained an outside consultant and plans to provide training to the retirement board and investment committee prior to June 2012.

14) Please identify who is the custodian of the plan's funds and list any investment consultants or investment managers retained by the local plan.

2 – Wells Fargo
1 – Central Falls/John Hancock
1 – Merrill Lynch
2 – Janney Montgomery & Scott
1 – Schwab

3 – Washington Trust
2 – Bank of America
1 – TD Bank
2 – John Hancock
1 – USI Advisors

2 – USB Financial Serv.
3 - Citizens Bank
1 – JP Morgan
3 – State Street Bank.

15) Did your municipality conduct a pension asset/liability study? If so, when?

- 14 indicated “No”
- 1 indicated Buck Consultants & Sherman Actuarial Services satisfied this requirement.
- 1 indicated “Yes” on 6/30/2011
- 1 indicated “Not recently”
- 1 indicated that “if you mean an Actuarial Study, then July 1, 2011”
- 1 indicated “Evaluated as part of the annual valuation”
- 1 indicated “not a separate pension asset/liability study, only what is included in the yearly actuarial report”
- 1 indicated “Yes” (Nyhart study in process)
- 1 indicated “Yes, it was conducted as of June 30, 2011”
- 2 indicated “Yes, 2010”
- 1 indicated “Yes an actuarial valuation is done every 2 years with the most recent report dated 7/1/2011”
- 1 indicated “Annually, the last being July 1, 2011
- 1 indicated “Yes this year”

LOCALLY-ADMINISTERED PENSION PLAN SURVEY (Questions 1 - 7)

Prepared by: Division of Municipal Finance

Date: March 27, 2012

Municipality	Date of Experience Study (1)	Actuary Hired to Complete the Experience Study? (2)	Date of Actuarial Valuation(s) (3)	How often are Actuarial Valuations Completed? In Compliance with GASB Standards? (4)	Actuary Hired to Complete the Valuation? (5)	Actuarial Firm (6)	Governance Structure Established by: (7)
Bristol	We have not had one that I am aware of	We have engaged our actuaries, Milliman to complete the Experience Study for us. They have confirmed that it will be complete by the 04/01/12 deadline.	07/01/11 for fiscal year ending 06/30/13	Annually, Yes	Our valuation is current	N/A	Ordinance: Benefit Administration and Investment Assets
Central Falls	Fall, 2011	Buck Consultants and Sherman Actuarial Services	12/31/11	Every two years, Yes	Buck Consultants and Sherman Actuarial Services	Buck Consultants and Sherman Actuarial Services	To be determined
Coventry	04/01/12 (None Done Before)	Yes	6/30/2011	Every 2 years, Yes	Yes, 04/01/12	Milliman	Plan Document: Benefit Administration and Investment Assets
Cranston	Anticipated completion 03/19/12	Yes, hired Buck Consulting - anticipated completion 03/19/12	7/1/2011	Annually, Yes	Yes, 04/01/12	Buck Consultants	Ordinance and City Charter: Benefit Administration and Investment Assets; Contract: Benefit Administration

Municipality	Date of Experience Study (1)	Actuary Hired to Complete the Experience Study? (2)	Date of Actuarial Valuation(s) (3)	How often are Actuarial Valuations Completed? In Compliance with GASB Standards? (4)	Actuary Hired to Complete the Valuation? (5)	Actuarial Firm (6)	Governance Structure Established by: (7)
Cumberland	July 2008	In process of	July 2010 - for FY ending June 30, 2012	Yearly, Yes	In process of	Milliman Actuary	Ordinance: Benefit Administration and Investment Assets (pension board investment policy)
East Providence	2/27/2012	Yes, March 27, 2012	10/31/10; as of 10/31/11 to be completed by 04/01/12	Annually, Yes	Yes, 04/01/12	Fallon Pension Actuaries	Ordinance and Contract: Benefit Administration; Policy adopted summer 2012: Investment Assets
Jamestown	6/30/2011 - The town had an actuarial valuation completed. An experience study is being completed for April 1st.	Yes, March 31st	06/30/11	Yearly, Yes	Yes, Actuarial has already been submitted	Angell Pension Group	Ordinance, Contract and Resolution: Benefit Administration and Investment Assets
Johnston	April 1, 2012 will be the first exp. study that I am aware of for the local police and fire pension plans.	Segal - the town expects the report to be ready by April 1, 2012	07/01/09 for local police and fire plans. The 07/01/11 report for both plans should be ready by April 1, 2012	In the past, every two years. Recent enacted legislation will result in the valuation for the police & fire to begin annually. Every two yrs was in compliance with GASB standards.	Yes, submission will be made by April 1, 2012	Segal	Ordinance & Contract: Benefit Administration & Investment Assets; Arbitration Decision: Benefit Administration

Municipality	Date of Experience Study	Actuary Hired to Complete the Experience Study?	Date of Actuarial Valuation(s)	How often are Actuarial Valuations Completed? In Compliance with GASB Standards?	Actuary Hired to Complete the Valuation?	Actuarial Firm	Governance Structure Established by:
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Lincoln	N/A ... yet	Yes, Prior to April 1st	January 1, 2011	Annually, Yes	Yes, Prior to April 1st	Nyhart	Ordinance: Benefit Administration & Investment Assets
Little Compton	6/10/2011	Yes, the study in June 2011 examined the impact of proposed plan changes with respect to experience to date. We will submit it by April 1, 2012.	12/08/11 as of 07/01/11	Annually, Yes in compliance with GASB standards	Yes, will submit report by April 1, 2012	The Angell Pension Group, Inc.	Ordinance: Benefit Administration & Investment Assets
Middletown	In process - to be completed by April 1, 2012	Yes, Buck Consultants - Prior to April 1st	07/01/11 - 06/30/12 (report issued 1/2012)	Annually, Yes in compliance with GASB standards	Yes, will submit report by April 1, 2012	Buck Consultants	Ordinance and Contract: Benefit Administration; Council approved Trust/Investment Policy: Investment Assets
Narragansett	In process of preparing an experience study	Nyhart - the town anticipates meeting the 04/01/12 deadline.	07/01/11 - the town also has a management summary of the 07/01/11 Actuarial Valuation dated 12/13/11.	The town did not have studies performed for 2007 and 2009. Studies were prepared for 2010 and 2011. Yes	The Actuarial Valuation reports were forwarded to the State Dept. of Finance and Auditor General's Office on 02/23/11. (Please see survey for additional info.)	Nyhart	Ordinance: Benefit Administration and Investment Assets

Municipality	Date of Experience Study (1)	Actuary Hired to Complete the Experience Study? (2)	Date of Actuarial Valuation(s) (3)	How often are Actuarial Valuations Completed? In Compliance with GASB Standards? (4)	Actuary Hired to Complete the Valuation? (5)	Actuarial Firm (6)	Governance Structure Established by: (7)
Newport	In process now	City awarded new contract last week. We are attempting to make April 1 deadline.	07/01/11	Annually	New actuarial contract awarded, but July 2011 valuation will be submitted	Buck Consultants performed the July 1, 2011 valuations and the Hay Group will perform the experience study and the July 1, 2012 valuations	Everything is established in state law, city ordinance/charter and employee contracts
North Providence	Know of none	Yes, hopefully by April 1	07/01/10	Every couple of years	Yes, will be part of experience study	Milliman	Past Practice: Benefit Administration; Trust: Investment Assets
Pawtucket	We have not had one in the last 15 years and cannot find one on record	Yes, we will be submitting the experience study by April 1, 2012	07/01/10 received on 12/15/11	Yearly	We have submitted our most current valuation as of 7/1/10 and was told it was acceptable	Stone Consulting, Inc.	Ordinance: Investment Assets; Other: Benefit Administration (Benefit Administration is performed by Personnel Dept) (Pension Bd oversees investment policy, hire and fire money managers to manage segments of diversified portfolios.)
Portsmouth	Being developed for 04/01/12	Yes, by 04/01/12	07/01/11	Annually, Yes	No, have already submitted 07/01/11 valuation to DMF. Using 07/01/11 valuation.	Milliman	Past Practice: Benefit Administration and Investment Assets
Providence	Study is in progress to be completed by April 1, 2012	Yes, by 04/01/12	January 2012 for FY 2011	Annually, Yes	Yes, Buck Consultants, submitting by April 1st	Buck Consultants	Ordinance: Benefit Administration and Investment Assets; Contract and Arbitration Decision: Benefit Administration

Municipality	Date of Experience Study (1)	Actuary Hired to Complete the Experience Study? (2)	Date of Actuarial Valuation(s) (3)	How often are Actuarial Valuations Completed? In Compliance with GASB Standards? (4)	Actuary Hired to Complete the Valuation? (5)	Actuarial Firm (6)	Governance Structure Established by: (7)
Scituate	Will be completed by 3/2012	Yes	3/31/2011	Bi-Annually, Yes	Yes, Angell Pension	Angell Pension	Contract
Smithfield	March 2012	Yes, by 04/01/12	September 2011 for FYE 06/30/11	Annually, Yes	Yes, submitting by April 1st	Buck Consultants	Contract: Benefit Administration and Investment Assets
Tiverton	March 8, 2012	Yes, by 04/01/12	07/01/11	Annually, Yes	Yes, April 1, 2012	Compensation Planning and McCloud & Nichols	Adopted Plan Document
Warwick - Municipal Employees	06/15/11	Yes	07/01/10	Every two years (even numbered)	Yes	Gabriel, Roeder & Smith	Benefit Administration and Investment Assets by Ordinance
Warwick - Police I, II and Fire I	The City is reviewing an experience study dated March 9, 2012	The experience study will be submitted to the Study Commission by April 1, 2012	The City has draft actuarial valuations as of July 1, 2012. These plans should be finalized shortly.	Every two years, Yes	City of Warwick's four plans will be submitted to the Study Commission by April 1, 2012.	Gabriel, Roeder, Smith & Company	Ordinance: Benefit Administration and Investment Assets
Warwick - Fire II	March 9, 2012	Yes, by 04/01/12	07/01/11	Every two years	Yes, by April 12, 2012	Gabriel, Roeder, Smith & Company	Ordinance: Benefit Administration and Investment Assets
Warwick Public Schools	Not Available	We are reviewing proposal of a consultant and will need additional time to complete actual study	7/1/2011	Annually, Yes	Completed and already submitted	USI Advisor, Inc. of Glastonbury, CT	Contract: Benefit Administration and Investment Assets

Municipality	Date of Experience Study (1)	Actuary Hired to Complete the Experience Study? (2)	Date of Actuarial Valuation(s) (3)	How often are Actuarial Valuations Completed? In Compliance with GASB Standards? (4)	Actuary Hired to Complete the Valuation? (5)	Actuarial Firm (6)	Governance Structure Established by: (7)
West Warwick	Never	Yes, Mid April	07/01/10	Annually	Yes, April 1, 2012	Nyhart	Ordinance: Benefit Administration
Westerly	11/28/11 for valuation report as of 07/01/11	Yes	11/28/11 for 07/01/11	Annually	April 1, 2012	Hooker & Holcombe	Past Practice: Benefit Administration and Investment Assets
Woonsocket	The city will complete its first experience study by 4/1/12.	Yes, USI Actuaries of Glastonbury, CT are working to have it completed by 4/1/12. It will be submitted at the time of receipt.	7/1/2011	Annually, Yes	Yes, completed and submitted	USI Actuaries	Ordinance: Benefit Administration and Investment Assets

LOCALLY-ADMINISTERED PENSION PLAN SURVEY (Questions 8 - 15)

Prepared by: Division of Municipal Finance

Date: March 27, 2012

Municipality	Plan Benefit Provisions Enacted (8)	Plan Documents Located (9)	Fiduciary Responsibility for Investments & Benefit Administration: (10)	Day-to-Day Investments & Benefit Administration: (11)	Updates on Investments (12)	Fiduciary Training (13)	Custodian of Plan's Funds (14)	Pension Asset/Liability Study (15)
Bristol	Ordinance	In chapter 21 of the Town Code, all other documents located in the Finance Department	a) Investments: Police Pension Board along with the Town Treasurer; b) Benefit Administration: Treasurer along with assistance when needed from the actuaries, pension checks disbursed by Paychex Advantage.	a) Investments: Wells Fargo Advisors, Gerald Massa & Gerald Goldberg along with Treasurer (in compliance with the Investment Policy Statement); b) Benefit Administration: Treasurer	Quarterly	No training is provided. If training were available, would encourage our Board to attend.	Wells Fargo, See investment advisors	No
Central Falls	To be determined	Plan Administrator	To be determined	To be determined	To be determined	Yes	City of Central Falls/John Hancock/To be determined	Buck Consultants and Sherman Actuarial Services
Coventry	Council Vote	Town Manager and Office	a) Investments and b) Benefits Administration: Pension Board	a) Investments: Pension Board and Merrill Lynch; b) Benefit Administration: Citizens Bank	Monthly via mail and quarterly meetings	No training is provided. If training were available, would attend.	Merrill Lynch	No

Municipality	Plan Benefits Provisions Enacted (8)	Plan Documents Located (9)	Fiduciary Responsibility for Investments & Benefit Administration: (10)	Day-to-Day Investments & Benefit Administration: (11)	Updates on Investments (12)	Fiduciary Training (13)	Custodian of Plan's Funds (14)	Pension Asset/Liability Study (15)
Cranston	Ordinance, Contract, Arbitration Decision (possible), Past Practice (possible)	City Clerk's Office	a) Investments: Investment Committee; b) Benefits Administration: Finance Dept. oversees administration of the plan, however, the City Council approves retirement applications	a) Investments: Janney Montgomery and Scott; b) Benefit Administration: Finance Department	Monthly - investment commission meets quarterly	None. The City is currently working with the RI League of Cities and Towns to implement a fiduciary training program.	Janney Montgomery and Scott	No
Cumberland	Ordinance	Plan Administrator	a) Investments and b) Benefit Administration: Washington Trust	a) Investments: Stephen Woerner, Finance Director; b) Benefit Administration: Kathleen Taraiian, Accting Supervisor	Quarterly investment meetings with Washington Trust Co. - Pension Bd.	Our Board is comprised of seasoned executives with vast finance experience - Washington Trust Chief Investment Officer & investment personnel on a quarterly basis provide financial knowledge	Washington Trust Co. - maintain chief investment officer - investment manager & pension administrator - Mary McGoldnik, CIO; Jeffrey Liguori, Investment Mgr.; R. Makowski, Pension Plan Admin.	No
East Providence	Ordinance, Contract	Finance and Legal Departments	a) Investments: E.P. Pension Board; b) Benefit Administration: Finance Director	a) Investments: Investment Manager; b) Benefit Administration: Finance Director	Quarterly or as needed	No training, yes would attend	Bank of America; Wainright	No

Municipality	Plan Benefits Enacted (8)	Plan Documents Located (9)	Fiduciary Responsibility for Investments & Benefit Administration: (10)	Day-to-Day Investments & Benefit Administration: (11)	Updates on Investments (12)	Fiduciary Training (13)	Custodian of Plan's Funds (14)	Pension Asset/Liability Study (15)
Jamestown	Ordinance, Contract and Resolution/Plan Document	Plan Administrator and employees are given copies	a) Investments: Plan Administrator/Town Administration; b) Benefit Administration: Town Administration	a) Investments: Washington Trust/Bank America/Plan Administrator; b) Benefit Administration: Town Finance Director	Quarterly	Yes, I would attend training if available	Washington Trust/Bank America	Yes, 6/30/11
Johnston	Ordinance, Contract, Arbitration Decision	On file with Town Clerk and Finance Director	a) Investments: Wainwright Investment Counsel; b) Benefit Administration: Johnston Retirement Board	a) Investments: Wainwright Investment Counsel - coordination w/Master Custodian-TD Bank; b) Benefit Adm.: Payroll Office-Controller & Finance Director	Monthly	No training at this point, board members would be receptive to training	TD Bank is the Master Custodian. Investment Consultant is Wainwright Investment Counsel List and detail of money managers can be obtained on a go forward basis - the Johnston Retirement Board is in the beginning stages of RFP and selection of money managers	No
Lincoln	Contract	Plan Administrator	a) Investments: Finance Director; b) Benefit Administration: Finance Director	a) Investments: Finance Director; b) Benefit Administration: Human Resources Director	Quarterly	No training provided - Yes, would attend training	John Hancock & UBS	No
Little Compton	Ordinance	Town Ordinance Manual/Office of the Town Council President	a) Investments and b) Benefit Administration: Pension Committee	a) Investments and b) Benefit Administration: Pension Committee Chairman	Monthly	No training, yes would attend if available	USB Financial Services via Wilmington Trust Fiduciary Services Company	No

Municipality	Plan Benefit Provisions Enacted (8)	Plan Documents Located (9)	Fiduciary Responsibility for Investments & Benefit Administration: (10)	Day-to-Day Investments & Benefit Administration: (11)	Updates on Investments (12)	Fiduciary Training (13)	Custodian of Plan's Funds (14)	Pension Asset/Liability Study (15)
Middletown	Contract	Finance Office/Plan Administrator	a) Investments: (Pension Board/Finance Director/Town Council) Trustee; Benefits Administration: (Finance Director/Town Council) Town	a) Investments: Investment Advisor/Finance Director; b) Benefit Administration: Finance Director/HR Manager	Quarterly Investment Meetings	Yes, board members receive training via meetings with actuaries/investment manager	Trustee - Citizens Bank, PSolve - Investment Manager	Not recently - unknown as to when
Narragansett	Ordinance, Contract and Arbitration Decision	Town web site, Director of Finance's office, Town Clerk's Office	a) Investments: Pension Board; b) Benefit Administration: Pension Board and Director of Finance	a) Investments: Pension Board and Investment Counselor; b) Benefit administration: Pension Board and Director of Finance	Monthly	Training as much as provided by Investment Counselor. I would have to ask Pension Board members.	Investment Consultant, Janney Montgomery Scott, Money Managers, Clearbridge Advisors, Anchor Capital Advisors, Washington Trust, Global Currents Asset Management, Mutual Funds, Southernsun Asset Management, Columbia Management, Parker Hunter Asset Management, PHAM/DAS, F Squared, Pimco, Putnam, Oppenheimer, IVY, American Funds, Hartford	-

Municipality	Plan Provisions Enacted (8)	Plan Documents Located (9)	Fiduciary Responsibility for Investments & Benefit Administration: (10)	Day-to-Day Investments & Benefit Administration: (11)	Updates on Investments (12)	Fiduciary Training (13)	Custodian of Plan's Funds (14)	Pension Asset/Liability Study (15)
Newport	Ordinance, Contract and Arbitration Decision	In ordinance, state law and labor contracts	a) Investments: Trust and Investment Commission; b) Benefit Administration: Finance Department	a) Investments: administration is done by Finance Department as directed by Trust and Investment Commissions; b) Benefit Administration: Finance Department, but retiree payments done by JP Morgan.	Monthly	Unsure	Custodian is JP Morgan; Funds are invested with: Vanguard LCG, Wells Fargo LCV, Lee Munder Midcap, Vanguard Midcap Index, Pler Capital SCG, Aberdeen, Earnest Partners, IRM Core Bond, Loomis Core Plus, Loomis Sayles Inv't Grade Fx, UBS Trumbull Real Estate, Hancock Timberland	Evaluated as part of the annual valuation.
North Providence	Contract	Finance office	a) Investments: Budget Committee; b) Benefit Administration: Budget Committee	a) Investments: Finance Director; b) Benefit Administration: Budget Committee	Quarterly	Minimal training provided	Wells Fargo	This year
Pawtucket	Contract	Benefit structure of plan is within police & fire contracts. There is no employee manual that depicts the plan on its administration	a) Investments: Pension Board; b) Benefit Administration: Mayor & Personnel Dept. and Finance Director	a) Investments: Pension Board is responsible with Finance Director acting as administrator; b) Benefit Administration: Personnel Dept. with approval of Finance Director & Mayor	Monthly	The Pension Board is Guided by Morgan Stanley Smith Barney. We currently do not offer any training to the Board.	Custodian: State Street Bank; Investment Manager assigned to the plan from Morgan Stanley Smith Barney of Providence, RI is Jeffery Martin.	The City has not conducted a separate pension asset/liability study, only what is included in the yearly actuarial report.
Portsmouth	Contract	Plan Administrator	a) Investments: Ultimately, Town Council; b) Benefit Administration: Town Council	a) Investments: Investment Advisor, Symmetry Partners; b) Benefit administration: Personnel Director	Quarterly	No training provided; if training were available - yes would attend.	Schwab is the custodian. The investment consultant is Symmetry Partners.	Yes, Nyhart study in process

Municipality	Plan Benefit Provisions Enacted (8)	Plan Documents Located (9)	Fiduciary Responsibility for Investments & Benefit Administration: (10)	Day-to-Day Investments & Benefit Administration: (11)	Updates on Investments (12)	Fiduciary Training (13)	Custodian of Plan's Funds (14)	Pension Asset/Liability Study (15)
Providence	Ordinance, Contract and Arbitration Decision	Plan Administrator and in employee manual	a) Investments: City of Providence Board of Investment Commissioners; b) Benefit Administration: City of Providence Retirement Board	a) Investments: State Street Global Services and Wainwright Investment Counsel, LLC; b) Benefit Administration: Pension Administrator and Retirement Office	Monthly	The city has retained an outside consultant and plans to provide training to the retirement board and investment committee prior to June 2012	State Street Global Services and Wainwright Investment Counsel, LLC	No
Scituate	Contract	Treasurer's Office & Town Hall	a) Investments and b) Benefit Administration: Police Pension Committee	a) Investments: UBS/Wilmington Trust; b) Benefit Administration: Treasurer's Office/UBS	Monthly Statements, financial advisors are available quarterly	If training were available - yes would attend.	UBS/Wilmington Trust	No
Smithfield	Contract	Finance Director	a) Investments: Pension Committee, then final action by Town Council; b) Benefit Administration: Town Council	a) Investments: John Hancock Life Insurance Company; b) Benefit Administration: Finance Director	Quarterly	None, yes we would like to attend	John Hancock Life Insurance Company, Boston, Massachusetts	No
Tiverton	Contract	Town Administrator and Town Clerk	a) Investments and Benefit Administration: The Pension Board of Trustees	a) Investments: Bank of America; b) Benefit Administration: The Pension Board of Trustees and the Town Administrator	The Pension Board of Trustees meets quarterly	Currently there is no fiduciary training, however, if offered, we would like to attend	Bank of America	Yes, it was conducted as of June 30, 2011

Municipality	Plan Benefit Provisions Enacted (8)	Plan Documents Located (9)	Fiduciary Responsibility for Investments & Benefit Administration: (10)	Day-to-Day Investments & Benefit Administration: (11)	Updates on Investments (12)	Fiduciary Training (13)	Custodian of Plan's Funds (14)	Pension Asset/Liability Study (15)
Warwick - Municipal Employees	Plan provisions are enacted by Ordinance	Pension manual distributed to employees/retirees and collective bargaining agreements which can be found on the City's website	a) Investments: Retirement Board; b) Benefit Administration: Retirement Board and Personnel Director	a) Investments: Financial Advisor to the Board (Fiduciary Investment Advisors); b) Benefit Administration: Personnel Department	Quarterly	No formal training - if made available members could attend voluntarily	State Street Bank - Fiduciary Investment Advisors	Yes - 2010
Warwick - Police I, II and Fire I	Ordinance, Contract, Arbitration Decision	City web-site for ordinances and contracts, and with plan administrator	a) Investments: Finance Director with advice from the City's Investment Advisor; b) Benefit Administration: City's Treasurer's Office	a) Investments: Finance Director with advice from the City's Investment Advisor; b) Benefit Administration: City's Treasurer's Office	Quarterly	If fiduciary training were available, would make every effort to attend.	State Street Bank serves as the plans custodian and Fiduciary Investment Advisors, LLC serves as the plans Investment Advisor	Yes, every two years - most recent report dated 07/01/11
Warwick - Fire II	Ordinance	City web-site, as well as with the Plan Administrator	a) Investment: City Treasurer with advice from the Financial Advisor; b) Benefit Administration: City Treasurer's Office	a) Investment: City Treasurer with advice from the Financial Advisor; b) Benefit Administration: City Treasurer's Office	Quarterly	Additional fiduciary training would be welcomed	State Street Bank serves as the plan's custodian and Fiduciary Investment Advisors, LLC serves as the plan's investment advisor	Yes, every two years - most recent report dated 07/01/11
Warwick Public Schools	Contract	Employee contract and with plan administrator	Warwick School Committee and City of Warwick are legally obligated	a) Investments: Joint administration by members of the School Dept. Administration and union designees; b) Benefit Administration: Human Resources office of Warwick Public Schools	Quarterly	None at this time, reliance on outside consultants. Yes, members would be interested in attending training.	USI Advisors, Inc. of Glastonbury, CT	Annually, the last being July 1, 2011

Municipality	Plan Provisions Enacted (8)	Plan Documents Located (9)	Fiduciary Responsibility for Investments & Benefit Administration: (10)	Day-to-Day Investments & Benefit Administration: (11)	Updates on Investments (12)	Fiduciary Training (13)	Custodian of Plan's Funds (14)	Pension Asset/Liability Study (15)
West Warwick	Originally they were done by ordinance, since then, they have been incorporated into the union contracts	Pension Board	Pension Board	Pension Board	Quarterly	None, Yes would attend training	Citizens Bank is the custodian, Morgan Stanley is the investment advisor	No
Westerly	Contract	Personnel Office	Town Manager	a) Investments: Washington Trust; b) Benefit Administration: Personnel	Quarterly	N/A	Washington Trust	No
Woonsocket	Contract	Plan Administrator	a) Investments: Investment Board and City Council; b) Benefit Administration: Mayoral City Administration	a) Investments: City Finance Director with assistance of P-Solve Investment Managers; b) Benefit Administration: Citizens Bank, Providence	Quarterly or more frequent, if needed	Yes. Our board members are experienced investment or banking professionals such as former State General Treasurer Roger Bergin, our Board Chairperson.	Citizens Bank is the custodian. P-Solve Investment Managers provide oversight for SSGA, Hartford, Robeco Boston Partners, Vanguard and Pimco.	No

**Funding Improvement Plan Update
Summary of Responses as of December 18, 2014**

Municipality:	2013			2014			2015					
	Valuation	ARC based on Valuation	Actual Contribution	ARC based on FIP	Valuation	ARC based on Valuation	Actual Contribution	ARC based on FIP or revised FIP	Valuation	ARC based on Valuation	Budgeted Contribution	ARC based on FIP or revised FIP
Bristol Police	7/1/2012	899,460	899,474		7/1/2013	1,288,194	1,288,194	1,288,194	7/1/2013	1,341,343	1,341,343	1,341,343
Coventry Municipal	7/1/2012	1,068,188	773,054	1,068,188	7/1/2013	991,124	1,086,863	821,500	7/1/2013	841,584	829,251	868,700
Coventry Police	7/1/2012	4,784,708	3,260,757	4,784,700	7/1/2014	4,481,020	4,563,733	3,125,600	7/1/2014	4,495,252	4,148,058	3,289,000
Coventry School Plan	9/1/2012	2,116,574	628,708	2,181,897	9/1/2013	2,180,859	664,595	2,258,253	9/1/2013	2,200,000	700,000	2,279,203
Cranston Fire & Police	7/1/2011	25,705,110	21,994,344	19,844,725	7/1/2012	28,561,153	22,376,109	21,062,396	7/1/2012	21,062,396 ^a	22,376,110	22,353,591
Cumberland Police	7/1/2012	1,986,232	1,650,000	1,487,024	7/1/2014	1,980,631	2,064,871	1,526,656	7/1/2014	1,997,828	1,997,828	1,569,197
Johnston Fire & Police (2 plans)	7/1/2012	9,925,723	3,118,000	8,449,384	7/1/2013	12,959,095	5,281,045	8,268,937	7/1/2013	12,910,527	5,415,289	8,548,398
Narragansett Police (closed)	7/1/2012	131,117	102,200	124,954	7/1/2013	124,954	124,594	119,889	7/1/2013	129,257	126,770	119,833
Narragansett Town	7/1/2012	5,432,159	2,621,339	5,432,159	7/1/2013	5,432,159	3,237,888	3,757,097	7/1/2013	5,619,927	5,021,928	3,826,393
Newport Fire	7/1/2011	4,822,711	4,822,711	4,822,711	7/1/2012	5,990,094	5,990,094	5,992,417	7/1/2012	5,778,428 ^a	6,106,438	6,133,576
Newport Police	7/1/2011	3,461,972	3,461,972	3,461,972	7/1/2012	3,954,174	3,954,174	3,954,189	7/1/2012	3,729,898 ^a	4,070,519	4,063,254
Pawtucket Police & Fire	7/1/2013	11,391,106	11,391,106	12,026,235	7/1/2013	12,386,341	12,386,341	12,386,341	7/1/2013	12,996,379	12,996,379	12,748,280
Portsmouth Muni, Police & Fire	7/1/2012	2,782,947	2,782,947	-	7/1/2013	3,677,200	4,381,321	3,042,000	7/1/2013	4,054,721	4,054,721	3,142,000
Providence City Employees	7/1/2012	58,145,000	58,145,000	58,144,513	7/1/2013	61,614,784	62,000,000	60,206,511	7/1/2013	66,543,967	66,543,967	62,342,391
Scituate Police	4/1/2012	629,958	637,460	708,188	4/1/2013	750,855	758,709	720,076	4/1/2013	780,000 [*]	729,000	730,746
Smithfield Police	7/1/2012	2,104,565	1,648,000	2,104,565	7/1/2013	2,114,309	2,079,373	2,154,825	7/1/2013	2,117,000	2,175,566	2,175,566
Tiverton Police	7/1/2012	590,573	700,000	596,347	7/1/2013	544,334	825,000	595,347	7/1/2013	573,692	700,000	613,583
Warwick F&P I	7/1/2012	14,276,545	14,276,545	14,300,000	7/1/2013	14,811,916	15,206,485	14,800,000	7/1/2013	15,645,428	15,645,428	15,200,000
West Warwick Municipal Police & Fire	7/1/2012	9,264,065	5,301,352	5,189,625	7/1/2013	10,322,474	6,000,000	10,322,474	7/1/2013	8,061,234	7,849,940	8,061,234
Woonsocket	7/1/2012	3,618,476	1,003,151	1,000,000	7/1/2013	3,465,000	3,465,000	3,465,000	7/1/2013	3,465,000	3,800,000	3,465,000

Source: The Division of Municipal Finance, based on actuarial valuations and survey responses provided by municipalities.

*Estimated from the most recent valuation.

^a According to 7/1/2013 valuation.

Plan	Original FIP	FIP Status
Bristol Police	The original FIP calls for fully funding the ARC with shorter amortization and given the size of plan, no plan changes were indicated.	No changes were made to the original FIP. The town is continuing to fund 100% of the ARC and has indicated that there are 3 active members remaining in the plan.
Coventry Municipal	The plan was to negotiate benefit reductions (employee contribution increase and move to DC for new employees), tax increases, cost savings and increased funding, phased up to ARC.	The town plan has an increased employee contribution rate and implemented a defined contribution plan and closed defined benefit plan to new entrants. Three year wage freeze was not implemented. In addition to the percentage of ARC payments made/scheduled to be made in FY13 – FY15, the town has made supplemental payments directly towards the pension liability.
Coventry Police	The plan was to negotiate benefit reductions (employee contribution increase and move to DC for new employees), tax increases, cost savings and increased funding, phased up to ARC.	<p>The following items from the FIP were in arbitration/court: freeze longevity pay increase, change to a five year final average earnings definition, increase the contribution rate to 20%, change retirement eligibility to age 55 with 25 years of service and change benefit formula as stated in FIP option 1, eliminate COLAs for all participants including retirees, closed defined benefit plan to new entrants and implement a defined contribution plan as stated in FIP.</p> <p>The town did not receive any items in the original FIP from the arbitrator, however he did create a new retirement tier that requires officers hired after 12/31/12 to pay a higher percentage of their salary into their pension. The pension base for these officers is not as favorable as those in the prior retirement tiers. The arbitrator also increased the minimum age and years of service requirements for these officers. COLAs remain unchanged. In addition, the percentage of ARC payments made/scheduled to be made in FY2013-15, the town has made supplemental payments toward the pension liability. The Town states the original FIP has been revised and is expected to be approved by the Town Council at its January meeting.</p>
Coventry School Plan	<p>The original FIP, which was not approved by the governing body, indicated negotiations to change to a 30-year closed amortization, remove COLAs for future retirees, change benefit formula, change average earning to career average earning.</p> <p>The ownership of plan is in question.</p>	<p>The original FIP was negotiated with plan participants. The town of Coventry and school committee had maintained having no funding responsibility other than the contractually required contribution of 12.75% of covered payroll. Representatives from the interested parties started meeting in 2013 to find a resolution to the matter. After meeting for a year, no progress had been made. The town had considered filing a motion for declaratory judgment. At the request of Governor Chafee, Steve Hartford started attending meetings to help resolve the matter and move the process along.</p> <p>The Division of Municipal Finance offered the services of the state’s consulting actuary who ran various actuarial scenarios in an effort to create a FIP that would be favorable to all interested parties. Meetings were held in November and December at which the actuarial scenarios were discussed. At the December meeting, all parties agreed there were sufficient areas of agreement on responsibility for the unfunded liability in order to draft a tentative agreement to present to all bodies for their consideration.</p>
Cranston Fire & Police	The FIP called for full ARC payment and COLA elimination. It was planned to increase to 100% funding by 2014 along with a temporary or permanent COLA freeze, extend amortization, and make a one-time contribution.	At a class action fairness hearing on 12/13/13, the judge entered a final order approving a settlement between police and fire unions and retirees modifying the original FIP. The 10-year COLA freeze still applied to those who decided to opt out and continue their individual suits. Approximately 76 individuals opted out of the settlement. Under the terms of a settlement, the annual 3% compounded COLA is suspended, excluding current or future widow that do not opt out of the settlement, every other year over a ten year period beginning 7/1/2013. After the 10 year period, for years 11 and 12, the 3% compounded COLA shall be reduced to 1.5% compounding (excluding current or future widows who do not opt out of the settlement). After year 12, the COLA is fixed permanently at 3% compounded per year without any further escalation based upon any raises to active employees. There were no one-time contributions in excess of the ARC for FY 2013 and 2014. The City implemented the above changes to the original FIP that was approved by the Superior Court to resolve the class action and will continue to fund per the settlement.

Plan	Original FIP	FIP Status
Cumberland Police	The plan is to fully fund the ARC and negotiate benefit reductions. Also plan to change the definition of salary, accrual rate years of service, early retirement benefit, and move new hires to DC plan as well as increase employee contribution.	The Town of Cumberland has negotiated changes to the benefit formula. For police hired on or before 7/1/2013, benefits earned through this date are protected under the original formula of 2.75% of average pay for the 20 years plus 1% of average pay for the next 5 years. For service after 7/1/13 the benefit formula is changed to 2.5% of average pay for the first 20 years plus 1% for the next 10 years. The maximum retirement benefit is 60% of average pay. Members hired after 7/1/13 earn 2% of pay for each year of service up to 30 years with pay averaged over the member's career. Officers with at least 15 years of service as of 7/1/13 can retire prior to 7/1/14 under benefit formula prior to the changes. Employee contribution rate is 8% for employees hired on or before 7/1/13 or 11 for those hired after this date. For employees hired after 7/1/13, the retirement age is 55 with 25 years of service, pay is defined as base salary, longevity and holiday pay with early retirement eliminated.
Johnston Fire & Police (2 plans)	The FIP proposed substantial changes for actives and retirees along with increased funding of ARC subject to negotiations. Plan to increase retirement age to 55, have a new definition of salary, average salary at 10 years, 20 year frozen COLA, re- amortization at 24 years.	The Town of Johnston is following projection 6B of the FIP submitted to the Commission and approved by its governing body. As of November 2014, the Town has contributed what it refers to as the "contribution expected to be paid," not the ARC (The Town planned to fund 62% of FY 2014 ARC per the FIP). The Town finalized its fire contract in March 2014 and did not achieve FIP changes. Negotiations with police employees are almost complete and the changes outlined in the FIP in order to fully fund the ARC have also not been achieved. Based up the 7/1/13 valuation report, the Town is actually paying 42% of the ARC. The Town stated that they have made progress with the OPEB liability.
Narragansett Police (closed)	The plan is to continue current plan benefits and pay fixed \$102,200 per year until fully funded.	There is no change to the FIP which states that 60% funded level will be achieved in 20 years by 2032.
Narragansett Town	The plan is to change retirement age for police and fire to age 60 and 10 years of service or 25 years of service, other employees up to age 65 and 10 years, reduce accrual to 2%, COLA deferred until 2021 which then resumes 3% compounded. Inactive employees have temporary COLA deferral only.	Police and fire have agreed to a retirement age of 25 years of service and reducing the accrual to 2% for employees hired after 7/1/13. The COLA for police and fire is suspended until 6/30/21 and back to compounded with exceptions (police 3% COLA simple for hires after 7/1/13 and fire 3% simple for new employees hired after 7/1/13. The major changes were made in relation to the OPEB liability during the latest negotiations. The new memorandum of agreement provides that municipal employees hired on or after July 1, 2014 shall be eligible to retire upon the completion of (10) years of credited service, provided that such employee has attained the age of sixty five (65) years, or at any age after completion of twenty-five (25) year of credited service. The amount of unreduced monthly retirement benefit shall be equal to two percent (2%) of the average final compensation multiplied by the member's years of credited service, to a maximum benefit equal to seventy-five percent (75%) of the member's average final compensation. The cost-of-living adjustment for these retirees shall be suspended until 2021at which time it shall be restored at a rate of three-percent (3%) per year un-compounded. A revised and approved FIP is expected in January.
Newport Fire	Continue current funding policy and plan benefits.	There is no change to the FIP which is to continue to fund the plan in accordance with the actuarially required contribution and there are no items that are not fully implemented effective July 1, 2014.
Newport Police	Continue current funding policy and plan benefits.	There is no change to the FIP which is to continue to fund the plan in accordance with the actuarially required contribution and there are no items that are not fully implemented effective July 1, 2014.
Pawtucket Police & Fire	FIP calls for reductions in COLA, and active benefits. Exception for retirees earning <\$30,000.	There will be a 3-year COLA freeze, effective 7/1/14, except for retirees earning less than \$30K. The calculation of retirement benefit changed to 2.5% for first 20 years or 50% and 2% for the next 10 years for a total of 70%, approved in new fire contract (term 7/1/13 to 6/30/16). The contribution for actives is changed from 7.5% to 9%, in new fire contract for newly hired after 5/1/13. There is a different contribution for fire employees hired before that date. Added a termination benefit option of 2.5% to credit service with less than 20 years but more than 10 years served, changed pension salary base to a 3-year average. Police contract is still being negotiated and is expected to include similar language.

Plan	Original FIP	FIP Status
Portsmouth Muni, Police & Fire	FIP is to continue policy of funding ARC. Current employees will stay in the defined benefit plan, benefit multipliers will decrease to 1% for service after 7/1/13, COLA will be reduced to 1.7% for all future retirees and COLA will begin five years after retirement, employees will contribute 4% of pay to the defined benefit plan, employees will contribute 5% of pay and the Town will contribute an additional 1% of pay to a defined contribution plan (School Department contribution of 3% of pay for its employees), new employees will join a defined contribution plan with employees and town each contributing 8% of pay.	Town introduced pension reforms which were not included in the 7/1/13 valuation. The ARC will be 100% funded in the 7/1/14 valuation. According to the town, they use a lower rate of return, 6.75%. The Town negotiated that current employees will stay in the defined benefit plan, benefit multipliers will decrease to 1% for service after 7/1/13, COLA will be reduced to 1.7% for all future retirees and COLA will begin five years after retirement, employees will contribute 4% of pay to the defined benefit plan, employees will contribute 5% of pay and the Town will contribute an additional 1% of pay to a defined contribution plan (School Department contribution of 3% of pay for its employees), new employees will join a defined contribution plan with employees and town each contributing 8% of pay. Police are in arbitration for contribution to defined benefit move from 8% to 9%.
Providence City Employees	The plan called for pension benefit reductions provided to current active & retired plan participants, including: freeze all scheduled COLA's for next 10 years. For class A: freeze all COLA's indefinitely for all current and future retirees.	The City negotiated COLAs to be frozen for 10 years, Class A and Class B COLA's frozen as outlined in FIP, all 5% and 6% COLAs permanently eliminated, benefit based on average of the four highest years out of the last 10 years, and all employees are required to contribute for each year they receive a pension accrual.
Scituate Police	FIP calls for COLA reduction for future retirees to 2% (from 3%), lower benefit accruals, change salary to a final 5-year average, annual employee contribution would increase from 10% to 12%, increased funding.	The plan to reduce the benefit accrual, reduce the COLA from 3% to 2% and increase the employee contribution to 12% is currently in arbitration. Upon resolution of the arbitration, the town stated that they will be able to fully access the status of their FIP, and make changes which they will submit for approval, if applicable. Since the town is currently in arbitration, the FIP is contingent upon an arbitrators' decision that is yet to be rendered.
Smithfield Police	The plan calls for increased funding and budget cuts. Scenarios include increasing ARC from current 78.3% in FY 2013 to 100%.	The town responded that there are no budget cuts as referred to in original FIP to support additional contribution. The town is committed to fully funding the ARC according to its FIP and as actuarially determined per valuation reports.
Tiverton Police	Plan to increase funding. The contribution would increase to 119% of recommended contribution for no less than 8 years. Pension eligibility increased to 25 years and amortization is changed from open 25 years to closed amortization.	The town reported that it has implemented the original FIP which is to increase its funding to 119% of the recommended contribution in FY 2013. Changed to closed amortization, thus meeting the guidelines.
Warwick Fire & Police I	FIP did not recommend changes. The plan is to continue with 40 year contribution strategy until ARC is fully funded in 2035.	Continuing with 40 year contribution strategy as established by the City Council ordinance.
West Warwick Municipal Police & Fire	Increased funding, negotiated plan changes, increases in revenue, decreased in other budget line items.	On 4/1/14 the town council approved a 5-year plan which has the town planning to fund the pension ARC at 100% beginning in FY15. There has been successful negotiation with all employee unions and retirees. The actuary completed a revised FIP to reflect the negotiated concessions. The revised FIP, which was approved by the governing body on 6/3/14, indicated that the town contributed \$6 million for FY 2014, or 58%, of the recommended contribution. The plan calls for funding to increase to 100% of the ARC by FY 2016. The pension plan will emerge from critical status by FY 2033.
Woonsocket	Retirees continue to receive monthly benefits according to their elected benefit form. All future COLAs are eliminated for those currently eligible for them.	On December 23, 2014, many police and fire retirees entered into a MOA with the City that reduces annual 3% compounded COLA to 2% compounded every other year until 2023. A two percent compounded COLA will be granted for FY 2017 (effective 7/1/16); FY 2019 (effective 7/1/18); FY 2021 (7/1/20), FY 2023 (7/1/22), and then for each fiscal year thereafter until the fund reaches 80%. When the fund reaches an 80% funding level, then a 3% compounded COLA will be granted. Other non-represented retirees will be given the opportunity to sign onto agreement and have 2% COLA restored retroactively. Revised FIP will be presented to the Woonsocket Budget Commission in January for approval.

OPEB DATA

Valuation Date	Municipality	Discount Rate	Health Care Cost Trend Rate
6/30/2011	Barrington	5.0%	8% per year graded off 0.50% per year to an ultimate rate of 4.50% per year
6/30/2011	Barrington Schools	5.0%	8% per year graded off 0.50% per year to an ultimate rate of 4.50% per year
7/1/2012	Bristol	6.75%	7.1% initial rate to an ultimate rate of 4.7%
7/1/2011	Burrillville	4.00%	8% initial rate to an ultimate rate of 5%
12/31/2011	Central Falls	4.50%	8% initial graded off 0.5 per year to an ultimate rate of 4.5%
7/1/2012	Charlestown	7.50%	5.6% initial to an ultimate of 4.6%
7/1/2011	Coventry	4.00%	5.8% to an ultimate of 4.4%
7/1/2012	Cranston	7.50%	8.5% graded 0.5% per year to an ultimate of 4.5%
6/30/2011	Cranston Schools	3.50%	9.0% graded 0.5% per year to an ultimate of 4.5%
6/30/2012	Cumberland	4.00%	10% graded 0.5% per year to an ultimate of 5%
6/30/2011	East Greenwich	4.25%	8.5% per year graded off 0.50% per year to an ultimate rate of 4.5% per year.
6/30/2011	East Greenwich Schools	4.25%	8.5% per year graded off 0.50% per year to an ultimate rate of 5.00% per year.
10/31/2011	East Providence City Plan	4.50%	9% decreasing by 0.50% annually to an ultimate rate of 5.0%
10/31/2011	East Providence School Plan	4.50%	9% decreasing by 0.50% annually to an ultimate rate of 5.0%
NA	Exeter		
7/1/2009	Foster	4.00%	10% initial graded 1% annually to an ultimate rate of 5.0%
7/1/2010	Glocester	4.00%	10% initial graded 1% annually to an ultimate rate of 5.0%
NA	Hopkinton		
7/1/2011	Jamestown Town	4.00%	8% graded 0.5% per year to an ultimate rate of 4.5%
7/1/2011	Jamestown School	4.00%	8.5% per year graded off by 0.50% per year to an ultimate rate of 4.5%
6/30/2012	Johnston	3.50%	9.5% graded 0.5% per year to an ultimate of 5.0%
6/30/2013	Lincoln	7.50%	9.0% initial graded 0.5% per year to an ultimate of 5.0%
6/30/2011	Little Compton	4.00%	8% graded off 0.5% per year to an ultimate rate of 4.5%
6/30/2011	Middletown	7.50%	8% graded off 0.5% per year to an ultimate rate of 5%
6/30/2012	Narragansett	4.50%	10% initial graded 1% per year until 7%, then 0.5% per year until the ultimate rate of 5%
7/1/2012	Newport	7.50%	Ultimate Healthcare Cost Trend Rate of 3.8%
NA	New Shoreham		
7/1/2010	North Kingstown	4.00%	9% initial graded 1% per year to an ultimate rate of 5%
7/1/2012	North Providence	4.00%	7.3% initial rate with an ultimate rate of 4.7% over 70 years
7/1/2011	North Smithfield	4.00%	9% initial graded 1% the first year, 0.5% in years after to an ultimate rate of 5%
7/1/2011	Pawtucket	4.00%	8% graded off 0.5% per year to an ultimate rate of 5%
6/30/2013	Portsmouth	5.24%	9% per year graded off by 0.50% per year to an ultimate rate of 5% per year
6/30/2012	Portsmouth School	4.00%	9.5% per year graded off by 0.50% per year to an ultimate rate of 5% per year
7/1/2011	Providence	4.00%	7.5% initial graded to a 4.5% ultimate after 11 years
NA	Richmond		
3/31/2013	Scituate	4.50%	7.5% initial graded off 0.5% per year to an ultimate of 4%
6/30/2013	Smithfield	5.25%	9% initial to an ultimate of 4.5% by the year 2021
7/1/2011	South Kingstown	8.00%	5.8% initial rate to an ultimate rate of 4.4% after 49 years
7/1/2012	Tiverton	3.50%	11% initial graded 1% per year to an ultimate rate of 5.0%
6/30/2012	Warren	4.00%	10% graded 0.5% per year to an ultimate rate of 5%
7/1/2011	Warwick	4.00%	15.2% to an ultimate rate of 5.7%
7/1/2011	Warwick Schools	4.00%	5.4% to an ultimate rate of 5.7%
NA	West Greenwich		
6/30/2012	West Warwick	4.00%	9% initial graded 0.5% to an ultimate rate of 5%
7/1/2012	Westerly	7.50%	10% initial graded 1% to an ultimate of 5%
7/1/2012	Westerly Schools		Not available
7/1/2011	Woonsocket	4.00%	9% initial to an ultimate rate of 5% by 2015
7/1/2011	Woonsocket - Schools	4.00%	8% to an ultimate rate of 5%
6/30/2012	Bristol Warren School District	5.00%	10% initial grading off 0.5% per year to an ultimate rate of 5%
6/30/2012	Chariho School District	4.00%	10% initial grading off 0.5% per year to an ultimate rate of 5%
7/1/2012	Exeter West Greenwich School Dist.	4.00%	9% initial grading off 1% per year to an ultimate rate of 5% by 2016
6/30/2012	Foster Glocester School District	4.00%	8.5% initial grading off 0.5% per year to an ultimate rate of 5% by 2020

Source: R.I. Division of Municipal Finance based on most recent OPEB valuations submitted as of February 24, 2014.

OPEB - Municipal and School Plans

Municipal Plan Only	School Only Plan	Municipal & School Plan Together	School District Plan	No OPEB	Total
Barrington	Barrington Schools	Burrillville	Bristol/Warren	Exeter	
Bristol	Cranston Schools	Coventry	Charlho	Hopkinton	
Central Falls	East Greenwich Schools	Cumberland	Exter/West Greenwich	New Shorham	
Charlestown	East Providence School	Johnston	Foster/Glocester	Richmond	
Cranston	Jamestown School	Lincoln		West Greenwich	
East Greenwich	Portsmouth School	Little Compton			
East Providence	Warwick Schools	Middletown			
Foster	Westerly Schools	Narragansett			
Glocester	Woonsocket Schools	Newport			
Jamestown		North Kingstown			
Portsmouth		North Providence			
Warren		North Smithfield			
Warwick		Pawtucket			
Westerly		Providence			
Woonsocket		Scituate			
		Smithfield			
		South Kingstown			
		Tiverton			
		West Warwick			
15	9	19	4	5	52

Source: RI Division of Municipal Finance, based on most recent OPEB valuations submitted as of February 24, 2014.

OPEB Membership and UAAL

Municipal Plan Only	Membership		Total	UAAL
	Active	Retiree		
Barrington	81	16	97	\$4,774,940
Bristol	138	119	257	13,284,000
Central Falls	70	78	148	14,112,791
Charlestown	22	20	42	3,567,000
Cranston	313	595	908	63,098,440
East Greenwich	114	39	153	11,544,931
East Providence	365	184	549	76,217,756
Foster	59	12	71	780,502
Glocester	118	25	143	2,314,731
Jamestown	10	8	18	3,482,971
Portsmouth	87	43	130	12,324,207
Warren	55	7	62	3,592,138
Warwick	729	713	1,442	223,593,412
Westerly	48	40	88	10,909,168
Woonsocket	341	437	778	155,670,034
<i>Subtotal</i>	<i>2,550</i>	<i>2,336</i>	<i>4,886</i>	<i>\$599,267,021</i>
Municipal & School Plan Together				
Burrillville	303	68	371	\$2,190,597
Coventry	717	385	1,102	12,523,000
Cumberland	443	126	569	39,386,221
Johnston	664	680	1,344	186,959,399
Lincoln	356	113	469	15,498,655
Little Compton	49	11	60	2,629,923
Middletown	372	273	645	26,124,808
Narragansett	355	169	524	71,347,783
Newport	653	527	1,180	96,229,056
North Kingstown	760	164	924	36,223,703
North Providence	705	272	977	66,227,000
North Smithfield	243	32	275	6,291,808
Pawtucket	1,436	780	2,216	312,260,277
Providence	5,109	3,631	8,740	1,149,115,000
Scituate	393	54	447	3,977,363
Smithfield	460	100	560	35,141,509
South Kingstown	769	258	1,027	17,610,000
Tiverton	274	96	370	24,492,216
West Warwick	528	547	1,075	107,329,661
<i>Subtotal</i>	<i>14,589</i>	<i>8,286</i>	<i>22,875</i>	<i>\$2,211,557,979</i>
School Only Plan				
Barrington Schools	397	77	474	\$16,971,386
Cranston Schools	1,006	365	1,371	26,287,884
East Greenwich Schools	231	14	245	4,110,870
East Providence School	529	235	764	28,331,194
Jamestown School	57	25	82	6,496,005
Portsmouth School	275	86	361	7,207,872
Warwick Schools	1,380	276	1,656	37,833,649
Westerly Schools?				974,441
Woonsocket Schools	748	217	965	57,310,469
<i>Subtotal</i>	<i>4,623</i>	<i>1,295</i>	<i>5,918</i>	<i>\$185,523,770</i>
School District Plan				
Bristol/Warren	68	290	358	\$24,218,300
Chariho	394	19	413	1,472,182
Exter/West Greenwich	192	31	223	3,999,389
Foster/Glocester				3,015,744
<i>Subtotal</i>	<i>654</i>	<i>340</i>	<i>994</i>	<i>\$32,705,615</i>
TOTAL	22,416	12,257	34,673	\$3,029,054,385

No OPEB: Exeter, Hopkinton, New Shoreham, Richmond, and West Greenwich

Source: RI Division of Municipal Finance, based on most recent OPEB valuations submitted as of February 24, 2014.

A Preliminary Analysis of the Cost of Municipal Employees' and Retirees' OPEB in Rhode Island Communities

As of December 5, 2014

A review of Rhode Island cities and towns revealed that many were confronted with a significant unfunded OPEB liability. The Division of Municipal Finance (DMF) reviewed the following:

- In addition to municipal governments, how many other local plan sponsors face similar structural issues?
- What is the amount of unfunded local government OPEB liability in Rhode Island?
- What is the impact on the property tax levy?

To better understand these issues, we surveyed all 39 cities and towns, and four regional school districts. An earlier version of this report was provided to the Locally-administered Pension and OPEB Study Commission in November 2013. This current version is based on the most recent data available and utilizes the most recent actuarial valuation reports filed by these plan sponsors with DMF. OPEB and related financial data were compiled and analyzed. Please note that the data presented here are a snapshot in time, as new valuations will be submitted as they are completed. This report presents key summaries from that research.

The primary purpose of this document is to create awareness of OPEB commitments and funding pressures and to foster proactive discussion among stakeholders. The Government Accounting Standards Board (GASB) has accounting and financial reporting changes proposed for OPEB which will have a dramatic effect on governmental financial statements. We strive to promote an increase in the knowledge base and adoption of best practices.

Disclaimer: *The following information is provided as a public service and is intended for research and educational purposes only. This information is introductory and written to familiarize the reader with the issues surrounding employee benefits. Where clarification is needed, it may be useful to consult the original sources cited for each municipal plan sponsor.*

For more information

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The scope of the OPEB liability

- Of 52 local public plan sponsors in Rhode Island (including 39 cities and towns, nine separate school valuations, and four regional school districts), most were found to provide some level of OPEB based on the most recent valuations submitted to DMF.
- The total OPEB liability for Rhode Island's cities, towns and regional school districts is \$3.027 billion. This liability is funded at 1.7%, resulting in a net unfunded liability of \$3.026 billion.
- Providence has an unfunded liability of \$1.1 billion on the basis of actuarial data from July 1, 2011. This equates to 38% of the total for all local plan sponsors.
- Actuarial data lags behind fiscal year reporting. Valuation dates used for this report range from 2009 to 2014.
- The number of plan sponsors that have begun prefunding OPEB is 13, or 25%, of the 52 plan sponsors studied.

What is OPEB?

“Other postemployment benefits” (OPEB) is the term used to describe benefits offered to employees which are received after they separate from service. The accrued liability reflects the value of the benefits earned during their years of service which will be granted to them in the future. The most common benefit is healthcare for retiree and their beneficiary. Some plans also include dental, life and other insurances. Though these benefits have been offered for decades, the majority of state and local governments did not calculate the respective liability until required to do so by accounting standards beginning in 2007.

How was the data collected?

For this study, we reviewed the most recent valuation reports submitted by cities and towns. According to GASB, an actuarial valuation is required at least biennially for OPEB plans with a total membership (including employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits) of 200 or more, or at least triennially for plans with a total membership of fewer than 200. Employers with fewer than one hundred total plan have the option to apply a simplified alternative measurement method instead of obtaining actuarial valuations.

What about school districts and other types of plan sponsors?

In addition to the 39 cities and towns in Rhode Island, there are 4 separate regional school districts included in the study. At this time we have not included fire districts, water and sewer authorities and housing authorities. Please note that some municipalities have separate school valuations which are also included in this analysis.

How current are the actuarial valuations that measure the unfunded liability?

Figure 1 - OPEB valuation age

Valuation Year	2009	2010	2011	2012	2013	2014	Not required	Total
Number of Units	1	7	14	14	10	1	5	52
Percent of Units	2%	13%	27%	27%	19%	2%	10%	100%

Timeliness of the actuarial valuation is an important consideration to this analysis. As figure 1 shows, valuation dates range from 2009 to 2014. When reviewing valuation reports, it is important to keep this in mind. Since the original publication of this report in November 2013, we have received 17 new valuations. In the data verification phase of this project, it was found that some cities and towns had more recent valuation reports in draft form. The actuarial projection for assets and liabilities used the data for the year closest to the actual valuation date. Older valuations may not reflect the impact that the State's pension reform might have on the OPEB liability due to changes in the MERS and teacher retirement system eligibility provisions.

What is the trend?

The comparison in Figure 2, on the next page, illustrates that there has been some improvement in lowering the OPEB liability for Rhode Island municipalities when compared with the Auditor General's Pension & OPEB report from September 2011.

- The total accrued liability for all cities and towns has decreased by 15% to \$3.027 billion.
- In two years the town of Jamestown has seen its accrued liability more than double (110%).
- Many of the larger increases and decreases in the individual plan sponsor's liability occurred where there was a larger gap between valuations. For example:
 - Portsmouth Schools – 4 year gap, 60% increase
 - Warren – 4 year gap, 44% increase
 - Little Compton – 5 year gap, 43% increase
 - Westerly Schools – 4 year gap, 38% decrease
 - West Warwick – 5 year gap, 58% decrease
 - Johnston – 5 year gap, 13% decrease
- The growth in OPEB obligations could reflect more accurate definitions of the existing benefits and eligibility provisions, more realistic actuarial assumptions, and adoption of GASB standards which requires a lower discount rate if the OPEB obligation is not funded on an actuarial basis. Changes in the liability also could be the result of expansion or contraction of benefits.

Figure 2 - Comparison of Recent Valuation Reports Sorted by Greatest Increase in Accrued Liability from Prior Valuation

Municipality	PRIOR VALUATION ¹		MOST RECENT VALUATION		Increase/ (Decrease)	% Increase (Decrease)
	Valuation Report Date	Actuarial Accrued Liability	Valuation Report Date	Actuarial Accrued Liability		
Jamestown Town	1/1/2009	1,661,060	7/1/2011	3,482,971	1,821,911	110%
Portsmouth School	7/1/2007	4,514,458	7/1/2011	7,207,872	2,693,414	60%
Burrillville	7/1/2008	1,693,855	7/1/2012	2,510,127	816,272	48%
Warren	7/1/2007	3,018,423	7/1/2011	4,332,008	1,313,585	44%
Little Compton	7/1/2007	1,954,239	6/30/2013	2,788,371	834,132	43%
Bristol	7/1/2008	12,862,000	7/1/2014	16,495,428	3,633,428	28%
Woonsocket - Schools	7/1/2009	47,145,503	7/1/2012	59,447,193	12,301,690	26%
North Providence	7/1/2008	52,758,000	7/1/2012	66,227,000	13,469,000	26%
Cranston	7/1/2010	50,765,110	7/1/2012	63,353,593	12,588,483	25%
North Smithfield	7/1/2009	5,796,707	7/1/2013	7,141,640	1,344,933	23%
Barrington	6/30/2009	21,471,689	7/1/2010	25,488,883	4,017,194	19%
Woonsocket	7/1/2009	132,987,895	7/1/2012	157,305,211	24,317,316	18%
Westerly	7/1/2009	12,379,627	7/1/2012	14,382,821	2,003,194	16%
East Greenwich	7/1/2009	13,840,762	7/1/2010	15,655,801	1,815,039	13%
Exeter West Greenwich School D	7/1/2008	3,554,702	7/1/2012	3,999,389	444,687	13%
Charlestown	7/1/2009	4,947,000	7/1/2012	5,361,000	414,000	8%
North Kingstown	7/1/2010	34,510,724	7/1/2010	36,223,703	1,712,979	5%
South Kingstown	7/1/2009	18,700,000	7/1/2011	19,260,000	560,000	3%
Middletown	7/1/2009	32,387,961	6/30/2013	33,178,340	790,379	2%
East Providence School Plan	10/31/2009	27,709,764	11/1/2010	28,331,194	621,430	2%
Portsmouth	7/1/2008	13,026,759	7/1/2012	13,090,922	64,163	0%
Foster	7/1/2009	780,502	7/1/2009	780,502	-	0%
Narragansett	7/1/2010	72,792,463	7/1/2011	71,347,783	(1,444,680)	-2%
Coventry	7/1/2009	12,835,000	7/1/2011	12,523,000	(312,000)	-2%
Warwick	7/1/2009	229,348,977	7/1/2011	223,593,412	(5,755,565)	-3%
East Providence City Plan	10/31/2009	78,291,702	11/1/2010	76,217,756	(2,073,946)	-3%
Glocester	7/1/2008	2,199,146	7/1/2012	2,104,978	(94,168)	-4%
Newport	7/1/2009	125,947,132	7/1/2013	119,400,005	(6,547,127)	-5%
Warwick Schools	7/1/2009	41,643,649	7/1/2011	37,833,649	(3,810,000)	-9%
Foster Glocester School District	7/1/2009	3,405,892	7/1/2011	3,015,744	(390,148)	-11%
Johnston	6/30/2008	226,245,500	7/1/2013	199,586,608	(26,658,892)	-12%
Chariho School District	7/1/2009	1,715,539	7/1/2011	1,472,182	(243,357)	-14%
Scituate	3/31/2009	4,713,768	4/1/2012	3,977,363	(736,405)	-16%
Cranston Schools	7/1/2009	31,160,310	6/30/2011	26,287,884	(4,872,426)	-16%
Cumberland	7/1/2008	46,872,000	7/1/2011	39,386,221	(7,485,779)	-16%
Smithfield	7/1/2010	29,610,752	6/30/2013	24,768,046	(4,842,706)	-16%
Pawtucket	7/1/2009	378,184,421	7/1/2013	309,654,353	(68,530,068)	-18%
Providence	7/1/2009	1,498,491,000	7/1/2011	1,149,115,000	(349,376,000)	-23%
Bristol Warren School District	7/1/2009	31,379,203	7/1/2011	22,072,077	(9,307,126)	-30%
Tiverton	7/1/2009	36,172,948	7/1/2012	24,492,216	(11,680,732)	-32%
Lincoln	6/30/2010	24,880,760	7/1/2012	15,778,660	(9,102,100)	-37%
Westerly Schools	7/1/2008	1,576,533	7/1/2012	974,441	(602,092)	-38%
Jamestown School	7/1/2009	14,153,205	7/1/2011	6,496,005	(7,657,200)	-54%
West Warwick	7/1/2008	136,587,286	7/1/2013	57,953,063	(78,634,223)	-58%
Central Falls	7/1/2009	32,011,503	6/30/2013	12,000,546	(20,010,957)	-63%
Hopkinton			NA		-	
New Shorham		1,643,452	NA	1,643,452	-	
Richmond			NA		-	
West Greenwich		73,250	NA	73,250	-	
Totals		3,560,402,131		3,027,811,663	(532,590,468)	-15%

¹ based on the 2011 Pension & OPEB Report issued by the RI Auditor General. For comparison purposes 2 school district valuations were rolled into the data for the respective town (Barrington and East Greenwich).

² based on most recent OPEB valuation report received by the Division of Municipal Finance from the municipality or entity.

How many local plan sponsors prefund OPEB?

Figure 3 shows the number of plans in cohorts of funding level. The majority of local plan sponsors have not started prefunding. Plan sponsors, regardless of whether or not they have begun prefunding, have a long way to go.

- 34 out of 52 plan sponsors (or 65%) are at 0% funded
- even the most well funded plan (Charlestown) is at a level of 33.5%
- 73% are funded between 0 – 5%
- 81% are funded between 0 – 20%

Figure 3 - Number of plan sponsors at various funding levels

OPEB Fund Ratio Level	No valuation report	0%	< 1%	1% to 5%	6% to 10%	11% to 15%	16% to 20%	20% to 34%	35% or >	Total
Number of plan sponsors	5	34	1	3	1	2	1	5	0	52
Percent of Total	10%	65%	2%	6%	2%	4%	2%	10%	0%	100%

Plans with no OPEB Liability:

- Exeter
- Hopkinton
- Richmond

Plans where a valuation report was not required per GASB 45 requirements:

- New Shoreham
- West Greenwich

How does OPEB relate to municipal budgets?

Three concepts are associated with the annual budgetary cycle: annual required contribution, cost and actual contribution. First, the annual required contribution (ARC) is the employer’s required contribution, based upon an actuarial analysis, to fund the normal cost for employees (the value of one year’s accrual of the future benefit) *plus* a component for amortization of the total unfunded actuarial accrued liabilities.

$$\text{Annual Contribution Required} = \text{Normal Cost} + \text{Amortization of Unfunded Liability}$$

“**Cost**” is an accounting concept that is based on the ARC plus or minus adjustments to reflect past under- or over-contributions. The **contribution** is the actual amount paid to the benefit plan. For employers that are not prefunding the OPEB plan, the contribution will equal the amount paid for current retiree benefits.

How does the OPEB ARC relate to the municipal tax levy?

The primary source of revenue for most local governments is the property tax. The tax is levied by cities and towns on the basis of a tax rate. The levy is essentially the sum of all the tax bills in the municipality. The tax rate represents what a property taxpayer will pay per \$1000 of assessed value on their property. The tax rate is set by local officials to pay for local services through the annual budget process.

During budget deliberations, requests are sometimes viewed as a percentage of the total tax levy equivalent to determine budget priorities. In general, this table shows how much of municipalities resources would be consumed by OPEB obligations if a municipality funded 100% of the ARC.

To better understand the resources required to fully fund OPEB, see Figure 4, OPEB Annual Required Contribution as a percent of the levy. However, please note that there is currently no requirement to fully fund the OPEB ARC. For the smallest population groups, OPEB ARC is roughly equal to 1%. For the largest population group the ARC is 21% of the levy. Figure 4 also shows how the OPEB ARC as a percentage of the levy increases with the size of the population. This chart shows an apparent relationship between increased population and the ARC as a percent of levy. However, other factors, such as population density, property values per capita, larger and more specialized fire and police services per capita also could have an impact and require further scrutiny.

Figure 4 - ARC as a percentage of the levy, by population group

Population Category	Units	Annual Required Contribution (ARC)		2014 Levy	ARC as % of Levy
Less than 3,500	1	\$	-	\$ 8,723,934	0%
3,501 - 10,000	9		1,874,234	149,982,174	1%
10,001 - 20,000	11		20,256,912	404,244,815	5%
20,001 - 30,000	8		41,444,938	470,613,989	9%
30,001 - 50,000	6		41,378,945	423,408,660	10%
50,000 - 100,000	3		50,069,377	504,741,301	10%
More than 100,000	1		70,354,000	340,814,524	21%
Total	39		225,378,406	2,302,529,397	

Appendix

Appendix for Figure 1 - OPEB valuations, data sorted by valuation year, by municipality

Municipality	Valuation Report Date	Number of Units
Foster	7/1/2009	1
Barrington	7/1/2010	
Barrington Schools	7/1/2010	7
East Greenwich	7/1/2010	
East Greenwich Schools	7/1/2010	
North Kingstown	7/1/2010	
East Providence City Plan	11/1/2010	
East Providence School Plan	11/1/2010	
Cranston Schools	6/30/2011	
Chariho School District	7/1/2011	14
Coventry	7/1/2011	
Cumberland	7/1/2011	
Foster Gloucester School District	7/1/2011	
Jamestown School	7/1/2011	
Jamestown Town	7/1/2011	
Narragansett	7/1/2011	
Portsmouth School	7/1/2011	
Providence	7/1/2011	
South Kingstown	7/1/2011	
Warren	7/1/2011	
Warwick	7/1/2011	
Warwick Schools	7/1/2011	
Scituate	4/1/2012	
Burrillville	7/1/2012	
Charlestown	7/1/2012	
Cranston	7/1/2012	
Exeter West Greenwich School District ⁷	7/1/2012	
Gloicester ^{2,6}	7/1/2012	
Lincoln ¹	7/1/2012	
North Providence	7/1/2012	
Portsmouth	7/1/2012	
Tiverton	7/1/2012	
Westerly ⁷	7/1/2012	
Westerly Schools ⁷	7/1/2012	
Woonsocket	7/1/2012	
Woonsocket - Schools	7/1/2012	
Central Falls	6/30/2013	10
Little Compton	6/30/2013	
Middletown	6/30/2013	
Smithfield	6/30/2013	
Bristol Warren School District	7/1/2013	
Johnston	7/1/2013	
Newport	7/1/2013	
North Smithfield	7/1/2013	
Pawtucket	7/1/2013	1
West Warwick	7/1/2013	
Bristol	7/1/2014	5
Exeter		
Hopkinton		
New Shorham		
Richmond		
West Greenwich		
Total units	52	

Appendix for Figure 3 - Data sorted by funded percentage

Municipality	Total Liability	UAAL	Funded Percentage	# of Plan Sponsors
Charlestown	5,361,000	3,567,000	33.5%	5
Bristol	16,495,428	11,979,428	27.4%	
Newport	119,400,005	90,372,187	24.3%	
Westerly	14,382,821	10,909,168	24.2%	
Barrington	5,992,513	4,774,940	20.3%	
Warren	4,332,008	3,592,138	17.1%	1
Barrington Schools	19,496,370	16,971,386	13.0%	2
Middletown	33,178,340	29,160,190	12.1%	
South Kingstown	19,260,000	17,610,000	8.6%	1
Smithfield	24,768,046	23,790,579	3.9%	3
Portsmouth	13,090,922	12,688,743	3.1%	
Lincoln	15,778,660	15,498,655	1.8%	
Cranston	63,353,593	63,098,440	0.4%	1
Bristol Warren School District	22,072,077	22,072,077	0.0%	34
Burrillville	2,510,127	2,510,127	0.0%	
Central Falls	12,000,546	12,000,546	0.0%	
Chariho School District	1,472,182	1,472,182	0.0%	
Coventry	12,523,000	12,523,000	0.0%	
Cranston Schools	26,287,884	26,287,884	0.0%	
Cumberland	39,386,221	39,386,221	0.0%	
East Greenwich	11,544,931	11,544,931	0.0%	
East Greenwich Schools	4,110,870	4,110,870	0.0%	
East Providence City Plan	76,217,756	76,217,756	0.0%	
East Providence School Plan	28,331,194	28,331,194	0.0%	
Exeter West Greenwich School District	3,999,389	3,999,389	0.0%	
Foster	780,502	780,502	0.0%	
Foster Gloucester School District	3,015,744	3,015,744	0.0%	
Gloucester	2,104,978	2,104,978	0.0%	
Jamestown School	6,496,005	6,496,005	0.0%	
Jamestown Town	3,482,971	3,482,971	0.0%	
Johnston	199,586,608	199,586,608	0.0%	
Little Compton	2,788,371	2,788,371	0.0%	
Narragansett	71,347,783	71,347,783	0.0%	
North Kingstown	36,223,703	36,223,703	0.0%	
North Providence	66,227,000	66,227,000	0.0%	
North Smithfield	7,141,640	7,141,640	0.0%	
Pawtucket	309,654,353	309,654,353	0.0%	
Portsmouth School	7,207,872	7,207,872	0.0%	
Providence	1,149,115,000	1,149,115,000	0.0%	
Scituate	3,977,363	3,977,363	0.0%	
Tiverton	24,492,216	24,492,216	0.0%	
Warwick	223,593,412	223,593,412	0.0%	
Warwick Schools	37,833,649	37,833,649	0.0%	
West Warwick	57,953,063	107,329,661	0.0%	
Westerly Schools	974,441	974,441	0.0%	
Woonsocket	157,305,211	157,305,211	0.0%	
Woonsocket - Schools	59,447,193	59,447,193	0.0%	
Exeter	-	-		
Hopkinton	-	-		
New Shorham	1,643,452	1,643,452		
Richmond	-	-		
West Greenwich	73,250	73,250		
Total	3,027,811,663	3,026,311,409		47
No valuation reports required				5
				52

Appendix for Figure 4

Municipality	ARC	Population	2014 Levy
New Shorham		953	8,723,934
Little Compton	258,326	3,502	10,329,739
Foster	73,806	4,574	11,269,380
Jamestown Town & School	821,274	5,418	19,160,795
West Greenwich		6,028	17,775,265
Exeter		6,508	13,048,988
Richmond		7,690	16,740,540
Charlestown	527,000	7,854	22,679,021
Hopkinton		8,162	18,228,199
Glocester	193,828	9,776	20,750,247
	1,874,234	9	149,982,174
Scituate	417,005	10,316	26,415,039
Warren	420,724	10,733	22,087,246
North Smithfield	788,624	11,852	29,705,309
East Greenwich & Schools	1,861,269	13,154	51,845,788
Tiverton	2,485,785	15,706	37,519,924
Burrillville	213,879	15,945	28,840,267
Narragansett	6,405,686	15,952	46,060,213
Middletown *	2,363,036	16,224	43,400,329
Barrington & Barrington Schools	2,838,651	16,415	56,127,312
Portsmouth & Portsmouth Schools	1,889,941	17,318	48,021,888
Central Falls	572,312	19,360	14,221,500
	20,256,912	11	404,244,815
Lincoln	1,430,251	21,110	52,492,288
Smithfield	2,278,427	21,453	51,713,919
Westerly & Westerly Schools	1,361,082	22,858	65,309,604
Bristol	1,153,000	23,116	37,055,367
Newport	7,201,977	24,597	67,451,455
North Kingstown	3,218,397	26,524	70,035,857
Johnston	17,249,186	28,760	70,191,873
West Warwick	7,552,618	29,259	56,363,626
	41,444,938	8	470,613,989
South Kingstown	1,878,000	30,436	67,082,118
North Providence	5,332,000	32,138	67,737,042
Cumberland	3,521,332	33,352	60,472,810
Coventry	1,282,000	35,018	64,549,068
Woonsocket Woonsocket Schools	20,007,564	41,476	59,888,229
East Providence City & School	9,358,049	47,265	103,679,393
	41,378,945	6	423,408,660
Pawtucket	17,636,868	71,382	99,386,794
Cranston & Cranston Schools	7,263,792	80,473	181,591,062
Cranston Schools			
Warwick & Warwick Schools *	25,168,717	83,172	223,763,445
	50,069,377	3	504,741,301
Providence	70,354,000	178,130	340,814,524
Totals	225,378,406		2,302,529,397

Summary of Responses to OPEB Surveys

Prepared by: Division of Municipal Finance

Date: September 27, 2013 (revised)

Please note: In some instances respondents gave multiple answers to the same question resulting in more responses than the number of respondents. In other instances, respondents did not answer the question. Furthermore, the following overview, as compiled by the Division of Municipal Finance should be used for an overall comparison. Results by municipality are provided separately.

Of the 39 Cities and Towns, 34 responded (verification not received from Central Falls). Four municipalities (Exeter, Hopkinton, Richmond and West Greenwich) do not have an OPEB plan or a small plan. The following summary is based on 34 responses.

1) What is the name of your actuarial firm?

Angell Pension Group:	5	Nyhart:	9
Buck Consultants:	4	Primoris:	1
Clarity in Numbers:	1	Stone Consulting:	1
Hooker & Holcombe:	1	The Hay Group:	1
Jefferson Solutions:	1	USI Consulting:	5
Milliman:	4	Alternative Plan:	1

2) Please identify who is responsible for day-to-day benefit administration of the plan.

Finance Director/Treasurer:	19	Town Administrator:	3	Not established:	1
Human Resources:	10	School Dept/Supt.:	1		

3) How were plan benefit provisions enacted?

Contract:	17	Contract, Arbitration:	2
Contract, Past Practice:	2	GASB 45:	1
Ordinance:	1	Ordinance Contract:	6
Town Council Vote:	1	Contract, Handbook:	1
Ordinance, Contract, Arbitration Decision, Past Practice:	2		
Ordinance, Contract, Arbitration Decision:	1		

4) Where are your plan documents as they relate to benefit structure located (e.g., city/town website, employee manual, with plan administrator)?

Plan Administrator:	11	C/T Clerk's Office:	2
Finance Department:	4	Human Resources:	5
Town Hall:	2	Employee Manuals/	6
Teacher Contract:	2	CBA's:	

5) Who has fiduciary responsibility over benefit administration decisions?

Mayor/Mgr/Administrator:	9	Mgr/Mayor/Council:	4	Pension Board
Trust Board & Treasurer:	1	Finance Director:	7	and OPEB Board: 1
Council & School Comm.:	2	City/Town Council:	7	
Human Resources:	1	School Department:	2	

6) Did your municipality establish an OPEB trust? If yes, when, and who administers the trust?

15 indicated "no"

1 indicated yes, but not implemented

16 indicated they have established an OPEB Trust as follows:

- i. 5 are administered by the city or town. (Finance Dept., Treasurer or Controller)
- ii. 5 are administered by a bank. (Either Citizens Bank or Washington Trust)
- iii. 6 did not indicate who administers the trust.

If you answered question number 6 with yes, please continue by answering the following questions:

- 7) Who has fiduciary responsibility over investment decisions?
- | | | | | | |
|---|---|-----------------------------------|---|----------|---|
| Finance Director/Treasurer: | 4 | Citizens Bank: | 2 | OPEB Bd: | 1 |
| Investment Committee: | 1 | Washington Trust | 1 | | |
| Post Retirement Trust Board: | 1 | Washington Trust & OPEB Bd.: | 1 | | |
| City/Town Council: | 3 | PSolve Inv. Advisors/Finance Dir: | 1 | | |
| Washington Trust, Town of Narragansett & Janney Montgomery Scott: | 1 | | | | |

- 8) How was the governance structure established?
- | | | | |
|------------------------|---|---------------------------|---|
| Ordinance: | 7 | Ordinance & City Charter: | 1 |
| Ordinance and Contract | 1 | Town Council Resolution: | 2 |
| Trust Agreement: | 1 | Town Council: | 2 |
| Past Practice | 1 | Charter: | 1 |

- 9) Please identify who is responsible for the investment administration of the plan.
- | | | | |
|-----------------------------|---|-----------------------------|---|
| Finance Director/Treasurer: | 7 | PSolve Investment Advisors: | 1 |
| GPS Advisors: | 1 | City Council: | 3 |
| Town Administrator: | 1 | Washington Trust: | 2 |

- 10) If you have an OPEB board, what type of fiduciary training are you providing to your OPEB Board or investment committee? If fiduciary training were available, would you like to attend?
- 3 indicated “No OPEB Board”
 5 indicated “No training provided, but would attend if available”
 1 indicated that training is provided at quarterly meetings with actuaries & investment advisors.

- 11) Please identify who is the custodian of the plan’s assets and list any investment consultants or investment managers retained by the local plan.
- | | | | |
|--------------------|---|---------------------------------|---|
| Bank of America: | 1 | Citizens Bank: | 3 |
| The Capital Group: | 1 | Managed Internally: | 1 |
| OSIP (Fidelity): | 1 | Washington Trust: | 3 |
| City Council: | 1 | W.T. & Janney Montgomery Scott: | 1 |
| City Treasurer: | 1 | Navigant Credit Union: | 1 |
| | | To be determined: | 1 |

- 12) How often does your Governance Board receive updates on the status and performance of plan investments?
- | | | | |
|-----------|---|---------------------------------|---|
| Annually: | 1 | Quarterly: | 4 |
| Monthly: | 7 | Monthly statements with ¼ Mtgs: | 1 |

- 13) Did your municipality conduct an OPEB asset/liability study? If so, when?
- No: 6
 Yes: 1
 Yes: 1, annually
 Yes: 1, in process for FYE 06/30/13
 Yes: 1, dated 06/30/11 and updated in Dec. 2011
 Not Sure: 1
 1: It was evaluated as part of the original valuation – also receive a 30-year forecast. The Trust is not paying benefits at this time.
 1: To be determined
 2: Did not respond (Foster and Smithfield)

OPEB SURVEY (Questions 1 - 5)
Prepared by: Division of Municipal Finance
Revised September 27, 2013

Confirmation of 2012 Survey Results

Municipality	Actuarial Firm (1)	Day-to-Day Benefit Administration (2)	Benefit Provisions are Enacted (3)	Plan Documents Located (4)	Fiduciary Responsibility for Benefit Administration (5)
Barrington	Angell Pension Group	Payroll Clerk	Ordinance, Contract	Plan Administrator	Town Manager
Bristol	Milliman	Town Administered	Ordinance	Trust documents located in Finance Dept. and description of Post Retirement Fund in Town Charter	Post Retirement Trust Board along with Town Treasurer
Burrillville	Clarity in Numbers	Finance Department	Contract, Arbitration Decision	No formal plan documents - Actuarial Valuations (2009, 2011)	Town Council and School Committee
Central Falls (Info. Not Confirmed)	Sherman Actuarial Services	Finance Director	Order of the Receiver	Plan Administrator	Office of the Receiver, Finance Director
Charlestown	Milliman	Treasurer	Contract	Plan Administrator	Town Administrator
Coventry	Milliman	Human Resources	Town Council Vote	Town Hall	Town Manager/Town Council
Cranston	Buck Consultants	Finance Department	Ordinance, Contract, Arbitration Decision (possible), Past Practice (possible)	All contracts and ordinances are located in the City Clerk's office.	Finance Director
Cumberland	Nyhart	N/A - Not established yet	Ordinance, Contract (to provide defined benefit provisions to police employees)	—	In addition to the Pension Board, there has been an OPEB Board established (3 members, 1 Chair)
East Greenwich	Angell Pension Group	Payroll	Contract	Payroll	Town Council
East Providence	Nyhart	We do not have a plan; human resources manages retiree healthcare	Contract	Human Resources and Legal Department	Human Resources manages based on contractual requirements

Municipality	Actuarial Firm (1)	Day-to-Day Benefit Administration (2)	Benefit Provisions are Enacted (3)	Plan Documents Located (4)	Fiduciary Responsibility for Benefit Administration (5)
Exeter	N/A	N/A	N/A	N/A	N/A
Foster	USI Consulting Group	Kelli Russ, Treasurer and Michael Petrarca	Contract, Past Practice	Plan Administrators, Employee Manuals	Treasurer/Finance Director
Glocester	USI Consulting Group	Tom Mainville, Finance Director	Contract (for union EE's), Other (for non-union EE's)	Tom Mainville, Plan Administrator has the contracts and the employee manual	Town Council
Hopkinton	N/A	N/A	N/A	N/A	N/A
Jamestown	Angell Pension Group	Finance Director	Ordinance, Contract	School Contract	Town Administration
Johnston	Nyhart	Departments of Human Resources & Finance, Chief of Staff & Finance Director	Ordinance, Contract, Arbitration Decision	Human Resources Department	Finance Director
Lincoln	Nyhart	Finance Director and Human Resources Director	Contract	Employee Manuals and CBA's	Finance Director
Little Compton	Angell Pension Group, Inc.	Town Treasurer	Ordinance	Town Treasurer's Office	Town Council
Middletown	Buck Consultants	Finance/Human Resources	Contract	Union Contracts	Town/Finance
Narragansett	Nyhart	Donald Goodrich, Finance Director	Contract, Arbitration Decision	Plan Administrator, Town Clerk's Office	Finance Director and Town Council
New Shoreham	N/A	School Dept./Superintendent	Contract	Teacher Contract	School Dept./School Committee/Superintendent
Newport	The Hay Group	The City Dept. of Human Resources administers the day-to-day health and life insurance benefits	Ordinance and Contract	Do not have formal plan documents. The information can be found in the labor contracts and in the Human Resources Department.	City Council

Municipality	Actuarial Firm (1)	Day-to-Day Benefit Administration (2)	Benefit Provisions are Enacted (3)	Plan Documents Located (4)	Fiduciary Responsibility for Benefit Administration (5)
North Kingstown	USI Consulting Group, Glastonbury, CT	-	Contract	Town Website, Union Contracts	Town Council
North Providence	Milliman	Finance Director	GASB 45	Finance Office	Mayor
North Smithfield	USI Consulting Group	Brenda MacDonald, Finance Director	Contract	Plan Administrator	Town Administrator
Pawtucket	Stone Consulting, Inc.	Personnel Director	Contract	Personnel Director has copies of collective bargaining agreements and copies of health insurance plans	Personnel Director and Finance Director, with Mayor as the final decision maker on any new issues that may arise.
Portsmouth	Nyhart	Finance Director	Contract	Plan Administrator (Finance Director)	Town Council
Providence	Buck Consultants	City Controller	Ordinance, Contract	Plan Administrator	Finance Director and Treasurer
Richmond	N/A	N/A	N/A	N/A	N/A
Scituate	Angell Pension	Treasurer's Office	Contract, Employee Handbook	Employee Handbook & Contract	Town Council/School Committee
Smithfield	Buck Consultants	Finance Director	Contract	Town website and employee manual	Town Council
South Kingstown	The Howard E. Nyhart Co.	Patricia Sunderland, Finance Director	Contract	Plan Administrator	Town Manager
Tiverton	PRIMORIS	Town Administrator	Contract	Contracts are located with Town Administrator and the Town Clerk	Town Administrator and the Town Council
Warren	Nyhart	Finance Director	Contract	Town Hall	Town Council

Municipality	Actuarial Firm (1)	Day-to-Day Benefit Administration (2)	Benefit Provisions are Enacted (3)	Plan Documents Located (4)	Fiduciary Responsibility for Benefit Administration (5)
Warwick	Jefferson Solutions	Personnel Director	Ordinance, Contract and Past Practice for Management Employees	Collective bargaining agreements, City's website and plan administrator	Personnel Director
Warwick Public Schools	Jefferson Solutions, Inc.	Trisha Gardiner	Contract	Employee contract and with plan administrator	Warwick School Committee and City of Warwick are legally obligated
West Greenwich	N/A	N/A	N/A	N/A	N/A
West Warwick	Nyhart	Town Manager/ HR Director	Contract, Past Practice	Within the union contracts	Town Council, Town Manager, Human Resources Director
Westerly	Hooker & Holcombe	Personnel Office	Contract	Personnel Office	Town Manager
Woonsocket	USI Consulting Group	Finance Department	Ordinance & Contract	City Clerk's Office	City Council/Mayor

OPEB SURVEY (Questions 6 - 13)
Prepared by: Division of Municipal Finance
August 2013

Confirmation of 2012 Survey Results

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
Barrington	Yes, Town administrators	Municipal Finance Director	Ordinance	Municipal Finance Director	No training is provided, yes would attend if available	Bank of America	Annually	No - Funding percent noted in actuarial study
Bristol	Yes, Town Administered	Post Retirement Trust Board, an investment manager reports quarterly on investment performance and compliance with Investment Policy Statement	Ordinance	GPS Advisors, Jamie Worrel, all funds held with American Funds	No training is provided, yes would encourage our Board to attend if available	The Capital Group (corp. parent of American Funds), (see investment advisor)	Quarterly	No
Burrillville	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Central Falls (Info. Not Confirmed)	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charlestown	Yes, Est. 05/11/09	Citizens Bank	Ordinance	Town Administrator	No training is provided, yes would attend if available	Citizens Bank	Monthly statements with quarterly meetings.	Not Sure
Coventry	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cranston	Yes, Est. 05/19/06 - Finance Dept. Administrators	Investment Committee	Ordinance and City Charter	Finance Department	Does not have an OPEB board	OPEB plan is managed internally due to the low level of the OPEB Fund balance	Monthly updates on the plan performance	No

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
Cumberland	Yes	OPEB Board	Ordinance	N/A	N/A	N/A	N/A	N/A
East Greenwich	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
East Providence	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Exeter	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Foster	Yes	Treasurer/ Finance Director	Town Council	Treasurer/ Finance Director	N/A	Just establishing	N/A	N/A
Glocester	No, waiting for RI Interlocal Trust to est. an irrevocable trust that they plan to join	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hopkinton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jamestown	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Johnston	Yes, Not Implemented	To be determined	To be determined	To be determined	To be determined	To be determined	To be determined	To be determined
Lincoln	Yes	Finance Director	Town Council	Finance Director	N/A	OSIP (Fidelity)	Monthly statements from Fidelity	In process for FYE 06/30/13
Little Compton	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Middletown	Yes, Est. 6/2011. Trustee - Citizens Bank	PSolve - OPEB Investment Advisor/Town/Investment Board	Trust Agreement	PSolve - Investment Advisors/Town Finance Director	Yes, Training for board provided at quarterly meetings w/actuaries/Inv. Advisors	Citizens - Trustee PSolve - Investment Advisors	Quarterly Meetings	No

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
Narragansett	Yes, August 1, 2011 - Washington Trust	Washington Trust, Town of Narragansett & Janney Montgomery Scott	Town Council Resolution	Finance Director and Janney Montgomery Scott	Do not have an OPEB Board, cognizance of OPEB issues is with the Finance Committee & Town Council	Washington Trust and Janney Montgomery Scott	Monthly	Yes, dated June 30, 2011 and updated in December 2011.
New Shoreham	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Newport	Yes, the Trust monies are invested by the appointed Trust and Investment Commission and the actual administration is done by the Finance Dept.	Ultimate fiduciary responsibility rests with the City Council. They have appointed (as required by City Charter) a Trust and Investment Commission that oversees investments.	Ordinance	City Council	Not Sure	City Council	Monthly with full updates quarterly	It was evaluated as part of the original valuation - we also receive a thirty-year forecast. The Trust is not paying benefits at this time
North Kingstown	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
North Providence	No							
North Smithfield	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pawtucket	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Portsmouth	Yes, Citizens Bank on 03/08/10	Citizens Bank	Past Practice	Finance Director	No training is provided, yes would attend if available	Citizens Bank - no other investment consultants retained at present.	The Council does not at present receive the reports which come to the Finance Department.	No, just the valuation

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
Providence	Yes, Feb. 2008 - the plan is administered by the Controller and Treasurer	Finance Director and Treasurer	Ordinance, Contract	Finance Director and Treasurer	While we do not have an OPEB board, the city has retained an outside consultant and plans to provide fiduciary training prior to June 2012	Treasurer	Monthly	Yes
Richmond	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scituate	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Smithfield	Yes, Adopted 1/11/13	Town Council	Ordinance	OPEB Trust Board and then approved by Town Council	N/A	The Washington Trust Company	Monthly	N/A
South Kingstown	Yes, 06/23/09, Washington Trust	OPEB Board and Washington Trust	Town Council Resolution	Washington Trust	Yes, initially. Follow-up information "as needed basis" - Yes, would attend training	Washington Trust	Quarterly	No
Tiverton	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Warren	Yes	Town Council	Charter	Town Council	No Training Provided	Navigant Credit Union	Monthly	N/A
Warwick	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Warwick Public Schools	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
West Greenwich	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
West Warwick	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Westerly	Washington Trust	Town Manager	Ordinance	Washington Trust	N/A	Washington Trust	Quarterly	Annual
Woonsocket	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A

OPEB SURVEY (Questions 1 - 5)
Prepared by: Division of Municipal Finance
August 2013

Confirmation of 2012 Survey Results

Municipality	Actuarial Firm (1)	Day-to-Day Benefit Administration (2)	Benefit Provisions are Enacted (3)	Plan Documents Located (4)	Fiduciary Responsibility for Benefit Administration (5)
Barrington	Angell Pension Group	Payroll Clerk	Ordinance, Contract	Plan Administrator	Town Manager
Bristol	Milliman	Town Administered	Ordinance	Trust documents located in Finance Dept. and description of Post Retirement Fund in Town Charter	Post Retirement Trust Board along with Town Treasurer
Burrillville	Clarity in Numbers	Finance Department	Contract, Arbitration Decision	No formal plan documents - Actuarial Valuations (2009, 2011)	Town Council and School Committee
Central Falls (Info. Not Confirmed)	Sherman Actuarial Services	Finance Director	Order of the Receiver	Plan Administrator	Office of the Receiver, Finance Director
Charlestown	Milliman	Treasurer	Contract	Plan Administrator	Town Administrator
Coventry	Milliman	Human Resources	Town Council Vote	Town Hall	Town Manager/Town Council
Cranston	Buck Consultants	Finance Department	Ordinance, Contract, Arbitration Decision (possible), Past Practice (possible)	All contracts and ordinances are located in the City Clerk's office.	Finance Director
Cumberland (Info. Not Confirmed)	Milliman	Washington Trust Co.	Ordinance, Contract (to provide defined benefit provisions to police employees)	—	Pension Board (3) members - (1) is the Chairman
East Greenwich	Angell Pension Group	Payroll	Contract	Payroll	Town Council
East Providence	Nyhart	We do not have a plan; human resources manages retiree healthcare	Contract	Human Resources and Legal Department	Human Resources manages based on contractual requirements

Municipality	Actuarial Firm (1)	Day-to-Day Benefit Administration (2)	Benefit Provisions are Enacted (3)	Plan Documents Located (4)	Fiduciary Responsibility for Benefit Administration (5)
Exeter	N/A	N/A	N/A	N/A	N/A
Foster	USI Consulting Group	Kelli Russ, Treasurer and Michael Petrarca	Contract, Past Practice	Plan Administrators, Employee Manuals	Treasurer/Finance Director
Glocester	USI Consulting Group	Tom Mainville, Finance Director	Contract (for union EE's), Other (for non-union EE's)	Tom Mainville, Plan Administrator has the contracts and the employee manual	Town Council
Hopkinton	N/A	N/A	N/A	N/A	N/A
Jamestown	Angell Pension Group	Finance Director	Ordinance, Contract	School Contract	Town Administration
Johnston	Nyhart	Departments of Human Resources & Finance, Chief of Staff & Finance Director	Ordinance, Contract, Arbitration Decision	Human Resources Department	Finance Director
Lincoln	Nyhart	Finance Director and Human Resources Director	Contract	Employee Manuals and CBA's	Finance Director
Little Compton	Angell Pension Group, Inc.	Town Treasurer	Ordinance	Town Treasurer's Office	Town Council
Middletown	Buck Consultants	Finance/Human Resources	Contract	Union Contracts	Town/Finance
Narragansett	Nyhart	Donald Goodrich, Finance Director	Contract, Arbitration Decision	Plan Administrator, Town Clerk's Office	Finance Director and Town Council
New Shoreham	N/A	School Dept./Superintendent	Contract	Teacher Contract	School Dept./School Committee/Superintendent
Newport	The Hay Group	The City Dept. of Human Resources administers the day-to-day health and life insurance benefits	Ordinance and Contract	Do not have formal plan documents. The information can be found in the labor contracts and in the Human Resources Department.	City Council

Municipality	Actuarial Firm (1)	Day-to-Day Benefit Administration (2)	Benefit Provisions are Enacted (3)	Plan Documents Located (4)	Fiduciary Responsibility for Benefit Administration (5)
North Kingstown	USI Consulting Group, Glastonbury, CT	-	Contract	Town Website, Union Contracts	Town Council
North Providence	Milliman	Finance Director	GASB 45	Finance Office	Mayor
North Smithfield	USI Consulting Group	Brenda MacDonald, Finance Director	Contract	Plan Administrator	Town Administrator
Pawtucket	Stone Consulting, Inc.	Personnel Director	Contract	Personnel Director has copies of collective bargaining agreements and copies of health insurance plans	Personnel Director and Finance Director, with Mayor as the final decision maker on any new issues that may arise.
Portsmouth	Nyhart	Finance Director	Contract	Plan Administrator (Finance Director)	Town Council
Providence	Buck Consultants	City Controller	Ordinance, Contract	Plan Administrator	Finance Director and Treasurer
Richmond	N/A	N/A	N/A	N/A	N/A
Scituate	Angell Pension	Treasurer's Office	Contract, Employee Handbook	Employee Handbook & Contract	Town Council/School Committee
Smithfield	Buck Consultants	Finance Director	Contract	Town website and employee manual	Town Council
South Kingstown	The Howard E. Nyhart Co.	Patricia Sunderland, Finance Director	Contract	Plan Administrator	Town Manager
Tiverton	PRIMORIS	Town Administrator	Contract	Contracts are located with Town Administrator and the Town Clerk	Town Administrator and the Town Council
Warren	Nyhart	Finance Director	Contract	Town Hall	Town Council

Municipality	Actuarial Firm (1)	Day-to-Day Benefit Administration (2)	Benefit Provisions are Enacted (3)	Plan Documents Located (4)	Fiduciary Responsibility for Benefit Administration (5)
Warwick	Jefferson Solutions	Personnel Director	Ordinance, Contract and Past Practice for Management Employees	Collective bargaining agreements, City's website and plan administrator	Personnel Director
Warwick Public Schools	Jefferson Solutions, Inc.	Trisha Gardiner	Contract	Employee contract and with plan administrator	Warwick School Committee and City of Warwick are legally obligated
West Greenwich	N/A	N/A	N/A	N/A	N/A
West Warwick	Nyhart	Town Manager/ HR Director	Contract, Past Practice	Within the union contracts	Town Council, Town Manager, Human Resources Director
Westerly	Hooker & Holcombe	Personnel Office	Contract	Personnel Office	Town Manager
Woonsocket	USI Consulting Group	Finance Department	Ordinance & Contract	City Clerk's Office	City Council/Mayor

OPEB SURVEY (Questions 6 - 13)
 Prepared by: Division of Municipal Finance
 August 2013

Confirmation of 2012 Survey Results

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
Barrington	Yes, Town administrators	Municipal Finance Director	Ordinance	Municipal Finance Director	No training is provided, yes would attend if available	Bank of America	Annually	No - Funding percent noted in actuarial study
Bristol	Yes, Town Administered	Post Retirement Trust Board, an investment manager reports quarterly on investment performance and compliance with Investment Policy Statement	Ordinance	GPS Advisors, Jamie Worrel, all funds held with American Funds	No training is provided, yes would encourage our Board to attend if available	The Capital Group (corp. parent of American Funds), (see investment advisor)	Quarterly	No
Burrillville	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Central Falls (Info. Not Confirmed)	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charlestown	Yes, Est. 05/11/09	Citizens Bank	Ordinance	Town Administrator	No training is provided, yes would attend if available	Citizens Bank	Monthly statements with quarterly meetings.	Not Sure
Coventry	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cranston	Yes, Est. 05/19/06 - Finance Dept. Administrators	Investment Committee	Ordinance and City Charter	Finance Department	Does not have an OPEB board	OPEB plan is managed internally due to the low level of the OPEB Fund balance	Monthly updates on the plan performance	No

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
Cumberland (Info. Not Confirmed)	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
East Greenwich	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
East Providence	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Exeter	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Foster	Yes	Treasurer/ Finance Director	Town Council	Treasurer/ Finance Director	N/A	Just establishing	N/A	N/A
Glocester	No; waiting for RI Interlocal Trust to est. an irrevocable trust that they plan to join	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hopkinton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jamestown	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Johnston	Yes, Not Implemented	To be determined	To be determined	To be determined	To be determined	To be determined	To be determined	To be determined
Lincoln	Yes	Finance Director	Town Council	Finance Director	N/A	OSIP (Fidelity)	Monthly statements from Fidelity	In process for FYE 06/30/13
Little Compton	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Middletown	Yes, Est. 6/2011. Trustee - Citizens Bank	PSolve - OPEB Investment Advisor/Town/Investment Board	Trust Agreement	PSolve - Investment Advisors/Town Finance Director	Yes, Training for board provided at quarterly meetings w/actuaries/Inv. Advisors	Citizens - Trustee PSolve - Investment Advisors	Quarterly Meetings	No

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
Narragansett	Yes, August 1, 2011 - Washington Trust	Washington Trust, Town of Narragansett & Janney Montgomery Scott	Town Council Resolution	Finance Director and Janney Montgomery Scott	Do not have an OPEB Board, cognizance of OPEB issues is with the Finance Committee & Town Council	Washington Trust and Janney Montgomery Scott	Monthly	Yes, dated June 30, 2011 and updated in December 2011.
New Shoreham	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Newport	Yes, the Trust monies are invested by the appointed Trust and Investment Commission and the actual administration is done by the Finance Dept.	Ultimate fiduciary responsibility rests with the City Council. They have appointed (as required by City Charter) a Trust and Investment Commission that oversees investments.	Ordinance	City Council	Not Sure	City Council	Monthly with full updates quarterly	It was evaluated as part of the original valuation - we also receive a thirty-year forecast. The Trust is not paying benefits at this time
North Kingstown	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
North Providence	No							
North Smithfield	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pawtucket	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Portsmouth	Yes, Citizens Bank on 03/08/10	Citizens Bank	Past Practice	Finance Director	No training is provided, yes would attend if available	Citizens Bank - no other investment consultants retained at present.	The Council does not at present receive the reports which come to the Finance Department.	No, just the valuation

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
Providence	Yes, Feb. 2008 - the plan is administered by the Controller and Treasurer	Finance Director and Treasurer	Ordinance, Contract	Finance Director and Treasurer	While we do not have an OPEB board, the city has retained an outside consultant and plans to provide fiduciary training prior to June 2012	Treasurer	Monthly	Yes
Richmond	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scituate	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Smithfield	Yes, Adopted 1/11/13	Town Council	Ordinance	OPEB Trust Board and then approved by Town Council	N/A	The Washington Trust Company	Monthly	N/A
South Kingstown	Yes, 06/23/09, Washington Trust	OPEB Board and Washington Trust	Town Council Resolution	Washington Trust	Yes, initially. Follow-up information "as needed basis" - Yes, would attend training	Washington Trust	Quarterly	No
Tiverton	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Warren	Yes	Town Council	Charter	Town Council	No Training Provided	Navigant Credit Union	Monthly	N/A
Warwick	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Warwick Public Schools	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Municipality	OPEB Trust? (6)	Fiduciary Responsibility for Investment Decisions (7)	Governance Structure Established by: (8)	Investment Administration of Plan (9)	OPEB Board Training (10)	Custodian of Plan Assets (11)	Updates on Investments (12)	OPEB Asset Liability Study (13)
West Greenwich	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
West Warwick	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Westerly	Washington Trust	Town Manager	Ordinance	Washington Trust	N/A	Washington Trust	Quarterly	Annual
Woonsocket	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Summary of Benefit Provisions for OPEB (Medical for Police & Fire)

Prepared by: Division of Municipal Finance
As of October 15, 2013 - DRAFT Reports

Municipality	Police				Fire			
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Barrington	Fully covered medical coverage (single or family) for the remainder of the fiscal year of retirement plus five (5) additional years or until Medicare eligible or the retiree secures employment with equivalent coverage. May continue coverage for up to four (4) additional years with the entire cost paid for by the retiree.	Not provided	Not provided	Not provided	Fully covered medical coverage (single of family) for the remainder of the fiscal year of retirement plus five (5) additional years or until Medicare eligible or the retiree secures employment with equivalent coverage. In no event does coverage continue past age 65. Firefighters that retire after 7/1/99 must contribute 20% of the premium towards their coverage. Full disability coverage is available to firefighters for the lifetime of the retiree while that retiree is deemed disabled.	Not provided	Not provided	Not provided

Police

Fire

Municipality	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Bristol	<p>Police & Civilian Police: Hired Prior to May 1, 2002: 100% Town-paid coverage for employee until age 75 and spouse until age 65.</p>	<p>Hired Prior to May 1, 2002: 100% Town-paid coverage for employee and spouse until age 75.</p>	<p>Hired Prior to May 1, 2002: \$50,000 (\$10,000 in retirement; excess funds deposited into OPEB trust); 100% Town-paid.</p>	<p>Fire Management: Current retirees and eligible active employees with 25 YOS as of Sept. 1, 2006 shall receive 100% Town-paid lifetime individual medical coverage. Spouse coverage is available until age 65 at their own expense.</p>				
	<p>Police & Civilian Police: Hired After May 1, 2002: 100% Town-paid coverage for employee and spouse until age 65.</p> <p>Employee Contributions: Police - 1.5% of the salary of a second class patrol officer. Civilian Police - 1.5% of the salary of a dispatcher. Secretaries - 1.5% of salary.</p>	<p>Hired After May 1, 2002: 100% Town-paid coverage for employee and spouse until age 65.</p>	<p>Hired After May 1, 2002: \$50,000 (\$10,000 in retirement; excess funds deposited into OPEB trust); 100% Town-paid.</p>	<p>Employees hired prior to Sept. 1, 2004 and retiring after Sept. 1, 2006 who did not have at least 25 YOS with the Town as of Sept. 1, 2006 shall receive 100% Town-paid individual medical coverage until age 75. Spouse coverage is available until age 65 at their own expense.</p> <p>Employees hired after Sept. 1, 2004 can elect medical coverage at retirement for self and spouse until age 65 at their own expense.</p> <p>Employee Contributions: Effective July 1, 2013, 1% of employee yearly salary.</p>				
Burrillville	<p>All eligible employees may elect coverage in the Plan until age 65. Spouses may be covered for as long as the retiree is covered. The Town pays 100% of the premium for the first 2 years of retirement, 50% of the premium for the next 2 years of retirement, and 0% thereafter.</p>	<p>Offered to some groups, with the retiree responsible for paying 100% of the premium.</p>						

Municipality	Police				Fire			
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life

Central Falls	Retirees may choose from either Classic Blue 65 or Healthmate C2C and pay a 20% share of their post-retirement medical costs. Retirees and beneficiaries over the age of 65 as of August 2, 2011 may continue to participate in the plan until death. All other retirees, beneficiaries and active employees are eligible for participation until age 65.				Retirees may choose from either Classic Blue 65 or Healthmate C2C and pay a 20% share of their post-retirement medical costs. Retirees and beneficiaries over the age of 65 as of August 2, 2011 may continue to participate in the plan until death. All other retirees, beneficiaries and active employees are eligible for participation until age 65.			
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	Spousal Coverage: Current and future retirees may elect to include their spouses as part of their post-retirement benefits.				Spousal Coverage: Current and future retirees may elect to include their spouses as part of their post-retirement benefits.			
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	The City pays administrative costs for each member of the plan as part of the monthly premium.				The City pays administrative costs for each member of the plan as part of the monthly premium.			
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Municipality	Police				Fire			
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Charlestown	Retiring on or after 7/1/12: Pre-65: 85% Town-paid for retiree and spouse. Post 65: 85% Town-paid for retiree and spouse (BC Plan 65); Medicare Part B reimbursement for retiree and spouse. Retiring on or after 7/1/14: Pre-65: 80% Town-paid for retiree and spouse. Post-65: 80% Town-paid for retiree and spouse (BC Plan 65); Medicare Part B reimbursement for retiree and spouse.				N/A			
Coventry	Retiree/Spouse: 100% retiree-paid.	Same						
Cranston	Pre-65: current retirees who are under age 65 are assumed to remain covered by the medical plan until age 65, at which time their city provided cost coverage stops unless they are eligible for Medicare.	Available to retirees on a retiree pay all basis.	No retirees contribute towards the cost of life insurance coverage.	Pre-65: current retirees who are under age 65 are assumed to remain covered by the medical plan until age 65, at which time their city provided cost coverage stops unless they are eligible for Medicare.	Available to retirees on a retiree pay all basis.			No retirees contribute towards the cost of life insurance coverage.
	Retirees are offered several different medical plans including Classic Blue Cross, Health Mate HMO and United Health PPO. Retirees pays a variable portion of their post-retirement medical.	The premiums are assumed to be self-supporting thus the dental benefits are not reflected in the valuation.	Entitled to a City paid life insurance benefit of \$17,000 if they retired after 7/1/82.	Retirees are offered several different medical plans including Classic Blue Cross, Health Mate HMO and United Health PPO. Retirees pays a variable portion of their post-retirement medical.	The premiums are assumed to be self-supporting thus the dental benefits are not reflected in the valuation.			Retiring after 7/1/81 are eligible for the \$17,000 benefit. Retired between 7/1/02-6/30/07 are entitled to a City paid L.I. benefit of \$20000. Retired after 7/1/07, \$25000 life insurance benefit is payable.

Police

Fire

Municipality	Police:			Fire:		
	Police: Medical	Police: Dental	Police: Life	Fire: Medical	Fire: Dental	Fire: Life

Cranston (Continued)	<p>Post-65: Retirees over age 65 remain in the medical plan until death, if not eligible for Medicare. It is assumed that retirees who are now under age 65 will become eligible for Medicare when they reach age 65.</p>	<p>Post-65: Retirees over age 65 remain in the medical plan until death, if not eligible for Medicare. It is assumed that retirees who are now under age 65 will become eligible for Medicare when they reach age 65.</p>	<p>Retirees over age 65 are offered a Medicare supplement plan (Plan 65) on a retiree pay-all-basis, but this plan is assumed to be self-supporting and, thus, is not reflected in the valuation.</p>	<p>Retirees over age 65 are offered a Medicare supplement plan (Plan 65) on a retiree pay-all-basis, but this plan is assumed to be self-supporting and, thus, is not reflected in the valuation.</p>	<p>Firefighters who retire with an occupational injury or illness receive a City paid life insurance benefit of \$50,000 if death occurs within 3 years of retirement date.</p>
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	<p>Some retirees over age 65 are offered a Medicare supplement plan (Plan 65) on a retiree pay-all-basis, but this plan is assumed to be self-supporting and, thus, is not reflected in the valuation.</p>	<p>Some retirees over age 65 are offered a Medicare supplement plan (Plan 65) on a retiree pay-all-basis, but this plan is assumed to be self-supporting and, thus, is not reflected in the valuation.</p>	<p>Neither retirees, nor their dependents contribute toward the cost of City subsidized medical coverage.</p>	<p>Neither retirees, nor their dependents contribute toward the cost of City subsidized medical coverage.</p>
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Municipality	Police				Fire			
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Cumberland	<p>Police Officers are eligible for lifetime retiree health coverage (medical and dental) from the Town once they attain 15 YOS.</p> <p>Retiree with <20 YOS will be required to contribute the full cost of coverage until they would have had 20 YOS, at which time they will receive free coverage.</p> <p>The Town will pay the full cost of coverage for Police Officers once they have (or would have had) 20 YOS at retirement.</p> <p>Surviving spouse can continue coverage after the death of the retiree or active employees eligible to retire.</p> <p>Town subsidy continues to surviving spouse upon death of the retiree of active employee eligible to retire.</p> <p>Same benefit options are available to retirees as active employees. All pre Medicare health plan are self-insured.</p> <p>The Town reimburses Medicare Part B premium for retired police officers and their spouses. The monthly Part B premium effective on January 1, 2012 is \$99.90 per person.</p>	Same						

Police

Fire

Municipality	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
East Greenwich	Fully covered medical coverage (Single or Family) under BCBS (or equivalent) until Medicare eligible. At the time the retiree becomes eligible for Medicare they will become covered under the Group Plan 65 (single or single +1 overage).	Not provided (Page 3)		\$25,000 is provided only to Police that retire with 20 or more YOS.	Shall receive their choice of the same medical and dental coverage, which is offered to active employees subject to the provisions of section 30 of the agreement, entitled "medical and dental".	Same		
	All retiring after 7/1/93, coverage shall continue until the retiree or his/her spouse has accident & health coverage from another employer. If coverage is less, the Town shall pay the additional premium to provide benefits not less than Town.			Some current retirees have coverage at a lower rate, applicable at the time of retirement.	In no event shall medical and dental coverage for the spouse of a retired employee continue once said surviving spouse attains the age of sixty-five (65).			
	If the coverage under the new employer ceases to be provided before eligible for Medicare, town coverage shall resume.				The District shall pay 3.3% for each year of service credits toward the cost of the current medical and dental insurance program for any retired employee with a minimum of ten (10) YOS credits.			
					Eff. 6/1/99 any retiree who retires from the district, thereafter shall not be entitled to the benefits afforded under Section 32 if the retiree is afforded comparable coverage through other employment, or through a spouse's employment.			

Police

Fire

Municipality	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
East Providence	<p>Retiree health benefits cease at the later of: retiree attaining age 65 or 3 years after retirement.</p> <p>Surviving spouse receive COBRA coverage upon death of retiree & must pay the required COBRA rate. Upon death of an active employee, the surviving spouses receive 3 years of free coverage paid by the City and then must elect COBRA & pay COBRA rate.</p> <p>City will subsidize the full cost of coverage for the disabled retiree for their lifetime while spouse coverage will be paid for by the City until the retiree is eligible for Medicare. Spouse coverage will terminate upon death of retiree.</p>	<p>May elect coverage at own cost</p>	<p>The City provides group life insurance of \$7,500</p>	<p>Same as Police</p>	<p>Same as Police</p>	<p>Same as Police</p>	<p>Same as Police</p>	<p>Same as Police</p>
Exeter	<p>Retiree Cost Sharing: None; except for the following groups of grandfathered retirees:</p> <ol style="list-style-type: none"> Those enrolled in 8W555 (special group) plan must pay the full cost of coverage until eligible for Medicare. Medicare retirees enrolled in Plan 65 (2H79) (special group) pay the full cost of coverage. 							

Municipality	Police				Fire			
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life

Foster	<p>Self insured through BC/BS Classic The town pays 40% of the medical premium for 7 years or until the retiree becomes Medicare eligible, whichever comes first.</p> <p>Special Cases: Town pays 75% for 2 retirees. Also, reimburses 1 retiree up to \$5000 until age 65.</p> <p>Spouse Benefit: medical coverage is the same as retiree coverage. There are no surviving spouse benefits.</p>							
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Glocester	<p>Medical: HealthMate</p> <p>The Town pays 100% of the premium cost of the individual health care coverage until eligible for Medicare.</p>	Delta Dental						
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Hopkinton	N/A							
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Municipality	Police				Fire		
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Life

Jamestown

Individual or family medical coverage is available to retirees under BC Healthmate Coast to Coast plan. Town covers 100% for retired members hired prior to 3/1/96 (*except as described below).

Town covers 80% for retired members hired after 3/1/96.

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 3/1/96, the Town would cover 93% of the coverage in 2011, and 85% of coverage for years beginning in 2012.

Beginning with this 7/1/11 valuation, the Plan is beginning to value the cost of post-65 health insurance coverage, based on the interpretation by the Town resulting from the benefit provision of the most recent bargaining agreement.

Not Offered

Municipality	Police			Fire				
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Johnston	<p>Retiree medical benefits are non-contributory for all retirees and their spouses.</p> <p>Upon death of retiree, coverage continues to surviving spouses. Town's subsidy will continue to spouses for those who are receiving subsidized health benefits.</p>				<p>Retiree medical benefits are non-contributory for all retirees and their spouses.</p> <p>Upon death of retiree, coverage continues to surviving spouses. Town's subsidy will continue to spouses for those who are receiving subsidized health benefits.</p>			
<p>Explicit Subsidy: The Town pays the full cost of coverage for pre and post-Medicare retiree health benefits.</p> <p>Part B Subsidy: Town retirees receive Medicare Part B premium subsidy upon Medicare eligibility for themselves and their spouses. The monthly Part B premium effective on January 1, 2012 is \$99.90. The Town also pays for the Medicare Part B premium penalty for a closed group of existing retirees and spouses who were not enrolled in Medicare Part B when first eligible. The Town will not pay for the Part B premium penalty for future retirees.</p> <p>Same benefit options are available to retirees as active employees. All pre Medicare health plans are self-insured. Post-Medicare Blue Medicare Rx plan is fully-insured and community-rated. Upon Medicare eligibility, the Town provides Blue Medicare RX plan with monthly premium of \$167. Plan 65 monthly premiums are \$185.88 for the Town. (Pages 10 and 11)</p>								
Lincoln	<p>Retired police officers receive 100% of their premiums, individual or family, paid for by the Town for life. Officers who become disabled in the line of duty are also eligible for the same benefit.</p> <p>Upon death of the retiree or active employee (regardless of whether he is eligible to retire or not) the spousal coverage will revert to COBRA.</p>							None
Little Compton	<p>Coverage until the member becomes eligible for benefits from Medicare or covered under another employer's health insurance.</p>	<p>Not covered by the Town, however retirees may purchase coverage.</p>		<p>Not Eligible</p>	<p>Coverage until the member becomes eligible for benefits from Medicare or covered under another employer's health insurance.</p>	<p>Not covered by the Town, however retirees may purchase coverage.</p>		<p>Not Eligible</p>
					<p>Members do not make contributions.</p>			

Summary of Benefit Provisions for OPEB (Medical for Police & Fire)

Prepared by: Division of Municipal Finance
As of October 15, 2013 - DRAFT Reports

Municipality	Police			Fire				
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Middletown	<p>Medical benefits non-contributory. Prior to age 64, retiree retains normal coverage. After 65, retirees transfer to Plan 65 with option to purchase Blue Medicare Rx benefit. The additional amount the retiree pays for this coverage is assumed to fully cover the additional cost of the coverage. The surviving spouse of a Police retiree continues in lifetime coverage after the death of the retiree. No coverage to spouse of employee who dies in active service.</p>	<p>Available with the retiree paying full cost.</p>	N/A	N/A	<p>Prior to age 65, retirees pay 20% premium for active member coverage. After 65, retiree transfers to Plan 65 and pays 20% premium. Certain retirees are grandfathered either in continuing their non-Medicare coverage for life, or for reimbursement of their Medicare Part B premiums once they enroll in Part B. In addition, effective February 2011, all fire employees will contribute 1.5% of their base pay to the OPEB trust. The surviving spouse of a Fire retiree continues in lifetime coverage after the death of the retiree. No coverage to spouse of employee who dies in active service.</p>	<p>Available with the retiree paying full cost.</p>	N/A	N/A

Municipality	Police			Fire				
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Dental	Fire: Vision	Fire: Life	
Narragansett	Lifetime medical. Free if employee retired prior to 1/1/10, 2% of monthly pension if retired after 1/1/10 but before 1/1/11, 5% if retire on/after 1/1/11 Under 65 - Blue Cross Healthmate Coast to Coast plan. 65+ - Switch to Blue Cross Plan 65. Town will reimburse Medicare Part B premium to retirees/spouses. Spouse coverage continues upon death of the retiree. No spouse benefit is available if the employee dies prior to health care benefits eligibility.	Lifetime dental	N/A	Lifetime life insurance benefits (\$50,000).	Lifetime medical. Free if employee retired before 1/1/11, 20% premium contribution if retired on/after 1/1/11. Effective 2001, retirees under age 65 = Coast to Coast Plan until age 65 when they are switched to Plan 65. Upon reaching age 65, the Town will reimburse the Medicare Part B premium cost to retirees & spouses. Employees retiring on/after 1/1/11 will no longer receive subsidized Medicare Supplement Plan Coverage, and must pay 20% premium towards their healthcare. Spouse coverage continues upon death of the retiree. No spouse benefit is available if the employee dies prior to health care benefits eligibility.	Lifetime Dental.	N/A	Lifetime life insurance benefits (\$50,000).

Municipality	Police				Fire			
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
New Shoreham	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Newport	Retirees hired after 7/1/09 not eligible for medical after age 65, all other retirees/spouses covered for life. May select from 4 plans, however employees retiring on/after 7/1/97 are covered by Plan 65 after age 65. Employee with 25 yrs as of 7/1/07 not required to contribute; with 20 yrs and retire prior to 7/1/13 not required to contribute. Employees retiring after 6/30/13 pay 1% of pension (3.5% if hired after 7/1/06) For pre-Medicare benefits, retirees must pay any plan cost in excess of the cost of the same level of coverage under the Healthmate Plan 200. In addition, for post-7/1/97 retirees with less than 20 years of service, the City contribution is reduced 5% per year of service less than 20.	N/A	N/A	\$25,000 for retirees with at least 10 years of service who contribute \$7.25 per month for this coverage	Retirees hired after 7/1/11 and their spouses will be covered until age 65. All other retirees and spouses are covered for lifetime. Surviving spouses pay the full cost of coverage. May select from 4 plans, however employees retiring on/after 7/1/99 are covered by Plan 65 after reaching age 65. Employees who retired before 8/13/07 incur no cost; after 8/13/07 and before 7/1/11 pay 1% of pension, after 7/1/11 pay 2% of pension. For pre-Medicare benefits, retirees must pay any plan cost in excess of the cost of the same level of coverage under the Healthmate Plan 200. For retirees with less than 25 years of service, the city contribution is reduced 4% per year of service less than 25	N/A	N/A	None

Municipality	Police			Fire				
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
North Kingstown	Town pays 100% until eligible for Medicare if hired before 7/1/95, 80% for those hired on or after that date. Spouse benefit = Yes Surviving Spouse benefit = No	N/A	N/A	N/A	Retiree pays 15% of premium until eligible for Medicare	N/A	N/A	N/A
North Providence	Coverage is 100% Town-paid for the Retiree/Spouse. Upon retiree reaching age 65, under 65 spouse & dependents can elect COBRA for 36 months.	Eligible to receive dental benefits for self and spouse	N/A	N/A	Coverage is 100% Town-paid for the Retiree/Spouse. Coverage is pre-65 only. Upon retiree reaching age 65, under 65 spouse & dependents can elect COBRA for 36 months.	Eligible to receive dental benefits for self and spouse	N/A	N/A

Police

Fire

Municipality	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
North Smithfield	Coverage until Medicare eligible. Blue Cross/Blue Shield of Rhode Island - Classic or Healthmate <u>Public Safety employees</u> who retired prior to 7/1/07 shall not be required to pay for coverage in retirement. Retirees contribute 5% to costs of health care. Effective 7/1/11 new hires will contribute 10% to cost of health care.	Delta Dental	N/A	N/A	Coverage until Medicare eligible. Blue Cross/Blue Shield of Rhode Island - Classic or Healthmate <u>Public Safety employees</u> who retired prior to 7/1/07 shall not be required to pay for coverage in retirement. Retirees contribute 5% to costs of health care. Effective 7/1/11 new hires will contribute 10% to cost of health care.	Delta Dental	N/A	N/A
Pawtucket	If hired before 4/28/94, retirees go to Commercial plan at age 65. Everyone else goes to Plan 65. 100% paid by City. Surviving spouses covered for 10 years.	Dental paid by City (100%)	N/A	No Life Insurance.	If hired before 4/1/86, retirees go to commercial plan at age 65. Everyone else go to Plan 65. 100% paid by City. Surviving spouses covered.	Dental paid by City (100%)	N/A	No Life Insurance
Portsmouth	Free medical until Medicare eligibility. Active police officers contribute 1% of salary to OPEB Trust Fund.	Free dental until Medicare eligibility.	Free vision until Medicare eligibility.	N/A	Free medical until Medicare eligibility. In addition, for firefighters who retired between 7/1/10 and 12/31/12, the Town will contribute \$2,000 annually for single plan and \$4,000 annually for family plan for retired firefighters enrolled in the HDHP plan. Amount reduced to \$1,000/\$2,000 respectively for those who retire on/after 1/1/13. Active firefighters contribute 1.5% of gross earnings to OPEB Trust fund.	Free dental until Medicare eligibility.	Free vision until Medicare eligibility.	N/A

Municipality	Police			Fire				
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Providence	Class B - Police: Medical covered by city. Retired before 7/1/2006: Pre-65 Med and Spouse Coverage (Pre and Post 65) - Not required to switch to Plan 65 Retired on or after 7/1/2006: Same, except spouse coverage if hired before 7/1/98	Have access to dental insurance, but cost not paid by City.	Have access to vision insurance, but cost not paid by City.	Not provided to retirees	Class B - Fire: City pays for Coast to Coast. Retired before 7/1/2001: Pre-65 Med and Spouse Coverage (not required to switch to Plan 65, if over age 65 3/9/2010) Retired between 7/1/2001 and 6/30/2004: City pays for Coast to Coast for retiree and spouse (not required to switch to Plan 65, if over age 65 3/9/2010)	Have access to dental insurance, but cost not paid by City.	Have access to vision insurance, but cost not paid by City.	Not provided to retirees.
Richmond	N/A	N/A	N/A	N/A	Retired between 7/1/2004 and 6/30/2006: (Same as those who retired before 7/1/2001) Retired on or after 7/1/2006: City pays for Coast to Coast, and spouse Coast to Coast, if hired before 7/1/1996 (not required to switch to Plan 65, if over age 65 3/9/2010)	N/A	N/A	N/A

Municipality	Police			Fire				
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Scituate	Officer contributes 50% of the premium towards his/her coverage.	Dental included.	N/A	Not provided to Retirees	N/A	N/A	N/A	N/A
Smithfield	Family medical coverage, 0% co-share, required to migrate to medicare upon eligibility	Family dental coverage, 0% co-share, required to migrate to medicare upon eligibility	N/A	N/A	Family medical coverage, 0% co-share, required to migrate to medicare upon eligibility	Family dental coverage, 0% co-share, required to migrate to medicare upon eligibility	N/A	N/A
South Kingstown	Members who retire after 7/1/81 / before 7/1/07: 100% Town paid. On/after 7/1/07: 3.5% member-paid for employees hired prior to 7/1/02. 14% member-paid for employees hired after 7/1/02. On/after 1/1/11: 7% member-paid for employees hired prior to 8/1/02. 14% member-paid for employees hired after 8/1/02. On/after 7/1/11: 8.75% member-paid for employees hired prior to 8/1/02. 14% member-paid for employees hired after 8/1/02. On/after 7/1/12: 10.5% member-paid for employees hired prior to 8/1/02. 14% member-paid for employees hired after 8/1/02. All coverage is pre-65 only. The Town provides medical coverage to the surviving spouse of an employee killed in the line of duty. Coverage will continue for 10 years following the date of death.	Dental benefits for self and spouse. Service-Connected disability only, until age 65. 100% Town-paid.	N/A	Retiree will pay full cost of benefit if chooses to continue coverage	N/A	N/A	N/A	N/A

Municipality	Police			Fire				
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Tiverton	Police shall contribute 1% of their Pension Benefit towards their Health Plan Prior to 9/17/07, 100% coverage until death. After 9/17/07: coverage with a co-pay equal to co-pay at time of retirement - and when eligible moved to Plan 65 (town provided) & Medicare B coverage.	Same	N/A	No retirement life insurance.	Effective 7/1/12, members of the Fire Department shall contribute one-half percent of the member's salary toward the OPEB obligation of the Town. Fire Department retirees who retire after 6/30/12 shall contribute 1% of their Pension Benefit towards their Health Plan. <u>Prior to 7/1/84</u> : receive 100% coverage until they reach age 65. FF who retired after 6/1/01 receive same coverage and when eligible shall be moved to Plan 65 (town provided) & Medicare B coverage.	Same	N/A	No retirement life insurance.

Municipality	Police				Fire			
	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Warren	4 years of free coverage that can extend past Medicare eligibility. At the end of 4 years, all retiree police officers contribute the full cost of coverage.	Includes free dental	N/A	N/A		N/A	N/A	N/A
	Surviving spouse is eligible for COBRA coverage upon death of the retiree.							
Warwick	Medical plans offered are Classic Blue, Healthmate Coast to Coast, and BlueChip Plus.	Includes dental	N/A	N/A	Medical plans offered are Classic Blue, Healthmate Coast to Coast, and BlueChip Plus.	N/A	N/A	N/A
	There is no required contribution for individual or dependent coverage.				There is no required contribution for individual or dependent coverage.			
	Surviving Spouse Benefit - Survivors can continue coverage on the same terms as retirees.				Surviving Spouse Benefit - Survivors can continue coverage on the same terms as retirees.			
Warwick Public Schools	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
West Greenwich	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
West Warwick	Retirements <7/1/2011: free coverage for lifetime once they have 20 yrs of service (no age requirements). After that date, 1% of pension if hired prior to 7/1/08 and 2% of pension if hired on/after 7/1/08	Includes dental	None	None	Retirements <7/1/2011: free coverage for lifetime once they have 20 yrs of service (no age requirements). After that date, 1% of pension.	Includes dental	None	None

Police

Fire

Municipality	Police: Medical	Police: Dental	Police: Vision	Police: Life	Fire: Medical	Fire: Dental	Fire: Vision	Fire: Life
Westerly	<p>Member contributions: 11% of pay (10% prior to 7/1/05).</p> <p>Effective 7/1/90, the Town shall pay for all the Blue Cross and health benefits for all employees who retire with at least twenty years of service. Employees hired prior to 7/1/93 shall, upon retirement, contribute the same percentage of medical coverage as they contribute at the time of retirement.</p> <p>Employees hired on or after 7/1/93 and retiring after at least 20 years of active service will pay 15% of the cost of health care coverage at the full mature working rate or monthly premium cost and the Town will pay the balance up to a maximum of \$6,000 per year until the employee reaches age 65, after which time the employee will pay 15% of the premium cost or fully mature working rate of Plan 65 and the Town will pay the balance up to a maximum of \$6,000 per year. Any amounts in excess of \$6,000 shall be borne by the employee. Coverage to retirees and spouses includes a reimbursement of Medicare Part B premium to retirees only after age 65.</p>	Lifetime dental	N/A	Life insurance included	N/A	N/A	N/A	N/A
Woonsocket	20 yrs of service to be eligible. Town pays 100%.	Lifetime dental	N/A	May continue their life insurance coverage at their own expense in retirement. Coverage reduces by one half at age 65.	20 yrs of service to be eligible. Town pays 100%	N/A	N/A	N/A

Summary of Benefit Provisions for OPEB (Medical for Municipal Employees)

Prepared by: Division of Municipal Finance
As of October 15, 2013 - DRAFT Reports

Municipal Employees

Municipality	Municipal Employees: Medical	Municipal Employees: Dental	Municipal Emp...: Vision	Municipal Employees: Life
Barrington	<p>Non-union town employees receive fully covered medical coverage (single or family) for the remainder of the fiscal year of retirement plus five (5) additional years or until Medicare eligible or the retiree secures equivalent coverage.</p> <p>If the town employee retires with between 10 and 19 YOS, coverage is extended for only three (3) additional years past the fiscal year of retirement.</p> <p>Hired after 7/1/1991 must contribute 20% of the premium towards their coverage.</p> <p>Hired after 9/1/1994 are not eligible for post retirement coverage.</p>	Not provided		Not provided
Bristol	<p>Town (Town Hall, Senior Center, Recreation, Fire Management, Library): Current retirees and eligible active employees with 25 YOS as of Sept. 1, 2006 shall receive 100% Town-paid lifetime individual medical coverage. Spouse coverage is available until age 65 at their own expense.</p> <p>Employees hired prior to Sept. 1, 2004 and retiring after Sept. 1, 2006 who did not have at least 25 YOS with the Town as of Sept. 1, 2006 shall receive 100% Town-paid individual medical coverage until age 75. Spouse coverage is available until age 65 at their own expense.</p> <p>Employees hired after Sept. 1, 2004 can elect medical coverage at retirement for self and spouse until age 65 at their own expense.</p> <p>Employee Contributions: Department heads - 1% of the first \$50,000 of wages. All others - Eff. July 1, 2013, 1% of employee yearly salary.</p>	Retirees can elect coverage for a period of 10 years from the date of retirement at their own expense. Spouse coverage is not available.		\$50,000 (\$10,000 in retirement; excess funds deposited into OPEB trust); 100% Town-paid.

Municipal Employees

Municipality	Municipal Employees: Medical	Municipal Employees: Dental	Municipal Emp... Vision	Municipal Employees: Life
Burrillville	<p>All eligible employees may elect coverage in the Plan until age 65. Spouses may be covered for as long as the retiree is covered.</p> <p>Council 94 & Municipal Non-Union (including Library): If a retiree has less than 15 YOS, then he must pay 100% of the premium.</p> <p>Council 94 & Municipal Non-Union (including Library): If a retiree has at least 15 YOS, then the Town pays 100% of the premium for the first 2 years of retirement, 50% of the premium for the next 2 years of retirement, and 0% thereafter.</p>	Offered to some groups, with the retiree responsible for paying 100% of the premium.		
Central Falls				
Charlestown	<p>CPMA (Charlestown Professional Mgt. Association): Hired prior to 7/1/96: Pre-65: 85% Town paid for retiree and spouse. Post-65: 85% Town-paid for retiree and spouse (BC Plan 65). Hired on or after 7/1/96: Not eligible for Town-paid Post Retirement Health Benefits.</p>			
Coventry	Town: Retiree/Spouse - 100% Retiree-paid.			Same
Cranston				
Cumberland	Town employees are only eligible for COBRA coverage at retirement.			

Municipal Employees

Municipality	Municipal Employees: Medical	Municipal Employees: Dental	Municipal Emp... Vision	Municipal Employees: Life
East Greenwich	<p>NEARI & Other divisions: Employees who retire after age 65 and after earning 10 or more years of credit service are eligible for full coverage under the Group Plan 65 (single coverage only). If an employee retires prior to age 65, the retiree is partially covered under the BCBS Plan (single only) Town contributes 3.3% of the premium per year of service at retirement. Retirees contribute the remaining amount of the required premium.</p> <p>All retiring after 7/1/93, coverage shall continue until the retiree or his/her spouse has accident & health coverage from another employer. If coverage is less, the Town shall pay the additional premium to provide benefits not less.</p>	Not provided	Not provided	Not provided
East Providence	<p>General Employees: Retiree health benefits cease at the later of: retiree attaining age 65 or 3 years after retirement.</p> <p>Surviving spouse receive COBRA coverage upon death of retiree & must pay the required COBRA rate.</p> <p>Upon death of an active employee, the surviving spouses receive 3 years of free coverage paid by the City and then must elect COBRA & pay COBRA rate.</p> <p>Retiree Cost Sharing: None; except for the following groups of grandfathered retirees:</p> <ol style="list-style-type: none"> 1. Those enrolled in 8W555 plan must pay the full cost of coverage until eligible for Medicare. 2. Medicare retirees enrolled in Plan 65 (2H79) pay the full cost of coverage. 	May elect coverage at their own cost		The City provides group life insurance of \$7,500
Exeter	N/A			
Foster				
Glocester	<p>Clerks: Medical: Healthmate</p> <p>The Town pay 100% of the premium cost of the individual health care coverage until eligible for Medicare.</p> <p>Town Non-Contract: Medical: Healthmate</p> <p>The Town pays 100% of the premium cost of the individual health care coverage until eligible for Medicare.</p>			

Municipal Employees

Municipality	Municipal Employees: Medical	Municipal Employees: Dental	Municipal Emp... Vision	Municipal Employees: Life
Hopkinton	N/A			
Jamestown				
Johnston	<p><u>Town General Employees:</u> Retiree medical benefits are non-contributory for all retirees and their spouses. Upon death of retiree, coverage continues to surviving spouses. Town's subsidy will continue to spouses for those who are receiving subsidized health benefits.</p>			
	<p>Explicit Subsidy: The Town pays the full cost of coverage for pre and post-Medicare retiree health benefits.</p>			
	<p>Part B Subsidy: Town retirees receive Medicare Part B premium subsidy upon Medicare eligibility for themselves and their spouses. The monthly Part B premium effective on January 1, 2012 is \$99.90. The Town also pays for the Medicare Part B premium for a closed group of existing retirees and spouses who were not enrolled in Medicare Part B when first eligible. The Town will not pay for the Part B premium penalty for future retirees.</p>			
	<p>Same benefit options are available to retirees as active employees. All pre Medicare health plans are self-insured. Post-Medicare Blue Medicare Rx plan is fully-insured and community-rated. Upon Medicare eligibility, the Town provides Blue Medicare Rx plan with monthly premium of \$167. Plan 65 monthly premiums are \$185.88 for the Town.</p>			
Lincoln	<p><u>Town General Employees</u> do not have access to retiree health benefits other than for temporary COBRA coverage.</p>			
Little Compton	<p><u>Town (Municipal) Employees:</u> Members of this group are not eligible for postretirement health insurance benefits</p>			

Summary of Benefit Provisions for OPEB (Medical for Municipal Employees)

Prepared by: Division of Municipal Finance
As of October 15, 2013 - DRAFT Reports

Municipality	Municipal Employees			Municipal Employees: Life
	Municipal Employees: Medical	Municipal Employees: Dental	Municipal Employees: Vision	
Middletown	<p>Town Hall: For retirements prior to 7/1/07, retirees pay 80% of the stated premium for individual or family coverage to age 65. For retirements on or after 7/1/07, retirees pay 50% of the premium for individual or family coverage to age 65. Dental coverage is available with the retiree paying full cost. There is no coverage after age 65. Spousal coverage ceases on the death of the retiree.</p>	<p>Upon retirement: retirees pay 100% of premium</p>	N/A	Retired municipal pay 100% of premium
Narragansett	<p>Lifetime medical with eligibility. Effective 7/1/04, retirees under the age of 65 will be enrolled in Blue Cross Healthmate Coast to Coast plan. Effective 7/1/01, retirees age 65 and over will be enrolled in Blue Cross Plan. Current and future retirees who waive coverage from the Town due to equivalent coverage elsewhere shall be reimbursed 50% of the Town's medical and dental cost depending on their coverage level (individual or family) payable at the end of each contract year. Employees retiring prior to 1/1/10 receive free individual health coverage. If a retiring employee has a spouse then the Town shall provide an individual plan for the spouse.</p> <p>Council 94 Municipal employees who retire on/after 1/1/10 but prior to 1/1/12 contribute 2% of their monthly pension towards healthcare cost (including dental and life insurance). Retirement premiums:</p> <ul style="list-style-type: none"> - Date of retirement on/after 1/1/12: 10% - Date of retirement on/after 7/1/12: 12% - Date of retirement on/after 7/1/13: 15% <p>Employees choosing family coverage shall be responsible for the additional family plan premium cost. Employees who retire on/after 7/1/11 will no longer receive a Medicare Part B subsidy.</p> <p>Local 1033 employees who retire on/after 1/1/10 but before 1/1/12 contribute 2% of their monthly pension towards healthcare cost (including dental and life insurance). Those who retire on/after the below listed dates contribute a percentage of premiums towards healthcare cost (including dental</p> <ul style="list-style-type: none"> - Date of retirement on/after 1/1/12: 10% - Date of retirement on/after 7/1/13: 12% - Date of retirement on/after 7/1/14: 15% <p>Non-Union employees who retire on/after 1/1/10 contribute 2% of their monthly pension towards healthcare cost (including dental and life insurance).</p>	<p>Lifetime dental with eligibility.</p>	N/A	\$50,000 after retirement, paid by the Town

Municipal Employees

Municipality _____ Municipal Employees: Medical _____ Municipal Employees: Dental _____ Municipal Employees: Vision _____ Municipal Employees: Life _____

New Shoreham

Newport

Retirees may select from Classic Blue, Healthmate Traditional, Bluechip, or Plan 65.

For Municipal AFSCME and NEA retirees who retire after 6/1/09, both the retiree and spouse are covered until the individual reaches age 65. For all others, retiree and spouse are covered for lifetime.

Municipal AFSCME retirees who retire after 7/1/09 will pay 3% of the premium as a cost share. Those retired on or before 6/1/09 do not incur a cost.

NEA Municipal employees who retire after 6/1/09 will pay 3% of the premium as a cost share. Those retired on or before 6/1/09 do not incur a cost.

Non-union Municipal Supervisory employees who retire after 7/1/04 pay 10% of the premium as a cost share. Those retired on or before 7/1/04 do not incur a cost.

N/A

N/A

Municipality	Municipal Employees: Medical	Municipal Employees: Dental	Municipal Employees: Vision	Municipal Employees: Life
North Kingstown	Fully insured Medical Prescription Drug contribution for Municipal Union employees. Municipal Employees (Local 1033): Town currently pays 100%. Town will contribute 80% for retirees who retire after 1/1/12 and who were hired before 4/1/2000. Town contributes 85% if they retire on 1/1/12, 80% if they retire after 1/1/12. Town contributes \$2,184 per year towards prescription drug coverage, and provides Medicare Supplemental Coverage for life upon becoming eligible for Medicare. Non-Union: Age 58 and 10 years of service or 30 years of service. Town currently pays 100%. Town will pay 80% for retirees who retire after 1/1/12. Town provides Medicare Supplemental Coverage for life upon becoming eligible for Medicare.	N/A	N/A	N/A
North Providence	Retiree/Spouse - 100% Town-paid. Coverage is provided for a period up to 36 months.	Eligible to receive dental benefits for self and spouse.	N/A	N/A

Municipality	Municipal Employees			Municipal Employees: Life
	Municipal Employees: Medical	Municipal Employees: Dental	Municipal Employees: Vision	
North Smithfield	Coverage until Medicare Eligible. Town: Retirees contribute 5% to costs of health care. Effective 7/1/11, new hires will contribute 10% to cost of health care. Town employees hired before 7/1/05 shall not be required to pay for coverage in retirement. Spouse and surviving spouse benefits until Medicare Eligible.	Delta Dental	N/A	N/A
Pawtucket	Go to Plan 65 at age 65. No spousal coverage. Survivors of Pawtucket employees and retirees are also eligible for medical benefits.	No dental (100% EE Paid).	N/A	No Life
Portsmouth	Retiree health care coverage is discontinued upon death of the retiree. Surviving spouse will be offered COBRA. Municipal (PMEA) employees receive free retiree health care coverage (medical, dental, and vision) until age 67 or Medicare eligibility, whichever is earlier. Retirees are responsible for the portion of premium rates not covered by the Town. Same benefit options are available to retirees as active employees.	Free dental until age 67 or Medicare eligibility, whichever is earlier.	Free vision until age 67 or Medicare eligibility, whichever is earlier.	N/A
Providence	Co-shares for all 3 groups (1% final avg. salary) assumed to be \$400 annually with no future trend adjustment. Those who retired before 7/1/85 are not required to switch to Plan 65. Those retired 7/1/85 and 9/2/95 City pays for Plan 65 only. Those retired between 9/3/95 and 1/1/05 City pays for Plan 65 only, and spouse not covered unless retiree dies, and is enrolled in access-only coverage. Those retired on/after 1/1/05 City pays for Plan 65 with co-share.	Employees have access to dental, but the cost is not paid by the City for any group.	Employees have access to vision, but the cost is not paid by the City for any group.	Not provided to retirees.
Richmond	N/A	N/A	N/A	N/A

Municipality	Municipal Employees: Medical	Municipal Employees: Dental	Municipal Employees: Vision	Municipal Employees: Life
Scituate	Retired members must contribute the following towards their premium coverage: Service 10-15 = 100% contribution Service 16-22 = 21% contribution Service 23-29 = 10.5% contribution Service 30+ = 0% contribution Town employees are also eligible to contribute 100% of the remaining premium towards family coverage.	May purchase dental insurance through COBRA for up to 18 months. The COBRA benefits do not constitute a benefit to be included in determination of OPEB liabilities.	N/A	Not provided to retirees.
Smithfield	0% co-share for Town plan participants. Required to migrate to medicare upon eligibility.	Family dental coverage if age 58 and 20 years of town service, 0% co-share, required to migrate to medicare upon eligibility	N/A	N/A
South Kingstown	Town Council 94: Retirees pay the same percent rate as what the active employee pays. Coverage is pre-65 only. Cost Sharing: Hired prior to 8/1/02: - 12.5% member-paid (effective 7/1/11) - 15% member-paid (Effective 7/1/12) Hired on/after 8/1/02 but before 7/1/05: - 15% member-paid. Coverage is pre-65 only. Hired on/after 7/1/05: Members who retire with at least 20 years of service; For 3 years, the Town shall pay up to \$1,333 per year toward the annual cost. The retiree shall pay the difference. With at least 25 years of service; for 3 years, Town shall pay up to \$2,666 per year toward the annual cost. Retiree shall pay the difference. With at least 30 years of service; for 3 years, the Town shall pay up to \$4,000 per year toward the annual cost. The retiree shall pay the difference. For all 3 groups, coverage is pre-65 only.	Retiree is eligible for COBRA benefits only	N/A	Retiree will pay full cost of benefit (at a higher rate than active employees) if he/she chooses to continue with coverage. To be eligible for benefits, employee must be eligible to retire under MERS
	Town NEA, Town Non-Union: Employees hired after 7/1/06: 30, 25, 20 years of service: town pays \$4000, \$2666, \$1333 per year respectively towards the cost, and retiree pays the difference for 3 years.			

Employees hired before 7/1/06: 30 years: town pays \$4500 per year for 4 years, 25 years: town pays \$3500 per year for 3 years and the retiree pays the difference. 20 years: for 3 years the town shall pay \$1333 per year and retiree pays the difference.

Tiverton	<p>Medical offered through Blue Cross of Rhode Island. Employees hired prior to 7/1/93: Eligible for coverage with co-pay equal to co-pay in effect at time of their retirement. Employees hired after 7/1/93: Are not eligible for coverage</p>	Same as medical.	N/A	Town provided life insurance ceases at retirement - however retired personnel can maintain and pay for coverage through the Town. Group Term Life Insurance \$50,000
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Warren	<p>Free medical benefits. Retirees contribute the cost of coverage not covered by the Town's explicit subsidy. Surviving spouse eligible for COBRA upon death of retiree. Non-union Supervisory Personnel: Hired prior to 4/26/06: 3 years of free coverage that can extend past Medicare eligibility</p>	Free Coverage included dental benefits.	N/A	N/A
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Hired on/after to 4/26/06: 3 years subsidized coverage that can extend past Medicare eligibility. During subsidy period, the Town will contribute 80% of the premium. USW: Prior to 7/1/94: 3 years of free coverage that can extend past Medicare eligibility. Hired on/after 7/1/94, 2 years of free coverage that can extend past Medicare eligibility.

Any USW employees who retire at age 65 with 10 years of service are eligible for free lifetime coverage under Plan 65.

Municipality	Municipal Employees			Municipal Employees: Life
	Municipal Employees: Medical	Municipal Employees: Dental	Municipal Employees: Vision	
Warwick	There is no required contribution for individual or dependent coverage. Survivors can continue coverage on the same terms as retirees.	N/A	N/A	N/A
Warwick Public Schools	N/A	N/A	N/A	N/A
West Greenwich	N/A	N/A	N/A	N/A
West Warwick	Hired <7/1/2010: free coverage until Medicare eligibility. Hired on/after 7/1/2010: retirees contribute the same amount as active employees at retirement until Medicare eligibility. Effective 6/1/12: 13% of working rate if base salary is less than \$47,500, limited to \$45 per week. 16% of working rate if base salary is at least \$47,500, limited to \$55 per week. Upon death of retiree, coverage continues to surviving spouses, for the same duration as the retiree.	Free dental coverage for lifetime	N/A	N/A
Westerly	N/A	N/A	N/A	N/A
Woonsocket	Retirees hired after 7/1/95 and a few identified employees hired prior to 7/1/95 will contribute 1% of their salary at retirement. Otherwise Town pays 100% of coverage. Includes spouse benefit and surviving spouse benefit.	Includes dental	N/A	Includes Life Insurance

Summary of Benefit Provisions for OPEB (Medical for Teachers & Non-Certified School Employees)

Prepared by: Division of Municipal Finance
As of October 15, 2013 - DRAFT Reports

Teachers

Municipality	Teachers			Non-Certified School Employees		
	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision

Barrington

Teachers and Certified Administrators: Hired before July 1, 1993 shall receive until age 65, or eligibility for Medicare, Bristol-Warren School Department existing coverage for active employees.

Retiring non-certified administrators & classified employees hired before July 1, 1994 shall receive until age 65, or eligibility for Medicare, existing coverage for active employees. School Committee will contribute 87% of the pre-65 cost of coverage.

The School Committee will contribute 80% of the pre-65 cost of coverage if they participate in non-HSA plan. School Committee's contribution will be 90% of the pre-65 cost of coverage for employees enrolled in the HSA plan at retirement.

At Age 65, will receive an additional coverage necessary to provide the equivalent benefits received prior to age 65.

At Age 65, will receive an additional coverage necessary to provide the equivalent benefits received prior to age 65. If not eligible for Medicare at age 65, they may remain the active plan. The School Committee will contribute 50% of the post-65 cost of coverage.

If not eligible for Medicare at age 65 they may remain the active plan. The School Committee will contribute 50% of the post-65 cost of coverage.

Current retirees receive various amount of District explicit subsidy as provided by the School Department.

Current retirees receive various amount of District explicit subsidy as provided by the School Dept.

Retirees are required to contribute the cost of coverage not covered by the District's explicit subsidy.

Retirees are required to contribute the cost of coverage not covered by the District's explicit subsidy.

Teachers

Non-Certified School Employees

Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
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Bristol (Continued)
 Coverage continues to surviving spouse of retired teachers. Widowed spouse of a teacher hired before 7/1/93 are eligible for a fully-paid individual coverage through age 65 while unmarried and not eligible for equivalent coverage.
 There is no coverage for surviving spouse of administrators (certified and non-certified) and classified employees.

There is no coverage for surviving spouse of administrators (certified and non-certified) and classified employees.

Burrillville
 All eligible employees may elect coverage in the Plan until age 65. Coverage beyond age 65 is provided only to School retirees who retired prior to August 31, 1997. Spouses may be covered for as long as the retiree is covered. The retiree must pay 100% of the premium.
 Offered to some groups, with the retiree responsible for paying 100% of the premium.

All eligible employees may elect coverage in the Plan until age 65. Coverage beyond age 65 is provided only to School retirees who retired prior to August 31, 1997. Spouses may be covered for as long as the retiree is covered. Retiree must pay 100% of the premium.
 Offered to some groups, with the retiree responsible for paying 100% of the premium.

Central Falls

Teachers

Non-Certified School Employees

Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
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Charlestown
 Certified staffs are able to remain on the plan after retirement until age 65 or for 4 years after retirement, whichever is earlier.

Surviving spouses of certified staff are able to stay on the plan at their own expense for the same duration as retirees.

Retirees are responsible for the portion of the premium not covered by the School District's explicit subsidy.

The School District offers a stipend to certified staff. To retain the subsidy, must elect the benefit with subsidy within the first 3 yrs of becoming eligible. Benefits are payable until age 65. Future retirees are assumed to receive a \$1,655 stipend.

Certified Staff Retire Prior to 9/1/02: Single \$700, Family \$1700; Retire after 9/1/02: Single \$850, Family \$2000

Coventry
 School Teachers: Pre-65: Age 60-64, School pays health premium not to exceed \$1,200 per year. Post-65: School pays health premium not to exceed \$1,000 per year. Balance of premium is 100% Retiree-paid.

Support staffs are able to remain on the plan until age 65. Only individual coverage is available to support staff retirees.

There is no spouse coverage available for support staff retirees.

Retirees are responsible for the portion of the premium not covered by the School District's explicit subsidy.

Retiree/Spouse: 6 years following the date of retirement, School provides payments on health premium up to a maximum of \$1,200 for retiree only per contract year. Balance of premium is 100% Retiree-paid.

No OPEB benefits are provided beyond the six year period.

Teachers

Non-Certified School Employees

Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
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Cranston

Current retirees who are under age 65 are assumed to remain in their current medical plan with only individual coverage, until age 65, at which time their school provided cost coverage stops.

Same

Current retirees who are under age 65 are assumed to remain in their current medical plan with only individual coverage, until age 65, at which time their school provided cost coverage stops.

Same

There is no school coverage cost for retirees over the age of 65. The retiree pays the total cost of coverage for any elected coverage after the age of 65. Rates for any coverage offered after age 65 are assumed to be self-supporting.

There is no school coverage cost for retirees over the age of 65. The retiree pays the total cost of coverage for any elected coverage after the age of 65. Rates for any coverage offered after age 65 are assumed to be self-supporting.

Retirees contribute to the cost of coverage in accordance with the following table:

Teachers: Pre 9/1/05 Retirement: 0 Cost Share; 9/1/05-8/31/09: 5% Cost Share; 9/1/09-3/31/11: 15%; Post 9/1/11 Retirement: 20%.

Retirees contribute to the cost of coverage in accordance with the following table:

Administrators:
Pre 7/1/05 Retirement: 0
Cost Share; 7/1/05-6/30/08: 10%; 7/1/08-6/30/10: 20%;
Post 7/1/10 Retirement: 20%, 22%, or 25% moving toward a 25% cost share by 7/1/12

No subsidized coverage for beneficiaries. Any coverage for spouses and dependents benefits is the responsibility of the retirees. Page: Schedule B - Summary of Program Provisions

No subsidized coverage for beneficiaries. Any coverage for spouses and dependents benefits is the responsibility of the retirees. Page: Schedule B - Summary of Program Provisions

Teachers	Non-Certified School Employees
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Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
Cumberland	<p>Teachers and Administrators are eligible for lifetime health coverage upon meeting RIERS eligibility requirements.</p> <p>All School employees are required to contribute the full cost of the coverage.</p> <p>There is no Town subsidy for all School employees.</p>				<p>All other School employees are eligible for lifetime health coverage upon meeting RIERS eligibility requirements.</p> <p>All School employees are required to contribute the full cost of the coverage.</p> <p>There is no Town subsidy for all School employees.</p>			
East Greenwich	<p>Receive full medical and dental insurance coverage for two (2) years following retirement. May elect individual or family coverage. Contribution rate is 15% for the rate charged to active members for individual or family coverage as applicable.</p> <p>May elect the buyback amount in lieu of medical and dental coverage. As of 7/1/10, the buyback amount is \$4,375 per year.</p>	Same		<p>Covered under their L.I. policy for an additional 2 years following retirement.</p> <p>The base amount is \$30,000 for teachers and \$60,000 for administrators.</p>				

Teachers

Non-Certified School Employees

Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
East Providence	Teachers retired prior to 1999: Free coverage until Medicare eligibility and spouse contribution is the difference between single and family working rates. Teachers retired on/after 1999 but prior to 4/2009: Free coverage until Medicare eligibility and spouse contribution is 1.3 x single working rate.	Monthly premiums on 11/1/11: Single \$31.48 Family \$101.11		\$25,000 fully paid by the School until age 70.	Secretaries & Custodians: Free coverage until Medicare eligibility and spouse contribution is free coverage until retiree is eligible for Medicare.	Monthly premiums on 11/1/11: Single \$31.48 Family \$101.11		\$25,000 fully paid by the School until age 80 for secretaries and age 75 for custodians.
	Teachers retired after 4/2009: 20% of premium for 2 years and spouse contribution is the difference between single and family working rates. Administrators and Principals contribute 20% of premium for specified number of years of coverage and spouse contribution is 20% of premium for specified number of years of coverage.				Teachers Assistant: Free coverage until Medicare eligibility and spouse contribution is free coverage for 1 year then pay the difference between single and family working rates.	Monthly premiums on 11/1/11: Single \$31.48 Family \$101.11		\$25,000 fully paid by the School until age 70.

Exeter

N/A

Teachers

Non-Certified School Employees

Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
Foster	Plan Type: Self insured through BC/BS Classic Retirement prior to 7/1/07: Town pays 100% of medical and dental premiums until retiree is Medicare eligible. Retirement post 7/1/07: Town pays 90% of medical and dental premiums until retiree is Medicare eligible. Spouse Benefit: Spouse must pay 100% of their premiums. There are no surviving spouse benefits.	Same	Same	Same	Plan Type: Self insured through BC/BS Classic The town pays 100% of the medical and dental premiums until retiree is Medicare eligible.	Same		
Glocester	Medical: BC/BS Classic or HealthMate Individuals that retire before 7/1/06, do not contribute. For those who retire after 6/30/06, the Teacher contributes the same amount as they were contributing during their final year of service.				<u>Educational Support:</u> Medical: BC/BS or HealthMate The Town pay 100% of the premium cost of the individual health care coverage until eligible for Medicare.	Delta Dental		
Hopkinton	N/A							

Teachers

Non-Certified School Employees

Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
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Jamestown	<p>Eligible employees hired prior to 8/31/85 receive either individual or family medical coverage under BCBS Classic Plan or Healthmate Coast to Coast until the retiree becomes Medicare eligible.</p> <p>When the retiree becomes eligible for Medicare, he/she, and an eligible spouse, will be covered under the Plan 65.</p> <p>Eligible employees hired prior to 8/31/85 contribute 5% of their premium.</p> <p>Eff. 7/1/12, all current and future retirees are required to be enrolled in Medicare Part A and Part B to continue post-65 medical coverage under this Plan.</p> <p>Eligible employees hired between 8/31/85 and 7/1/97 will receive 2 years of individual medical coverage under BCBS Classic Plan or Healthmate Coast to Coast until age 65, and contribute 5% of their premium.</p> <p>In addition, it is the Town's understanding that eligible employees hired between 7/1/97 and 8/31/00 will be treated similarly.</p> <p>Eligible employees hired after 8/31/00 may continue medical and dental coverage with the entire premium paid by the retiree.</p> <p>Surviving spouses are not eligible to continue receiving benefits.</p> <p><u>Significant Events:</u> It was passed in the August 25, 2011 School Committee meeting that, effective July 1, 2012, retirees that were hired prior to August 31, 1995 would be required to enroll in Medicare Part A and Part B coverage. The School will then provide supplemental coverage, in this Plan, under Plan 65 for the retiree's lifetime. This event significantly decreases the projected liability for retirees that were previously valued under a lifetime of full medical coverage by the School.</p>	Delta Dental (Individual or Family)			Teaching assistants and support staff are not eligible for post retirement benefits.			
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Teachers

Non-Certified School Employees

Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
Johnston	Retiree medical benefits are non-contributory for all retirees and their spouses.	Receive free dental benefits for employee only. Dental coverage will terminate at Medicare eligibility.			Retiree medical benefits are non-contributory for all retirees.			
	Retirees electing spousal coverage are required to pay the full incremental spouse cost. No spousal coverage is available once the retiree reaches Medicare eligibility.	Monthly dental working rate is \$29.50 effective on 7/1/12.			There is no spousal coverage available at retirement (pre or post Medicare).			
	Upon death of retiree, coverage continue to surviving spouses. Town's subsidy will continue to spouses for those who are receiving subsidized health benefits.	Dental coverage will terminate at Medicare eligibility.						

Explicit Subsidy: The School pays the full cost of coverage for pre and post-Medicare retiree benefits. Same benefit options are available to retirees as active employees. All pre Medicare health plans are self-insured. Post-Medicare Rx plan is fully insured and community-rated. Upon Medicare eligibility, the School provides Blue Medicare Rx plan with monthly premium of \$167. Plan 65 monthly premiums are \$162.15 for the School.

Teachers

Non-Certified School Employees

Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
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Lincoln

Upon death of the retiree of active employee (regardless of whether he is eligible to retire or not) the spousal coverage will revert to COBRA.

Explicit Subsidy: The school will pay a percentage of premium for retired teachers & administrators based on YOS at retirement as shown below:

Years of Service at Retirement	% of Premium Paid by the School
0-9	Not eligible
10-14	0%
15	50%
16	60%
17	70%
18	80%
19	90%
20+	100%

The subsidy percentage above applied to individual coverage only. Spouses are allowed in the plan but retiree pays the full incremental cost of spouse and dependent coverage.

Retiree contributes the portion of premium rates not covered by the School explicit subsidy.

Same benefit options are available to retirees as active employees. The health plans are self-insured. As of 7/1/08, retired teachers may only choose HealthMate. Some current retired teachers can remain in the Classic plan at retirement.

Upon death of the retiree of active employee (regardless of whether he is eligible to retire or not) the spousal coverage will revert to COBRA.

Explicit Subsidy: None

Retiree contributes the portion of premium rates not covered by the School explicit subsidy.

Retirees pay the full cost

Teachers

Non-Certified School Employees

Municipality	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
Little Compton	Certified Teachers that retire after 20 YOS with the Town may continue medical and dental coverage until the earlier of age 70, 5 years of post retirement coverage, and Medicare eligibility. Must contribute 75% of the premium toward their coverage.	Not covered by the Town, however retirees may purchase coverage.		Eligible for continued life ins. Post retirement at the entire expense to the retiree.	Members that retire after 15 YOS with the Town may continue medical insurance coverage until the earlier of age 5 and 3 years of post retirement coverage. The Town will contribute up to \$750 toward medical premiums.	Not covered by the Town, however retirees may purchase coverage.		Eligible for continued life ins. Post retirement at the entire expense to the retiree.

Members with fewer than 20 YOS are eligible for benefits under the same provisions except that they must contribute 100% of the premiums.

Summary of Benefit Provisions for OPEB (Medical for Teachers & Non-Certified School Employees)

Prepared by: Division of Municipal Finance
As of October 15, 2013 - DRAFT Reports

Municipality	Teachers			Non-Certified School Employees			
	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Dental	Certified School Employees: Vision	Non-Certified School Employees: Life	
Middletown	<p>Teachers (including administrators) receive Town-paid medical coverage to the latter of town subsidized the 10th anniversary of their retirement and attainment of age 65, subject to the following required contributions:</p> <ul style="list-style-type: none"> - 3% of premium for individual coverage for the first 7 years of retirement - 20% of premium for individual coverage for the next 3 years of retirement - 50% of premiums for individual coverage until age 65, death or Medicare eligibility. <p>There is no rebate benefit available to future teacher retirees who waive Town provided coverage. Dependent coverage is available at 100% of stated premium. Coverage ceases on the death of retiree.</p>	N/A	N/A	<p><u>Clerical & Custodial:</u> If the retirement date is on or after 7/1/03, the retiree receives the medical coverage in effect at the date of retirement for 5 years or to age 65, whichever is first (the last 2 years of this coverage is individual only). Custodial retirees pay 8% of stated premiums. Clerical retirees pay the contribution percentage applicable when they retire. Future retirees will pay 6%. All clerical employees who are hired after 7/1/96 will pay 20% of stated premium in retirement.</p> <p>No rebate was reflected for clerical or custodial retirees who waive subsidized coverage.</p>	<p><u>Clerical & Custodial:</u> N/A</p> <p>Eligible for Town subsidized dental coverage. If the retirement date is prior to 7/1/03, retiree receives 100% dental coverage in effect at date of retirement for 3 years or to age 65, whichever is first. If the retirement date is on or after 7/1/03, the retiree receives 100% medical and dental coverage in effect at date of retirement for 5 years or to age 65, whichever is first (the last 2 years of coverage are individual only). Other groups are not eligible for town subsidized dental coverage in retirement.</p>	N/A	N/A

Municipality	Teachers			Non-Certified School Employees			Non-Certified School Employees		
	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life	

Narragansett	<p>Retirees are responsible for 100% of the premium cost plus a 2% administrative fee once any accrued sick pay balance which is converted to pay for health and dental care have been exhausted.</p> <p>If the employee has a spouse covered at retirement, the spouse can stay in the group health plan for the duration of the sick leave conversion benefit. Once the sick leave conversion benefit is exhausted, no spousal coverage is offered (ie. retiree can only buy insurance for him/herself).</p> <p>Teachers with 10+ years of teaching in Narragansett upon retirement can convert accumulated sick pay up to 48 months of a single health and dental plan or up to 24 months of a family health and dental plan. Once accumulated sick pay is exhausted, they can continue to participate in health and dental plans at their own cost.</p> <p>Teachers may elect to defer commencement of healthcare coverage for a period of no more than 5 years during which they shall pay the difference between the established cash value of the reimbursement and the cost of the elected health care plan.</p>	<p>May stay on the plan - pay all costs</p>	N/A	N/A	<p>In addition to premium costs, a \$29.19 per month administration cost is assumed for each member of the plan.</p> <p>Support Professionals: Upon separation, may receive a total of 65% of his/her accumulated sick leave dollar value for the specific purpose of purchasing health care.</p> <p>Other School Employees: Upon separation, may apply the reimbursement of unused sick time and vacation towards the purchase of health and dental benefits at a discounted rate of 70% of their actual cost to the Narragansett School System. Individuals may delay the implementation of this benefit for up to 5 years after severance.</p>	<p>May stay on the plan pay all costs</p>	N/A	N/A
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Municipality	Teachers			Non-Certified School Employees			
	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
New Shoreham	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Newport	Some retirees and spouses are covered until the individual reaches age 65, others are covered for lifetime. No member hired after 7/1/12 is eligible for coverage after age 65. Can select from Classic Blue, Healthmate traditional, Bluechip, or Plan 65. Employees retiring on or after 8/31/05 are covered by Plan 65 after reaching age 65. For pre-Medicare benefits, retirees must pay any plan cost in excess of the cost of the same level of coverage under the Healthmate Plan 200. Teachers with extended benefits pay a 20% cost share. Teachers w/out extended benefits pay 15% of costs. Teachers hired before 7/1/07 could have elected the Extended Health Care Benefit Plan by making contributions of 5% of pay while employed. Any teacher who retires before 7/1/11 shall be reimbursed for his/her Part B Medicare premium upon becoming Medicare eligible.	N/A	N/A	\$50,000 coverage until Age 65	N/A	N/A	\$50,000 coverage until Age 65

Municipality	Teachers				Non-Certified School Employees				Non-Certified School Employees			
	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
North Kingstown	Retirees pay 100% of premium. Coverage until Medicare eligible.	N/A	N/A	N/A	Retirees pay 100% of premium. Coverage until Medicare eligible.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
North Providence	Retiree/Spouse - 50% retiree-paid. Coverage is pre-65 only.	Eligible to receive dental benefits for self and spouse	N/A	N/A	Administrators: Retiree/Spouse - 50% retiree-paid. Coverage is pre-65 only. <u>School Others:</u> Retiree/Spouse - 100% School paid. Coverage is provided for a period up to 36 months.	Eligible to receive dental benefits for self and spouse.	N/A	N/A	N/A	N/A	N/A	N/A
North Smithfield	Retirees contribute 15% to costs of health care.	Delta Dental.	N/A	N/A	Retirees contribute 15% to costs of health care. Blue Cross/Blue Shield of Rhode Island - Classic or HealthMate No Spouse/Surviving Spouse Benefit.	Same as medical.	Delta Dental.	Same as medical.	N/A	N/A	N/A	N/A
Pawtucket	Medical offered. Small coinsurance amounts for retirees (9.0% or flat amount that is similar). Spouses not covered. Coverage ends at 65. Retiree contributions - Based on data provided by Pawtucket, applicable to teachers only.	Dental offered.	N/A	N/A	Medical offered. Small coinsurance amounts for retirees (9.0% or flat amount that is similar). Spouses not covered. Coverage ends at 65. Retiree contributions - Based on data provided by Pawtucket, applicable to teachers only.	Dental offered.	N/A	Dental offered.	N/A	N/A	N/A	N/A
Portsmouth	Retiree benefits until Medicare eligibility at the earlier of: 1.) age 60 with 20 years of service (normal retirement), 2.) age 55 with 25 years of service and within 5 years of normal retirement. Includes medical	Dental until Medicare eligibility	Vision until Medicare eligibility	N/A	Retiree benefits until Medicare eligibility at the earlier of: 1.) age 60 with 20 years of service (normal retirement), 2.) age 55 with 25 years of service and within 5 years of normal retirement. Includes medical	Dental until Medicare eligibility	Vision until Medicare eligibility	Dental until Medicare eligibility	N/A	Vision until Medicare eligibility	N/A	N/A

Municipality	Teachers			Non-Certified School Employees			
	Teachers: Medical	Teachers: Dental	Teachers: Vision Life	Non-Certified School Employees: Medical	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision Life	
Providence	<p>Self-insured medical plan.</p> <p><u>Class A - General and City School Employees</u></p> <p>Co-share 1% final avg. salary, assumed to be \$400 annually with no future trend adjustment. Spouse not covered unless retiree dies, and spouse is enrolled in access-only coverage. Employee pays Rx. City pays for Plan 65, with co-share 1% annually with no future trend adjustment.</p> <p><u>Class A - State School Employees</u></p> <p>Co-share 1% final avg. salary, assumed to be \$513 annually with no future trend adjustment. Spouse not covered unless retiree dies, and spouse is enrolled in access-only coverage. Employee pays Rx.</p> <p>City pays for Plan 65, with co-share 1% final avg. salary, assumed to be \$513 annually with no future trend adjustment.</p> <p>Those who retired before 7/1/85 are not required to switch to Plan 65. Those retired 7/1/85 and 9/2/95 City pays for Plan 65 only. Those retired between 9/3/95 and 1/1/05 City pays for Plan 65 only, and spouse not covered unless ret dies, and is enrolled in access-only coverage. Those retired on/after 1/1/05 City pays for Plan 65 with co-share.</p>	<p>Employees have access to dental, but cost is not covered by the city for any group</p> <p>Employees have access to vision, but cost is not covered by City for any group</p>	<p>Employees N/A</p>	<p>Self-insured medical plan.</p> <p><u>Class A - General and City School Employees</u></p> <p>Co-share 1% final avg. salary, assumed to be \$400 annually with no future trend adjustment. Spouse not covered unless retiree dies, and spouse is enrolled in access-only coverage. Employee pays Rx. City pays for Plan 65, with co-share 1% final avg. salary, assumed to be \$400 annually with no future trend adjustment.</p> <p><u>Class A - State School Employees</u></p> <p>Co-share 1% final avg. salary, assumed to be \$513 annually with no future trend adjustment. Spouse not covered unless retiree dies, and spouse is enrolled in access-only coverage. Employee pays Rx. City pays for Plan 65, with co-share 1% final avg. salary, assumed to be \$513 annually with no future trend adjustment.</p> <p>Those who retired before 7/1/85 are not required to switch to Plan 65. Between 7/1/85 and 9/2/95 City pays for Plan 65 only. Between 9/3/95 and 1/1/05 City pays for Plan 65 only, and spouse not covered unless ret dies, and is enrolled in access-only coverage. Those retired on/after 1/1/05 City pays for Plan 65 with co-share.</p>	<p>Employees have access to dental, but cost is not covered by the city for any group</p>	<p>Employees have access to vision, but cost is not covered by City for any group.</p>	<p>Employees N/A</p>
Richmond	N/A	N/A	N/A	N/A	N/A	N/A	

Municipality	Teachers			Non-Certified School Employees				
	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life	
Scituate	Upon retirement, certified teachers are eligible to purchase medical and dental insurance (single or family) up to age 65 and pay 100% of the premium. The post-retirement cost to the town will be the implicit rate subsidy	Dental available	N/A	Not provided to retirees	Upon Retirement, non-certified school employees are eligible to purchase medical and dental insurance (single or family) for 18 months under COBRA. The COBRA benefits do not constitute a benefit to be included in determination of OPEB liabilities. Therefore, we note this provision exists but it is not included in liabilities or costs valued in this report.	Dental available	N/A	Not provided to retirees
Smithfield	If hired before 6/20/89, if either age 60 w/ 20 years of service, or 28 years of service with at least 15 in Smithfield, full coverage (0% coshare). Else (i.e. 60/15 or service <28) 0% coshare at the moment of retirement, and retiree covers the cost of all post-retirement benefits. If hired after 6/19/89 and before 7/1/92, if 28 years of service with at least 15 years with smithfield - 0% coshare. Else (i.e. 60/20 but service <28) = 50% coshare. If hired after 6/30/92, if age 60 and 20 years of service, or 28 years of service with at least 15 years with Smithfield, retiree receives benefits limited to \$5,000 annually.	Same as medical	N/A	N/A	Family medical coverage if 15 years of service to School Dept. with 28 years or more of service with the ERSRI to age 65, retiree pays any increases in premium after date of retirement If hired before 6/20/89, if either age 60 w/ 20 years of service, or 28 years of service with at least 15 in Smithfield, full coverage (0% coshare). Else (i.e. 60/15 or service <28) 0% coshare at the moment of retirement, and retiree covers the cost of all post-retirement benefits. If hired after 6/19/89 and before 7/1/92, if 28 years of service with at least 15 years with smithfield - 0% coshare. Else (i.e. 60/20 but service <28) = 50% coshare. If hired after 6/30/92, if age 60 and 20 years of service, or 28 years of service with at least 15 years with Smithfield, retiree receives benefits limited to \$5,000 annually.	Same as medical.	N/A	N/A

Municipality	Teachers			Non-Certified School Employees			Non-Certified School Employees: Life
	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	
West Greenwich	N/A	N/A	N/A	N/A	N/A	N/A	N/A
West Warwick	Retiring with 15 yrs of service, free coverage for 4 years after retirement until medicare eligibility Retiring with 25+ yrs of service, free coverage until medicare eligibility	Retiring with 28+ years of service, free coverage until medicare eligibility. No dental if less than 28 years of service.	None	None	Free coverage for 5 years after retirement (may extend past medicare eligibility if the 5-year period extends past medicare eligibility)	Free coverage for 5 yrs after retirement (may extend past medicare eligibility if the 5-year period extends past medicare eligibility)	None
Westerly	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Woonsocket	The board pays 100% of individual coverage for the teacher retiree and one dependent. Spouse benefit - Board pays 100% for Teachers until retiree reaches age 65. Surviving Spouse Benefit - Paid fully by the retiree, and until the date at which the deceased retiree would have attained age 65.	Delta Dental	N/A	May continue their life insurance coverage at their own expense in retirement. Superintendents: \$25,000 Non-superintendents: \$10,000	Paraprofessional: For members hired prior to 11/1/94, the Board pays 100% of individual coverage. For member hired on or after 11/1/94, the Board pays 95% of individual coverage. If the retiree elects a family plan, the retiree is responsible for the difference between the family premium and the individual premium. <u>Custodial and Secretarial:</u> The board pays 90% of individual coverage. If the retiree elects a family plan, the retiree is responsible for the difference between the family premium and the individual premium.	Delta Dental	May continue their life insurance coverage at their own expense in retirement. Superintendent s: \$25,000 Non-superintendent s: \$10,000

OPEB SURVEY (Medical for Teachers & Non-Certified School Employees)

Prepared by: Division of Municipal Finance
October 2013

Municipality	Teachers				Non-Certified School Employees		
	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
Bristol Warren School District	<p>Bristol & Warren teachers and Certified administrators: Hired before 7/1/93 shall receive until age 65, or eligibility for Medicare. Bristol-Warren School Department existing coverage for active employees. The School Committee will contribute 80% of the pre-65 cost of coverage if they participate in non-HSA plan. School Committee's contribution will be 90% of the pre-65 cost of coverage for employees enrolled in the HSA plan at retirement.</p> <p>Bristol teachers and Certified administrators - At age 65, will receive an additional coverage necessary to provide the equivalent benefits received prior to age 65. If a retiring Bristol teacher or Certified administrator is not eligible for Medicare at age 65 they may remain in the active plan. The School Committee will contribute 50% of the post-65 cost of coverage.</p> <p>Warren teachers and Certified administrators - There is no coverage upon Medicare eligibility.</p> <p>Bristol & Warren Teachers - Coverage continues to surviving spouse of retired teachers. The widowed spouse of a teacher hired before 7/1/93 are eligible for fully-paid indi the widow or widower is required to contribute 25% of the cost of coverage. No coverage for surviving spouse of certified administrators.</p>	N/A	N/A	N/A	<p>Bristol & Warren non-certified administrators and classified employees hired before 7/1/94 shall receive until age 65, or eligibility for Medicare. Bristol-Warren School Department existing coverage for active employees. The School Committee will contribute 87% of the pre-65 cost of coverage.</p> <p>Bristol Non-Certified Administrators and Classified Employees - At age 65, will receive an additional coverage necessary to provide the equivalent benefits received prior to age 65. If a retiring Bristol non-certified administrator or classified employee is not eligible for Medicare at age 65 they may remain in the active plan. The School Committee will contribute 50% of the post-65 cost of coverage.</p> <p>Warren Non-Certified Administrators and Classified Employees - There is no coverage upon Medicare eligibility.</p> <p>Bristol & Warren non-certified and classified employees - No coverage for surviving spouse.</p>	N/A	N/A
Charlho School District	<p>Certified staffs are able to remain on the plan after retirement until age 65 or for 4 years after retirement, whichever is earlier. Support staffs are able to remain on the plan until age 65. Only individual coverage is available to support staff retirees.</p> <p>Surviving spouses of certified staff are able to stay on the plan at their own expense for the same duration as retirees. There is no spousal coverage available for support staff retirees.</p> <p>Retirees are responsible for the portion of the premium not covered by the School District's explicit subsidy. The School District offers a stipend to certified staff. To retain the subsidy, certified staff must elect the benefit with subsidy within the first 3 years of becoming eligible for the benefit. Benefits are payable until age 65. Future retirees are assumed to receive a \$1,655 stipend.</p> <p>Certified staff who retire prior to 9/1/02 - \$700/single, \$1,700/family. Retire after 9/1/02 - \$850/single, \$2,000/family.</p> <p>Same benefit options are available to retirees as active employees.</p>	N/A	N/A	N/A	N/A	N/A	N/A

Municipality	Teachers			Non-Certified School Employees			
	Teachers: Medical	Teachers: Dental	Teachers: Vision	Teachers: Life	Non-Certified School Employees: Dental	Non-Certified School Employees: Vision	Non-Certified School Employees: Life
Exeter-West Greenwhich School District	<p>Employees who retire with 20 years of service receive 2 years of coverage plus accrued sick time converted to years of healthcare coverage. Employees with 15 years receive 1 year of coverage plus accrued sick time converted to years of healthcare coverage. The expiration date is the earlier of the date healthcare coverage runs out and age 65.</p> <p>Prior to the employees' expiration date, the School District pays 100% of the medical premium, except for any annual increases over 5%. After the employees' expiration date, employees pay 100% of the premium plus a 2% carrying charge until age 65.</p> <p><u>Spouse Benefit</u> - Yes, at the same cost sharing rate as the employee.</p> <p><u>Surviving Spouse Benefit</u> - Yes, the Town covers surviving spouses medical coverage at the same rate as the above spouse benefit.</p>	Yes	N/A	N/A	N/A	N/A	N/A
Foster-Glocester School District	<p><u>Certified Teachers and Administrator positions that have their salary increases and benefit tied to the Teachers' contract are required to pay a percentage of premiums based on the schedule below when they retire:</u></p> <ul style="list-style-type: none"> * 10% of premium for retirements 7/1/11 to 6/30/12; and * 20% of premium for retirements in 7/1/12 to 6/30/14. <p>For GASB valuation purposes, we have assumed 20% of premium contribution requirement for those who retire after 6/30/14. The above schedule applies to all Certified Teachers and Administrator positions who are currently actively employed.</p>	N/A	N/A	N/A	N/A	N/A	N/A

Summary of Benefit Provisions for OPEB (Medical for Other Classifications)

Prepared by: Division of Municipal Finance
As of October 15, 2013 - DRAFT Reports

Other Classifications

Municipality	Other: Medical	Other: Dental	Other: Vision	Other: Life
Barrington	<p>DPW: Fully covered medical coverage (single or family) for five (5) years after retirement. Hired after 7/1/1991 must contribute 20% of the premium towards their coverage.</p> <p>DPW: Hired after 7/1/1995 are not eligible for post retirement medical coverage.</p> <p>Dispatchers: Fully covered medical coverage (single or family) for two (2) years after retirement. Hired after 7/1/1995 receive coverage for one (1) year after retirement.</p> <p>Dispatchers: Hired after 7/1/1993 must contribute 20% of the premium towards their coverage.</p>	Not provided	Not provided	Not provided
Bristol	<p>Sewer and Public Works: Hired Prior to Sept. 1, 2002: 100% Town-paid coverage for employee until age 75 and spouse until age 65.</p> <p>Sewer and Public Works: Hired After Sept. 1, 2002: retirees can elect coverage for self and spouse for a period of 10 years from the date of retirement at their own expense.</p> <p>Sewer and Public Works: Hired After Sept. 1, 2002: 100% Town-paid coverage for employee and spouse until age 65.</p>	Not provided	Hired Prior to Sept. 1, 2002: can elect coverage for self and spouse for a period of 10 years from the date of retirement at their own expense. <p>Hired After Sept. 1, 2002: retirees can elect coverage for self and spouse for a period of 10 years from the date of retirement at their own expense.</p>	Hired Prior to Sept. 1, 2002: \$50,000 (\$10,000 in retirement; excess funds deposited into OPEB trust); 100% Town-paid. Hired After Sept. 1, 2002: \$50,000 (\$10,000 in retirement; excess funds deposited into OPEB trust); 100% Town-paid.
Burrillville	<p>Employee Contributions: Eff. July 1, 2013, 1% of employee yearly salary.</p> <p>Waste Water: All eligible employees may elect coverage in the Plan until age 65. Spouses may be covered for as long as the retiree is covered. The retiree must pay 100% of the premium.</p>	Offered to some groups, with the retiree responsible for paying 100% of the premium.		

Central Falls

Charlestown

Other Classifications

Municipality	Other: Medical	Other: Dental	Other: Vision	Other: Life
Coventry				
Cranston				
Cumberland				
East Greenwich	<p><u>DPW & Other divisions:</u> Retirees prior to age 65, is partially covered under the BCBS (single coverage only) with the Town contributing 3.3% of the premium per year of service at retirement. Retirees contributes the remaining amount of the required premium.</p> <p>All retiring after 7/1/93, coverage shall continue until the retiree or his/her spouse has accident & health coverage from another employer. If coverage is less, the Town shall pay the additional premium to provide benefits not less.</p>	Not Provided		Not Provided
East Providence				
Exeter	N/A			
Foster	<p><u>Labor Union:</u> The town pays 40% of the individual medical premium until retiree is eligible for Medicare.</p> <p>Spouse Benefit: Spouse must pay 100% of their premiums. There are no surviving spouse benefits.</p> <p><u>Dispatch:</u> The town pays 40% of the medical premium for 5 years after retirement if retirement was prior to 7/1/07 and for 7 years after retirement if retirement was after 7/1/07.</p> <p>Spouse Benefit: medical coverage is the same as retiree coverage. There are no surviving spouse benefits.</p>			
Glocester				
Hopkinton				
Jamestown				

Municipality	Other: Medical	Other: Dental	Other: Vision	Other: Life
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Johnston

Laborsers' Local 808:

Retiree medical benefits are non-contributory for all retirees and their spouses.
 Upon death of retiree, coverage continues to surviving spouses.
 Town's subsidy will continue to spouses for those who are receiving subsidized health benefits.

Explicit Subsidy: The Town pays the full cost of coverage for pre and post-Medicare retiree health benefits.

Part B Subsidy: Town retirees receive Medicare Part B premium subsidy upon Medicare eligibility for themselves and their spouses. The monthly Part B premium effective on January 1, 2012 is \$99.90. The Town also pays for the Medicare Part B premium for a closed group of existing retirees and spouses who were not enrolled in Medicare Part B when first eligible. The Town will not pay for the Part B premium penalty for future retirees.

Same benefit options are available to retirees as active employees. All pre Medicare health plans are self-insured. Post-Medicare Blue Medicare Rx plan is fully-insured and community-rated. Upon Medicare eligibility, the Town provides Blue Medicare Rx plan with monthly premium of \$167. Plan 65 monthly premiums are \$185.88 for the Town.

Lincoln

Little Compton

Summary of Benefit Provisions for OPEB (Medical for Other)

Prepared by: Division of Municipal Finance
As of October 15, 2013 - DRAFT Reports

Other

Municipality	Other: Medical	Other: Dental	Other: Vision	Other: Life
Middletown	<p>Public Works: The retiree receives only individual coverage. Retirees pay 35% of the stated premiums to age 65, followed by 50% of Plan 65 premiums until age 70. Dental coverage is available with the retiree paying full cost. In addition, in order to qualify for health coverage, must have 10 years of continuous service and be age 60.</p> <p>Library Employees: No retiree medical coverage other than COBRA.</p> <p>Clerical & Custodial: If the retirement date is on or after 7/1/03, the retiree receives the medical coverage in effect at the date of retirement for 5 years or to age 65, whichever is first (the last 2 years of this coverage is individual only). Custodial retirees pay 8% of stated premiums. Clerical retirees pay the contribution percentage applicable when they retire. Future retirees will pay 6%. All clerical employees who are hired after 7/1/96 will pay 20% of stated premium in retirement.</p> <p>No rebate was reflected for clerical or custodial retirees who waive subsidized coverage.</p> <p>In addition to premium costs, a \$29.19 per month administration cost is assumed for each member of the plan.</p>	<p>Public Works: Dental coverage is available with the retiree paying full cost.</p> <p>Clerical & Custodial: Eligible for Town subsidized dental coverage. If the retirement date is prior to 7/1/03, retiree receives 100% dental coverage in effect at date of retirement for 3 years or to age 65, whichever is first. If the retirement date is on or after 7/1/03, the retiree receives 100% medical and dental coverage in effect at date of retirement for 5 years or to age 65, whichever is first (the last 2 years of coverage are individual only). Other groups are not eligible for town subsidized dental coverage in retirement.</p>	N/A	N/A

Municipality	Other		
	Other: Medical	Other: Dental	Other: Life
Narragansett	N/A	N/A	N/A
New Shoreham	N/A	N/A	N/A
Newport	Eligible upon retirement; AFSCME and NEA retiree and spouse eligible for coverage until age 65; Plan65 for retirees except that any retiree after 7/1/09 has no post-65 coverage. AFSCME and NEA retirees after 7/1/09 pay 3% of premium as a cost share; non-union retirees pay 10 or 15% of premium depending on date of retirement.	N/A	N/A
North Kingstown	<u>Non-Union:</u> The Town currently pays 100%. The town will pay 80% for retirees who retire after 1/1/12. Town provides Medicare Supplemental Coverage for life upon becoming eligible for Medicare. Spouse benefit - Yes Surviving Spouse Benefit - No	N/A	N/A
North Providence	N/A	N/A	N/A
North Smithfield	N/A	N/A	N/A

Other			
Municipality	Other: Medical	Other: Dental	Other: Life
Pawtucket	N/A	N/A	N/A
Portsmouth	<p>General employees: Retiree health care coverage is discontinued upon death of the retiree. Surviving spouse will be offered COBRA.</p> <p><u>Public Works</u>: The Town will contribute 80% of the medical and dental costs for Public Works employees until Medicare eligibility. Vision coverage is free for retirees. Currently, Public Works is the only group required to pay health contributions while in retirement status.</p> <p><u>Non-Union group employees</u>: Receive free retiree health care (medical, dental, and vision) until Medicare eligibility.</p>	<p>80% of Dental included.</p> <p>Vision free for retirees.</p>	N/A
Providence	N/A	N/A	N/A
Richmond	N/A	N/A	N/A
Scituate	<p><u>Public Works and Non-Union Town Employees</u> - Upon retirement are eligible for individual medical insurance coverage. Retired members must contribute the following towards their premium coverage:</p> <p>Service 10-15 = 100% contribution Service 16-22 = 21% contribution Service 23-29 = 10.5% contribution Service 30+ = 0% contribution.</p> <p>Town employees are also eligible to contribute 100% of the remaining premium towards family coverage.</p>	<p>A Town employee may purchase dental insurance through COBRA for up to 18 months. The COBRA benefits do not constitute a benefit to be included in determination of OPEB liabilities. Therefore, we not this provision exists but it is not included in liabilities or costs valued in this report.</p>	<p>Life insurance is not provided to retirees.</p>
Smithfield	<p>0% co-share for Town plan participants. Required to migrate to medicare upon eligibility.</p>	<p>Family dental coverage if age 58 and 20 years of town service, 0% co-share, required to migrate to medicare upon eligibility</p>	N/A

		Other		
Municipality	Other: Medical	Other: Dental	Other: Vision	Other: Life
South Kingstown	<p><u>Emergency Medical Services (EMS):</u> 30, 25, 20 years of service: town pays \$4000, \$2666, \$1333 per year respectively towards the cost, and retiree pays the difference for 3 years. Coverage is pre-65 only.</p> <p>The Town shall provide medical coverage to the surviving spouse of an employee killed in line of duty. Coverage will continue for 5 years following the date of death.</p> <p>Cost-sharing is as follows: Hired on/before 8/1/02 - 5% member paid - 10% member paid (effective 7/1/10) - 15% member-paid (effective 7/1/11) Hired after 8/1/02: - 20% member-paid</p>	<p><u>EMS:</u> Dental benefits for self and spouse. Service-Connected disability only, until age 65. 100% Town-paid.</p>	N/A	<p><u>EMS:</u> Retiree will pay full cost of benefit if chooses to continue coverage</p>
Tiverton	<p><u>AFSCME retirees</u> - shall pay the co-pay upon retirement (10%, 12%, or 15%). <u>Teamsters</u> hired prior to 7/1/94 shall have no contributions in retirement.</p>	Includes Dental.	N/A	N/A
Warren	<p><u>Non-union Supervisory Personnel:</u> - Hired prior to 4/26/06, 3 years of free coverage that can extend past Medicare eligibility. - Hired on/after 4/26/06, 3 years subsidized coverage that can extend past Medicare eligibility. During the subsidy period, the Town will contribute 80% of the premium.</p>	Includes Dental.	N/A	N/A
Warwick	N/A	N/A	N/A	N/A
Warwick Public Schools	N/A	N/A	N/A	N/A

Other				
Municipality	Other: Medical	Other: Dental	Other: Vision	Other: Life
West Greenwich	N/A	N/A	N/A	N/A
West Warwick	N/A	N/A	N/A	N/A
Westerly	N/A	N/A	N/A	N/A
Woonsocket	N/A	N/A	N/A	N/A

