

**Town of Jamestown, RI
Postretirement Medical Plan
Financial Disclosure Information
in accordance with Statement of
Governmental Accounting Standards
Board No. 75
for the period beginning July 1, 2020 and
ending June 30, 2021**

Prepared By:

**The Angell Pension Group, Inc.
88 Boyd Avenue
East Providence, RI 02914
Telephone (401) 438-9250**

November, 2021

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I. INTRODUCTION

The purpose of this report is to present certain financial information relative to the Town of Jamestown, RI Postretirement Medical Plan in accordance with the Statement of Governmental Accounting Standards Board No. 75 (GASB 75).

The report presents the actuarial valuation for the Town of Jamestown, RI Postretirement Medical Plan for the Fiscal year July 1, 2020 to June 30, 2021 based on the valuation as of July 1, 2019. This report includes the determination of the Plan's current discount rate, Net OPEB Liability, OPEB expense, and balances of deferred inflows and outflows.

This report was based on information submitted to our firm by the Town of Jamestown, RI in the form of census data, substantive plan provisions, medical premium rates, asset/benefit payment information, and other ancillary material pertaining to the plan.

Actuarial computations under GASB 75 are for purposes of fulfilling employer accounting requirements. The calculations reported herein have been made on a basis consistent with my understanding of GASB 75 and are in conformity with applicable actuarial standards of practice. To the best of my knowledge, the information contained in this report was determined in accordance with GASB 75. In addition, no relationship exists with the plan or plan sponsor that impairs the objectivity of our work.

I meet the GASB 75 Qualification Standards of the American Academy of Actuaries to render the actuarial opinions included in this report, based upon my education, experience and continuing education.



Simon R. Encarnacion, F.S.A., E.A.
Consulting Actuary

11/17/2021

Date

II. DESCRIPTIVE INFORMATION

<i>Plan Description:</i>	Single-employer, defined benefit postretirement health insurance program.
<i>Groups Covered:</i>	Police officers of the International Brotherhood of Police Officers Local 305 bargaining unit that retire from the Jamestown Police Department upon reaching their normal retirement date.
<i>Pension Members' Retirement Eligibility:</i>	Police officers of the Jamestown Police Department are eligible for retirement under the Defined Benefit Pension Plan after working 10 years of vesting service and after attaining age 55. Normal retirement date is defined as age 55 with 20 years of service.
<i>Benefit Formula:</i>	<p>Blue Cross Healthmate Coast to Coast plan. The Town of Jamestown, Rhode Island (the "Town") covers 100% of the coverage for retired members hired prior to March 1, 1996 (except as described below); the Town also covers 80% of the coverage for retired members hired after March 1, 1996. Retired members are covered for their lifetime or until the time they become eligible for equal or better coverage through a future employer or spouse's employer. Retired members are not paid a subsidy or lump sum payment when opting out of coverage.</p> <p>Effective with future retirees that were hired prior to March 1, 1996, the Town would cover 93% of the coverage in 2011, and 85% of coverage for years beginning in 2012.</p> <p>Retired members may elect dental coverage under this Plan however the Town does not contribute towards dental benefits therefore the entire coverage is paid for by the retiree. The implicit rate subsidy resulting from the dental coverage borne by the Town is expected to be small, not material to the valuation, and not valued in this report.</p> <p>Life insurance is not offered to retired members.</p>
<i>Demographic Experience:</i>	The Total OPEB Liability decreased by approximately \$39,000 (0.77%) as a result of demographic experience.
<i>Significant Events:</i>	None.

III. ACTUARIAL METHODS

Measurement Date: July 1, 2020 (for purposes of determining the OPEB Expense) and June 30, 2021 (for purposes of Net OPEB Liability)

Actuarial Cost Method: Costs have been computed in accordance with the Entry Age Actuarial Cost Method.

The service cost is the sum of the service costs for all participants. For an active participant, the individual service cost is (a) the present value of future benefits as of the participant's entry age divided by (b) the present value of future compensation as of the participant's entry age multiplied by (c) current compensation. For other than a current active participant, the service cost equals \$0.

The accrued liability is the sum of the individual accrued liabilities for all participants. The individual accrued liability is equal to (d) the present value of future benefits less (e) the service cost accrual rate multiplied by (f) the present value of future compensation.

Asset Valuation Method: The Fiduciary Net Position is based on the fair market value of assets as of the measurement date.

Census Information: Census data and premium information as of July 1, 2019 was used to calculate the OPEB Expense. Census data and premiums information as of July 1, 2019 was used to project the Total OPEB Liability to June 30, 2021.

Net OPEB Liability at Fiscal Year End: Based on actual benefit payments, actual contributions to the Plan trust (if applicable), and estimated implicit rate subsidy, for the fiscal year ending June 30, 2021.

IV. ACTUARIAL ASSUMPTIONS

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

Assumptions for the Current Valuation

<i>Discount Rate:</i>	1.92% as of 6/30/2021 2.46% as of 6/30/2020												
<i>Index Rate:</i>	1.92% as of 6/30/2021 2.45% as of 6/30/2020												
<i>Long Term Rate of Return on Assets:</i>	6.21%												
<i>Healthy Mortality:</i>	PUBS-2010 Employee and Healthy Annuitant with Scale MP-2020 generational improvements (Male/Female)												
<i>Disabled Rates:</i>	PUBS-2010 Disabled Annuitant with Scale MP-2020 generational improvements (Male/Female)												
<i>Turnover:</i>	None												
<i>Retirement:</i>	Rates of retirement by age are: <table><thead><tr><th>Age</th><th>Rate</th></tr></thead><tbody><tr><td>50-51</td><td>5%</td></tr><tr><td>52-53</td><td>15%</td></tr><tr><td>54</td><td>25%</td></tr><tr><td>55-59</td><td>50%</td></tr><tr><td>60</td><td>100%</td></tr></tbody></table>	Age	Rate	50-51	5%	52-53	15%	54	25%	55-59	50%	60	100%
Age	Rate												
50-51	5%												
52-53	15%												
54	25%												
55-59	50%												
60	100%												

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

IV. ACTUARIAL ASSUMPTIONS (cont'd)

Participation: It is assumed that 100% of future retirees elect medical coverage and remain covered for their lifetime. All current retirees are assumed to continue coverage. Upon attainment of age 65, it is assumed retirees are covered under the Medicare Supplement Plan, Plan 65.

*Current Health Care
Monthly Premium Rates:*

July 1, 2019 Medical Premiums:
Single Coverage: \$625.35 per month
Family Coverage: \$1,575.94 per month
Plan 65: \$194.08 per month
Premium for 1 Non-Union Retiree: \$393.08 per month
Premium for 1 Disabled Retiree: \$56.80 per month

Health Care Cost Trend Rates: 5.5% per year graded down by the Getzen model to an ultimate rate of 4.04% per year after 2075.

Salary Increases: 4.00%

Marital Status: 90% of future retirees are assumed to be married and elect family medical coverage. Female spouses are assumed to be 3 years younger than males. Actual spousal information is used for current retirees if available.

Aging Assumption:

Age	Rate
<70	3.00%
70-74	2.50%
75-79	2.00%
80-84	1.00%
85-89	0.50%
90+	0.00%

V. CHANGES IN ACTUARIAL ASSUMPTIONS & METHODS

The table below indicates which assumptions, other than the Health Care Working Rates, have changed from the prior Fiscal Year. In the opinion of the actuary, these changes were made to provide that the assumption used is consistent with our expectations of future plan experience.

	July 1, 2020	June 30, 2021	Percent Change TOL
<i>Discount Rate:</i>	2.45%	1.92%	8.10%
<i>Mortality Table:</i>	PUBS-2010 Employee and Healthy Annuitant with Scale MP-2019 generational improvements (Male/Female)	PUBS-2010 Employee and Healthy Annuitant with Scale MP-2020 generational improvements (Male/Female)	-1.01%

VI. DETERMINATION OF DISCOUNT RATE

A. Determination of Discount Rate as of June 30, 2021 - Analysis of Crossover Point (Town)

Plan Year	Valuation 6/30	Prior Year's Employee Contributions	Total Prior Year Contributions	Projected Normal Cost	Projected Market Value of Assets	Projected Benefit Payments	Projected Benefit Payments		Actuarial Present Value of Benefit Payments		
							"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Portion 6.21%	Present Value of "Unfunded" Portion 1.92%	Present Value of All Benefit Payments - Single Rate 1.92%
2021		0	128,240	299,230	318,001	128,240	128,240	0	128,240	0	128,240
2022		0	137,562	309,742	209,509	137,562	137,562	0	129,519	0	134,965
2023		0	133,699	320,440	84,957	133,699	84,957	48,742	75,313	46,923	128,698
2024		0	143,161	331,290	0	143,161	0	143,161	0	135,222	135,205
2025		0	137,557	342,258	0	137,557	0	137,557	0	127,481	127,460
2026		0	147,076	353,303	0	147,076	0	147,076	0	133,735	133,707
2027		0	200,619	340,395	0	200,619	0	200,619	0	178,985	178,940
2028		0	176,084	337,279	0	176,084	0	176,084	0	154,136	154,091
2029		0	199,800	340,556	0	199,800	0	199,800	0	171,601	171,544
2030		0	223,905	319,988	0	223,905	0	223,905	0	188,681	188,611
2031		0	232,066	329,428	0	232,066	0	232,066	0	191,875	191,795
2032		0	291,825	291,568	0	291,825	0	291,825	0	236,739	236,631
2033		0	300,141	283,234	0	300,141	0	300,141	0	238,898	238,779
2034		0	358,365	282,923	0	358,365	0	358,365	0	279,868	279,717
2035		0	401,268	245,791	0	401,268	0	401,268	0	307,470	307,292
2036		0	477,136	170,917	0	477,136	0	477,136	0	358,716	358,493
2037		0	471,958	157,165	0	471,958	0	471,958	0	348,139	347,908
2038		0	405,634	162,403	0	405,634	0	405,634	0	293,579	293,372
2039		0	429,779	167,673	0	429,779	0	429,779	0	305,194	304,966
2040		0	418,176	172,964	0	418,176	0	418,176	0	291,360	291,131
2041		0	387,251	178,240	0	387,251	0	387,251	0	264,731	264,511
2042		0	437,802	183,456	0	437,802	0	437,802	0	293,650	293,394
2043		0	479,042	159,511	0	479,042	0	479,042	0	315,258	314,971
2044		0	407,531	135,160	0	407,531	0	407,531	0	263,144	262,893
2045		0	425,157	138,912	0	425,157	0	425,157	0	269,354	269,086
2046		0	465,453	107,228	0	465,453	0	465,453	0	289,328	289,028
2047		0	394,117	92,167	0	394,117	0	394,117	0	240,370	240,111
2048		0	364,218	85,540	0	364,218	0	364,218	0	217,950	217,706
2049		0	423,377	83,152	0	423,377	0	423,377	0	248,579	248,290
2050		0	469,125	39,738	0	469,125	0	469,125	0	270,250	269,925
2051		0	516,146	0	0	516,146	0	516,146	0	291,736	291,373
2052		0	493,961	0	0	493,961	0	493,961	0	273,937	273,585
2053		0	520,532	0	0	520,532	0	520,532	0	283,235	282,859
2054		0	548,050	0	0	548,050	0	548,050	0	292,590	292,190
2055		0	437,147	0	0	437,147	0	437,147	0	228,985	228,663
2056		0	456,677	0	0	456,677	0	456,677	0	234,709	234,368
2057		0	476,459	0	0	476,459	0	476,459	0	240,263	239,904
2058		0	403,981	0	0	403,981	0	403,981	0	199,877	199,570
2059		0	345,524	0	0	345,524	0	345,524	0	167,734	167,470
2060		0	353,475	0	0	353,475	0	353,475	0	168,361	168,089
2061		0	360,707	0	0	360,707	0	360,707	0	168,569	168,290
2062		0	255,157	0	0	255,157	0	255,157	0	116,996	116,797
2063		0	253,147	0	0	253,147	0	253,147	0	113,888	113,690
2064		0	250,091	0	0	250,091	0	250,091	0	110,393	110,197
2065		0	246,058	0	0	246,058	0	246,058	0	106,567	106,373

2066	0	241,092	0	0	241,092	0	241,092	0	102,449	102,258
2067	0	235,238	0	0	235,238	0	235,238	0	98,079	97,892
2068	0	228,358	0	0	228,358	0	228,358	0	93,417	93,235
2069	0	220,802	0	0	220,802	0	220,802	0	88,624	88,448
2070	0	212,526	0	0	212,526	0	212,526	0	83,695	83,525
2071	0	203,462	0	0	203,462	0	203,462	0	78,616	78,453
2072	0	194,233	0	0	194,233	0	194,233	0	73,636	73,481
2073	0	184,725	0	0	184,725	0	184,725	0	68,713	68,565
2074	0	175,102	0	0	175,102	0	175,102	0	63,906	63,766
2075	0	165,310	0	0	165,310	0	165,310	0	59,196	59,063
2076	0	155,466	0	0	155,466	0	155,466	0	54,622	54,498
2077	0	145,841	0	0	145,841	0	145,841	0	50,275	50,158
2078	0	135,980	0	0	135,980	0	135,980	0	45,993	45,884
2079	0	126,124	0	0	126,124	0	126,124	0	41,855	41,755
2080	0	116,139	0	0	116,139	0	116,139	0	37,816	37,723
2081	0	106,012	0	0	106,012	0	106,012	0	33,868	33,784
2082	0	95,990	0	0	95,990	0	95,990	0	30,089	30,013
2083	0	86,007	0	0	86,007	0	86,007	0	26,451	26,384
2084	0	76,212	0	0	76,212	0	76,212	0	22,997	22,937
2085	0	66,596	0	0	66,596	0	66,596	0	19,717	19,665
2086	0	57,422	0	0	57,422	0	57,422	0	16,681	16,636
2087	0	48,809	0	0	48,809	0	48,809	0	13,912	13,874
2088	0	40,805	0	0	40,805	0	40,805	0	11,411	11,380
2089	0	33,578	0	0	33,578	0	33,578	0	9,213	9,187
2090	0	27,154	0	0	27,154	0	27,154	0	7,310	7,289
2091	0	21,602	0	0	21,602	0	21,602	0	5,706	5,690
2092	0	16,891	0	0	16,891	0	16,891	0	4,378	4,365
2093	0	12,966	0	0	12,966	0	12,966	0	3,297	3,287
2094	0	9,760	0	0	9,760	0	9,760	0	2,435	2,428
2095	0	7,196	0	0	7,196	0	7,196	0	1,762	1,756
2096	0	5,186	0	0	5,186	0	5,186	0	1,246	1,242
2097	0	3,652	0	0	3,652	0	3,652	0	861	858
2098	0	2,511	0	0	2,511	0	2,511	0	581	579
2099	0	1,684	0	0	1,684	0	1,684	0	382	381
2100	0	1,100	0	0	1,100	0	1,100	0	245	244
2101	0	699	0	0	699	0	699	0	153	152
2102	0	432	0	0	432	0	432	0	93	92
2103	0	260	0	0	260	0	260	0	55	54
2104	0	150	0	0	150	0	150	0	31	31
2105	0	85	0	0	85	0	85	0	17	17
2106	0	47	0	0	47	0	47	0	9	9
2107	0	26	0	0	26	0	26	0	5	5
2108	0	13	0	0	13	0	13	0	2	2
2109	0	7	0	0	7	0	7	0	1	1
2110	0	4	0	0	4	0	4	0	1	1
2111	0	2	0	0	2	0	2	0	0	0
2112	0	0	0	0	0	0	0	0	0	0
2113	0	0	0	0	0	0	0	0	0	0
2114	0	0	0	0	0	0	0	0	0	0
2115	0	0	0	0	0	0	0	0	0	0
2116	0	0	0	0	0	0	0	0	0	0
2117	0	0	0	0	0	0	0	0	0	0

333,072 + 10,912,854 = 11,245,925

* The 1.92% discount rate is the 6/30/2021 Fidelity GO 20 yr AA Index.

VI. DETERMINATION OF DISCOUNT RATE (cont'd)

C. Funding Policy

Currently, the funding policy is to fund the expected employer-only benefit payments.

D. Long Term Expected Rate of Return and Asset Allocation

The long term expected rate of return on Plan investments was determined by the investment manager.

<u>Asset Class</u>	<u>June 30, 2021 Asset Allocation*</u>	<u>Target Asset Allocation*</u>	<u>Long Term Expected Rate of Return*</u>
Large Cap US Equity	N/A	37.10%	8.00%
REIT Index Fund	N/A	8.00%	6.80%
International Equity	N/A	15.90%	8.60%
Intermed. To Long Bonds	N/A	34.200%	3.33%
Short-Term Bonds and Cash	N/A	4.80%	3.90%
	<u>100.00%</u>	<u>100.00%</u>	

Projected Rate of Return*: 6.21%

* The Projected Rate of Return was estimated based on returns for similarly situated plans.

Money-Weighted Rate of Return for Fiscal Year Ending 06/30/2021**: 22.76%

** This rate is determined assuming contributions and expenses are paid in the middle of the plan year.

VII. NET OPEB LIABILITY

A. Net OPEB Liability as of June 30, 2020

The Net OPEB Liability for the Plan was measured as of June 30, 2020, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2019 and adjusted through June 30, 2020.

The components of the Net OPEB Liability of the Plan as of June 30, 2020, were as follows:

Total OPEB Liability	\$5,080,130
Plan Fiduciary Net Position	<u>(\$237,996)</u>
Net OPEB Liability	<u><u>\$ 4,842,134</u></u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	4.68%

The discount rate used to calculate the Total OPEB Liability was 2.45% under the Entry Age Normal Cost Method.

B. Net OPEB Liability as of June 30, 2021

The Net OPEB Liability for the Plan was measured as of June 30, 2021, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2019 and adjusted through June 30, 2021.

The components of the Net OPEB Liability of the Plan as of June 30, 2021, were as follows:

Total OPEB Liability	\$5,717,709
Plan Fiduciary Net Position	<u>(\$318,001)</u>
Net OPEB Liability	<u><u>\$ 5,399,708</u></u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	5.56%

The discount rate used to calculate the Total OPEB Liability was 1.92% under the Entry Age Normal Cost Method.

VII. NET OPEB LIABILITY (cont'd)

C. Changes in Net OPEB Liability for the Fiscal Year ending June 30, 2021

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balance as of 7/1/2020	\$5,080,130	\$237,996	\$4,842,134
Changes for the year:			
Service Cost	260,909		260,909
Interest on Total OPEB Liability	122,877		122,877
Differences Between Expected and Actual Experience	(38,990)		(38,990)
Changes of Assumptions			
Mortality	(53,798)		(53,798)
Discount Rate	428,494		428,494
Changes in Benefit Terms	0		0
Contributions - Employer		105,902	(105,902)
Contributions - Employee		0	0
Net Investment Income		56,813	(56,813)
Benefit Payments ⁽¹⁾	(81,913)	(81,913)	0
Administrative Expense		(797)	797
Other Changes	0	0	0
Net Changes	<u>\$637,579</u>	<u>\$80,005</u>	<u>\$557,574</u>
Balance as of 6/30/2021	<u><u>\$5,717,709</u></u>	<u><u>\$318,001</u></u>	<u><u>\$5,399,708</u></u>

⁽¹⁾ *Implicit Subsidy of approximately \$70,000 was not included in this year's benefit payments.*

VII. NET OPEB LIABILITY (cont'd)

D. Sensitivity of the Net OPEB Liability to Changes in Discount Rate as of June 30, 2021

The following presents the Net OPEB Liability as of June 30, 2021 calculated using the discount rate of 1.92%, as well as what the Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (.92%) or 1-percentage-point higher (2.92%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	0.92%	1.92%	2.92%
Plan's Net OPEB Liability as of June 30, 2021:	6,359,637	5,399,708	4,629,692

E. Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rate as of June 30, 2021

The following presents the Net OPEB Liability as of June 30, 2021 calculated using the trend rate of 5.50% down by the getzen model to 4.04%, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower (4.50% down by the getzen model to 3.04%) or 1-percentage-point higher (6.50% down by the getzen model to 5.04%) than the current rate:

	<u>1% Decrease</u>	<u>Current HCCTR</u>	<u>1% Increase</u>
	4.50% down by the getzen model to 3.04%	5.50% down by the getzen model to 4.04%	6.50% down by the getzen model to 5.04%
Plan's Net OPEB Liability as of June 30, 2021:	4,366,327	5,399,708	6,757,243

VII. NET OPEB LIABILITY (cont'd)

F. Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Fiscal Years

Fiscal Year Ending	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Total OPEB Liability (TOL)										
Service Cost	\$ 260,909	\$ 205,844	\$ 171,691	\$ 167,987	\$ 219,301					
Interest on TOL	122,877	132,245	145,888	139,055	160,265					
Differences between exp. and actual experience	(38,990)	(223,659)	33,794	(285,835)	6,614					
Changes of assumptions	374,696	586,167	263,464	(143,221)	262,742					
Changes in benefit terms	0	0	0	0	0					
Benefit payments	<u>(81,913)</u>	<u>(161,989)</u>	<u>(182,724)</u>	<u>(337,957)</u>	<u>(176,539)</u>					
Net Change in TOL	637,579	538,608	432,113	(459,972)	472,382					
Total OPEB Liability - beginning	5,080,130	4,541,522	4,109,409	4,569,381	4,096,999					
Total OPEB Liability - end (a)	<u>\$ 5,717,709</u>	<u>\$ 5,080,130</u>	<u>\$ 4,541,522</u>	<u>\$ 4,109,409</u>	<u>\$ 4,569,381</u>					
Plan Fiduciary Net Position (FNP)										
Contributions - Employer	\$ 105,902	\$ 177,297	\$ 232,666	\$ 211,116	\$ 296,239					
Contributions - Employee	0	0	0	0	0					
Net investment income	56,813	12,756	13,825	9,926	10,780					
Benefit payments	(81,913)	(161,989)	(182,724)	(337,957)	(176,539)					
Administrative expense	(797)	(551)	(487)	(387)	0					
Other changes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>					
Net Changes in FNP	80,005	27,513	63,280	(117,302)	130,480					
Fiduciary Net Position - beginning	237,996	210,483	147,203	264,505	134,025					
Fiduciary Net Position - end (b)	<u>\$ 318,001</u>	<u>\$ 237,996</u>	<u>\$ 210,483</u>	<u>\$ 147,203</u>	<u>\$ 264,505</u>					
Net OPEB Liability - ending (a) - (b)	<u>\$ 5,399,708</u>	<u>\$ 4,842,134</u>	<u>\$ 4,331,039</u>	<u>\$ 3,962,206</u>	<u>\$ 4,304,876</u>					
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	5.56%	4.68%	4.63%	3.58%	5.79%					
Covered Employee Payroll	\$ 894,000	\$ 859,470	\$ 767,000	\$ 737,603	\$ 700,334					
Net OPEB Liability as a percentage of covered employee payroll	603.99%	563.39%	564.67%	537.17%	614.69%					

Note: Payroll used for 6/30/2021 was estimated from the 7/1/2019 valuation using the 4.0% salary scale assumption.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

VIII. SCHEDULE OF PLAN CONTRIBUTIONS

A. Schedule of Plan Contributions - Last 10 Fiscal Years

Fiscal Year Ending Valuation Date	6/30/2021 7/1/2019	6/30/2020 7/1/2019	6/30/2019 7/1/2017	6/30/2018 7/1/2017	6/30/2017 7/1/2016	6/30/2016 7/1/2015	6/30/2015 7/1/2014	6/30/2014 7/1/2013	6/30/2013 7/1/2012	6/30/2012 7/1/2011
Actuarially Determined Contribution	\$ 490,716	\$ 417,009	\$ 390,373	\$ 371,882	\$ 166,866					
Contributions in relation to the actuarially determined contribution	<u>\$ 105,902</u>	<u>\$ 177,297</u>	<u>\$ 232,666</u>	<u>\$ 211,116</u>	<u>\$ 296,239</u>					
Contribution deficiency / (excess)	<u>\$ 384,814</u>	<u>\$ 239,712</u>	<u>\$ 157,707</u>	<u>\$ 160,766</u>	<u>\$ (129,373)</u>					
Covered Employee Payroll	\$ 894,000	\$ 859,470	\$ 767,000	\$ 737,603	\$ 700,334					
Contributions as a percentage of covered employee payroll	11.85%	20.63%	30.33%	28.62%	42.30%					
Expected Benefit Payments	\$ 119,560	\$ 117,951	\$ 146,500	\$ 148,607	\$ 166,866					
Contribution Without Subsidy	\$ 48,615	\$ 46,938	\$ 65,985	\$ 60,576	\$ 104,907					
Implicit Subsidy	\$ 70,945	\$ 71,013	\$ 80,515	\$ 88,031	\$ 61,959					

VIII. SCHEDULE OF PLAN CONTRIBUTIONS (cont'd)

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

A.	Normal cost, or the portion of the TOL attributable to service in the current year		
B.	30 year Amortization of the NOL resulting from plan amendments, actuarial (gains)/losses or initial adoption(s) of the plan		
C.	Interest Cost, or the expected increase in the TOL attributable to the passage of time (during the year)		
A.	Normal cost as of July 1, 2020	\$	254,670
B.	Amortization of Unfunded Liability		
1.	Amortization of initial unfunded liability	\$	224,311
2.	Amortization of UAAL: plan amendments		0
3.	Amortization of UAAL: (gains)/losses		0
4.	Amortization of UAAL, [(1) + (2) + (3)]	\$	224,311
C.	Interest on Normal Cost and Unfunded Liability		
1.	Normal Cost + Amortization of UAAL, [(A) + (B.4)]	\$	478,981
2.	Interest to end of period at 2.45%	\$	11,735
D.	Annual Recommended Contribution [(A) + (B.4) + (C.2)]	\$	490,716
E.	Expected Benefit Payments	\$	119,560
F.	Alternative Contribution Calculation (20 year amortization)	\$	570,053

IX. SCHEDULE OF INVESTMENT RETURNS

A. Schedule of Investment Returns - Last 10 Fiscal Years

Fiscal Year Ending	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Annual money-weighted rate of return, net of investment expense	22.76%	5.86%	8.04%	4.94%	5.56%					

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

X. OPEB EXPENSE

A. OPEB Expense for the Fiscal Year Ending June 30, 2021

1. Service Cost as of July 1, 2020	\$	254,670
2. Interest on the Total OPEB Liability		
a. Total OPEB Liability as of July 1, 2020		\$5,080,130
b. Service Cost		254,670
c. Expected benefit payments (time-weighted)		(64,762)
d. Average expected Total OPEB Liability	\$	5,270,038
e. Discount Rate		2.45%
f. Interest on the Total OPEB Liability [(d) x (e)]	\$	129,116
3. Projected earning on OPEB plan investments		
a. Fiduciary Net Position as of July 1, 2020		\$237,996
b. Plan Contributions (time-weighted)		64,762
c. Expected benefit payments (time-weighted)		(64,762)
d. Average expected Fiduciary Net Position	\$	237,996
e. Long Term Rate of Return on Investments		6.21%
f. Earnings on Fiduciary Net Position [(d) x (e)]	\$	14,780
4. Recognition of Deferred Outflows and (Inflows) of Resources ¹		
a. Difference between expected and actual experience	\$	(52,270)
b. Changes of assumptions	\$	108,886
c. Difference between projected and actual earnings on Plan investments	\$	(7,981)
d. Total recognized deferred outflow and (inflows) of resources [(a) + (b) + (c)]	\$	48,635
5. Employee Contributions		
	\$	0
6. Administrative Expenses		
	\$	797
7. Other changes		
	\$	0
8. Total OPEB Expense for the Fiscal Year Ending June 30, 2021		
	\$	418,438
[(1) + (2.f) - (3.f) + (4.d) + (5) + (6) + (7)]		

¹ Please refer to Section X for details of the recognition of deferred outflows and inflows of resource.

X. OPEB EXPENSE

B. OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to the Plan

The Plan's deferred outflows of resources and deferred (inflows) of resources as of June 30, 2021 are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
1. Difference between expected and actual experience	\$ 22,112	\$ (378,378)
2. Changes of assumptions	\$ 983,353	\$ (81,348)
3. Difference between projected and actual earnings on Plan investments	<u>\$ 1,489</u>	<u>\$ (35,499)</u>
4. Total Deferred Outflows / (Inflows)	<u><u>\$ 1,006,954</u></u>	<u><u>\$ (495,225)</u></u>

Amounts reported as deferred outflows of resources and deferred (inflows) of resources will be recognized in OPEB expense as follows:

5. Fiscal Year Ending:	June 30, 2022	\$ 48,635
	June 30, 2023	\$ 47,336
	June 30, 2024	\$ 48,272
	June 30, 2025	\$ 48,211
	June 30, 2026	\$ 56,616
	Thereafter	<u>\$ 262,659</u>
	Total	<u><u>\$ 511,728</u></u>

XI. DEFERRED OUTFLOWS AND INFLOWS

A. Schedule of Differences Between Expected and Actual Plan Experience

Year Ending	Difference		Deferred Outflow/ (Inflow) as of 7/1/2020	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience													
	Between Expected and Actual Experience	Recognition Period (Years)		6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030	6/30/2031	6/30/2032	6/30/2033	6/30/2034
6/30/2018	(285,835)	9.259	(193,222)	(30,871)	(30,871)	(30,871)	(30,871)	(30,871)	(30,871)	(7,996)	0	0	0	0	0	0	0
6/30/2019	33,794	8.678	26,006	3,894	3,894	3,894	3,894	3,894	3,894	2,642	0	0	0	0	0	0	0
6/30/2020	(223,659)	10.486	(202,330)	(21,329)	(21,329)	(21,329)	(21,329)	(21,329)	(21,329)	(21,329)	(21,329)	(21,329)	(10,369)	0	0	0	0
6/30/2021	(38,990)	9.836	(38,990)	(3,964)	(3,964)	(3,964)	(3,964)	(3,964)	(3,964)	(3,964)	(3,964)	(3,964)	(3,314)	0	0	0	0
				<u>\$ (52,270)</u>	<u>\$ (52,270)</u>	<u>\$ (52,270)</u>	<u>\$ (52,270)</u>	<u>\$ (52,270)</u>	<u>\$ (52,270)</u>	<u>\$ (30,648)</u>	<u>\$ (25,293)</u>	<u>\$ (25,293)</u>	<u>\$ (13,683)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

B. Schedule of Changes in Plan Assumptions

Year Ending	Difference		Deferred Outflow/ (Inflow) as of 7/1/2020	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Changes of Plan Assumptions													
	Between Expected and Actual Experience	Recognition Period (Years)		6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030	6/30/2031	6/30/2032	6/30/2033	6/30/2034
6/30/2018	(143,221)	9.259	(96,816)	(15,468)	(15,468)	(15,468)	(15,468)	(15,468)	(15,468)	(4,008)	0	0	0	0	0	0	0
6/30/2019	263,464	8.678	202,744	30,360	30,360	30,360	30,360	30,360	30,360	20,584	0	0	0	0	0	0	0
6/30/2020	586,167	10.486	530,267	55,900	55,900	55,900	55,900	55,900	55,900	55,900	55,900	27,167	0	0	0	0	0
6/30/2021	374,696	9.836	374,696	<u>38,094</u>	<u>38,094</u>	<u>38,094</u>	<u>38,094</u>	<u>38,094</u>	<u>38,094</u>	<u>38,094</u>	<u>38,094</u>	<u>38,094</u>	<u>31,850</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
				<u>\$ 108,886</u>	<u>\$ 108,886</u>	<u>\$ 108,886</u>	<u>\$ 108,886</u>	<u>\$ 108,886</u>	<u>\$ 108,886</u>	<u>\$ 110,570</u>	<u>\$ 93,994</u>	<u>\$ 93,994</u>	<u>\$ 59,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

C. Schedule of Difference Between Projected and Actual Earnings on Plan Investments

Year Ending	Difference		Deferred Outflow/ (Inflow) as of 7/1/2020	Increase/(Decrease) in OPEB Expense Arising from the Recognition of Difference Between Projected and Actual Earnings on Plan Investments					
	Between Expected and Actual Experience	Recognition Period (Years)		6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
6/30/2018	6,500	5.000	2,600	1,300	1,300	0	0	0	0
6/30/2019	(4,684)	5.000	(2,810)	(937)	(937)	(936)	0	0	0
6/30/2020	315	5.000	252	63	63	63	63	0	0
6/30/2021	(42,033)	5.000	(42,033)	<u>(8,407)</u>	<u>(8,407)</u>	<u>(8,407)</u>	<u>(8,407)</u>	<u>(8,405)</u>	<u>0</u>
				<u>\$ (7,981)</u>	<u>\$ (7,981)</u>	<u>\$ (9,280)</u>	<u>\$ (8,344)</u>	<u>\$ (8,405)</u>	<u>\$ -</u>

XI. DEFERRED OUTFLOWS AND INFLOWS

D. Plan Demographics as of July 1, 2020

Status	<u>Count</u>	<u>Avg. Future Service</u>
Active	13	14.594
Retirees and Beneficiaries	<u>7</u>	<u>1.000</u>
Total	20	9.836

XII. PER CAPITA MEDICAL COSTS

A. Under Age 65 Per Capita Medical Costs, July 1, 2019

1.	Fiscal 2020 single premium cost	7,504.20
2.	Fiscal 2020 family premium cost	18,911.28
3.	Fiscal 2020 additional cost for 'spouse' [(2)-(1)]	11,407.08
4.	Estimate fiscal 2020 premium cost adjusted to age 65 basis	
a.	Average age of covered participants	46.29
b.	Factor to adjust to age 65 per assumptions [1.030 ^ (65.00 - (a))]	173.83%
c.	Annual single cost adjusted to fiscal 2020 age 65 basis, [(4.b) x (1)]	13,044.76
d.	Annual family cost adjusted to fiscal 2020 age 65 basis, [(4.b) x (2)]	32,874.00
e.	Annual additional 'spousal' cost [(4.d)-(4.c)]:	19,829.24

B. Over Age 65 Per Capita Medical Costs, July 1, 2019 2,328.96

C. Historical Medical Premiums

	<u>7/1/2015</u>	<u>7/1/2017</u>	<u>7/1/2019</u>
Blue Cross Healthmate Coast to Coast			
a. Single Coverage	666.60	667.18	625.35
b. Family Coverage	1,565.70	1,604.23	1,575.94
Script	N/A	N/A	1,713.53
Plan 65	203.94	198.00	194.08
Disability	N/A	81.78	56.80

D. Sample Projected Per Capita Medical Costs

<u>Age</u>	<u>Aging Assumption</u>	<u>Single Premium</u>	<u>Single Estimated Claims Costs</u>	<u>Family Premium</u>	<u>Family Estimated Claims Costs</u>
50	3.00%	7,504.20	8,372.93	18,911.28	21,100.57
55	3.00%	7,504.20	9,706.52	18,911.28	24,461.34
60	3.00%	7,504.20	11,252.52	18,911.28	28,357.40
64	3.00%	7,504.20	12,664.81	18,911.28	31,916.50
65	3.00%	2,328.96	1,950.47	3,900.93	3,900.93
70	3.00%	2,328.96	2,261.13	4,657.92	4,522.25
75	2.00%	2,328.96	2,621.26	5,242.53	5,242.53
80	1.00%	2,328.96	2,894.09	5,788.18	5,788.18
85	0.50%	2,328.96	3,041.72	6,083.43	6,083.43
90	0.00%	2,328.96	3,118.52	6,237.05	6,237.05

XIII. CENSUS OF ELIGIBLE MEMBERS

A. Active Members as of July 1, 2019

<u>Name</u>	<u>Date of Birth</u>	<u>Date of Hire</u>	<u>Current Coverage</u>	<u>Current Salary</u>	<u>Coverage Percentage at Retirement</u>
Employee 1	08/05/1980	12/01/2003	Family	73,007	80%
Employee 2	10/12/1976	08/13/2002	Opt Out	70,983	80%
Employee 3	12/26/1987	01/09/2012	Family	65,124	80%
Employee 4	08/02/1972	06/19/1994	Family	77,659	85%
Employee 5	11/07/1979	08/10/2004	Family	70,983	80%
Employee 6	06/10/1976	03/19/2007	Family	65,124	80%
Employee 7	05/07/1979	03/15/2004	Family	70,983	80%
Employee 8	09/04/1970	03/16/2009	Family	65,124	80%
Employee 9	03/04/1968	09/19/2011	Family	99,140	80%
Employee 10	08/21/1973	10/22/2016	Opt Out	61,958	80%
Employee 11	11/29/1972	03/23/1998	Family	70,989	80%
Employee 12	04/03/1994	12/17/2017	Opt Out	49,260	80%
Employee 13	02/22/1990	07/17/2017	Opt Out	49,260	80%

B. Retired Members as of July 1, 2019

<u>Name</u>	<u>Date of Birth</u>	<u>Date of Retirement</u>	<u>Current Coverage</u>	<u>Current Coverage Percentage</u>	<u>Current Plan</u>
Retiree 1	07/27/1955	04/26/2010	Family	100%	Script
Retiree 2	11/30/1953	12/18/2006	Individual	100%	Blue Cross
Retiree 3	08/30/1963	03/01/2008	Family	100%	Blue Cross
Retiree 4	08/15/1941	06/30/2009	Family	100%	Plan 65
Retiree 5	12/05/1948	06/03/2010	Family	100%	Script
Retiree 6	09/30/1960	10/24/2014	Family	85%	Blue Cross
Retiree 7	07/19/1951	03/01/1997	Individual	100%	Disability

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

XIV. PARTICIPANT DATA

A. Reconciliation of Participant Data

	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
Total as of July 1, 2017	11	8	19
New Entrants	2	n/a	2
Terminations	-	n/a	0
Active deaths	-	n/a	0
New retirees	-	-	0
Retiree/beneficiary deaths	n/a	-	0
Dropped coverage	n/a	(1)	(1)
Data adjustments	-	-	0
Total as of July 1, 2019	13	7	20

B. Age and Service Distribution of Members

1. Eligible Active Members:

Complete Years of Service as of July 1, 2019

<i>Attained</i>								
<u>Age</u>	<u>0-1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-29</u>	<u>30+</u>	<u>Total</u>
Under 25	-	-	-	-	-	-	-	0
25 - 29	-	1	-	-	-	-	-	1
30-34	-	-	1	-	-	-	-	1
35-39	-	-	-	2	-	-	-	2
40-44	-	-	-	2	1	-	-	3
45-49	-	2	1	-	-	2	-	5
50-54	-	-	1	-	-	-	-	1
55+	-	-	-	-	-	-	-	0
Total	0	3	3	4	1	2	0	13

XIV. PARTICIPANT DATA (cont'd)

2. Retired Members:

<u>Attained Age</u>	<u>Total</u>
Under 50	-
50-54	-
55-59	2
60-64	2
65+	3
Total	7

C. Participant Statistics

	<u>7/1/2019</u>	<u>7/1/2017</u>
1. Eligible Active Members:		
Average age of active members:	42.0	41.2
Average past service of active members:	11.2	11.6
Average future service until retirement:	15.6	15.3
Average age of retirement for active members:	57.6	56.5
2. Retired Members and Spouses:		
Average age of all retired members:	66.3	64.6
Average age at retirement:	54.5	55.1
Average service at retirement:	28.7	29.5
3. Average Age of Retired Members and other Town Employees - Used to determine Claims Costs (see Section XI.A.4)	46.3	44.0

XV. GLOSSARY FOR OPEB AND GASB 75

Actuarial Accrued Liability (AAL) – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value (APV) of plan benefits and expenses allocated to all periods prior to the valuation date. This is the amount of the APV not provided by future Normal Costs.

- a) 100% of the actuarial present value of benefits expected to be paid (APV) to:
 - i) Retirees and their dependents
 - ii) Active employees who have attained their expected retirement date and their dependents
- b) Proportionate amount, based on employee service recognized up to the valuation date, of the actuarial present value of benefits expected to be paid (AAL) for active employees who have not yet attained their expected retirement date.

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

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

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

Actuarial determined contribution (ADC) – A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

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

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

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

XV. GLOSSARY FOR OPEB AND GASB 75

Discount Rate – The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

- a. The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected (under the requirements of this Statement) to be greater than the benefit payments that are projected to be made in that 35 period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on **OPEB** plan investments
- b. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Entry Age Actuarial Cost Method – A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Actuarial accrued liability (AAL).

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

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

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

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

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Implicit Rate Subsidy – It is a common practice to permit retired employees to continue in the plan sponsor's group health insurance plan at their own cost once eligibility for plan sponsor paid benefits is exhausted. This practice creates an OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees. Therefore, unless the premium rate for retirees is set to fully recover their health costs, the premium for active employees is implicitly overstated to subsidize utilization by retirees. This is called implicit rate subsidy. This rate subsidy is considered a benefit subject to OPEB valuation, included in GASB75.

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

Interest on Total OPEB Liability – The accrual of interest on the TOL for the year of the valuation. It is calculated by applying the beginning of year Discount Rate to the sum of the Expected Benefit Payments and ToL as of the beginning of year.

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

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

Normal Cost – The portion of the Actuarial Present Value of Total Projected Benefits (APV) attributed to employee service during a valuation year by the Actuarial Cost Method.

Net OPEB Liability – The liability of employers and nonemployer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 3 of GASB 74.

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

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

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

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

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

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

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

Plan Fiduciary Net Position – Assets which have been irrevocably dedicated to the payment of benefits under the

Postemployment – The period between termination of employment and retirement as well as the period after retirement.

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

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

Total OPEB Liability – The portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with the requirements of GASB 74. The total OPEB liability is the liability of employers and nonemployer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 3 of GASB 74.

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

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