



CONSULTING GROUP



## **A POSTRETIREMENT WELFARE BENEFIT**

## **GASB 45 ACTUARIAL VALUATION**

*For:*

**Town of North Kingstown**

*As of:*

**July 1, 2014**

*Prepared by:*  
**USI Consulting Group**



USI Consulting Group  
95 Glastonbury Blvd, Suite 102  
Glastonbury, CT 06033  
www.usi.biz  
Phone: 860.633.5283  
Fax: 860.368.2112

July 31, 2015

Town of North Kingstown, RI  
80 Boston Neck Road  
North Kingstown, RI 02852-5762

**RE: July 1, 2014 Actuarial Valuation of Postretirement Welfare Benefits**

We enclose the report covering the actuarial valuation of the postretirement medical insurance plan for the employees of the Town of North Kingstown as of July 1, 2014. The numbers presented in this report reflect the adoption, by the Town of North Kingstown, of the Statement of Governmental Accounting Standard No. 45 (GASB 45).

The financial results of the actuarial valuation are summarized in the report. The Executive Summary highlights the results of the valuation, including the calculation of the Annual OPEB Costs for the fiscal years ending June 30, 2015 and June 30, 2016.

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

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

Respectfully submitted,

**USI Consulting Group**

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

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

A handwritten signature in blue ink that reads "Denise Reed".

Denise Reed  
Actuarial Consultant

# TABLE OF CONTENTS

	<u>Page</u>
<b>I. Executive Summary</b>	<b>1</b>
<b>II. Census Information</b>	<b>9</b>
<b>III. Financial Statement Disclosure</b>	<b>12</b>
<b>IV. Actuarial Assumptions And Methodology</b>	<b>16</b>
<b>V. Representative Claim Costs</b>	<b>21</b>
<b>VI. Appendices</b>	<b>24</b>

## Section I

# Executive Summary

The section presents the results of the July 1, 2014 valuation. The first section provides a brief summary of the valuation results. The Executive Summary Detail provides a more detailed development of the expenses and liabilities. Items I through V show the development of the Annual Required Contribution (ARC). Items VI through IX show the calculation of the Annual OPEB Cost.

**EXECUTIVE SUMMARY**

**Introduction**

This report details the development of the Annual OPEB Cost for the Fiscal Year ending June 30, 2015. Estimated June 30, 2015 and June 30, 2016 disclosures are included in Section III.

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

**Summary of Results**

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

**Fiscal Year Ending June 30, 2015**

<i>Beginning of Year Net OPEB Obligation (NOO)</i>	\$9,917,407
<i>Actuarial Accrued Liability (AAL)</i>	\$32,970,946
<i>Actuarial Value of Assets</i>	\$0
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$32,970,946
<i>Annual Required Contribution (30 year amortization)</i>	\$2,746,047
<i>Annual OPEB Cost</i>	\$2,644,253
<i>Expected Benefit Payments</i>	\$1,323,049

**Fiscal Year Ending June 30, 2016**

<i>Beginning of Year Net OPEB Obligation (NOO)</i>	\$11,238,611
<i>Actuarial Accrued Liability (AAL)</i>	\$34,055,528
<i>Actuarial Value of Assets</i>	\$0
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$34,055,528
<i>Annual Required Contribution (30 year amortization)</i>	\$2,871,055
<i>Annual OPEB Cost</i>	\$2,740,080
<i>Expected Benefit Payments</i>	\$1,559,164

**Economic Assumptions**

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

<b><u>Assumption Selection Date</u></b>	<b><u>July 1, 2014</u></b>
<i>Funding Interest Rate*</i>	4.00%
<i>2014 Medical / Rx Trend Rates</i>	7.50%
<i>Ultimate Medical / Rx Trend Rate</i>	5.00%
<i>Year Ultimate Trend Rates Reached</i>	2019
<i>Annual Payroll Increase</i>	2.50%

\* Reflects current funding policy (assumes no funding).

---

---

## **EXECUTIVE SUMMARY (cont.)**

### **Changes included in current valuation**

The medical cost trend rate assumption was reset to 7.5% in 2014, grading down 0.5% per annum to an ultimate trend rate of 5.0% in 2019 and later. The impact on the liability is shown in Appendix II.

### **Experience Gains and Losses**

The plan had an accumulated experience gain over the past two years, primarily due to favorable demographic experience and health care costs increasing less than assumed. The impact of the gain on the actuarial accrued liability is provided in Appendix II.

### **Accounting for Postretirement Benefits**

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

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

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

### **Actuarial Certification**

The financial results of the actuarial valuation are summarized in this report. The valuation has been prepared as of July 1, 2014. The detail charts included in this Executive Summary highlight the results of the valuation. Additional information summarizing the census, actuarial assumptions, plan provisions, and a glossary of selected terms used in this study are also included in this report.

The valuation is based on the July 1, 2015 census data and July 1, 2014 plan information as provided by the employer. We have reviewed both the census and financial data for reasonableness, but have not completed an independent audit of the information.

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

**EXECUTIVE SUMMARY (cont.)**

**Actuarial Certification (cont.)**

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

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



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



Adeniyi Olaiya, ASA, MAAA  
Associate Vice President and Actuary

**EXECUTIVE SUMMARY DETAIL**  
**GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST**  
**FOR JULY 1, 2014 BY EMPLOYEE GROUP**

	<u>Firefighters</u>	<u>Police</u>	<u>Local1033</u>	<u>Non Union</u>	<u>School</u>	<u>Total</u>
<b><i>I. Present value of Future benefits</i></b>						
A. Retirees/Disableds	\$3,773,758	\$5,733,611	\$3,682,296	\$3,088,930	\$203,086	\$16,481,681
B. Active Employees	<u>\$11,564,044</u>	<u>\$8,735,027</u>	<u>\$5,546,611</u>	<u>\$1,775,290</u>	<u>\$2,768,470</u>	<u>\$30,389,442</u>
C. Total	\$15,337,802	\$14,468,638	\$9,228,907	\$4,864,220	\$2,971,556	\$46,871,123
<b><i>II. Actuarial Accrued Liability</i></b>						
A. Retirees/Disableds	\$3,773,758	\$5,733,611	\$3,682,296	\$3,088,930	\$203,086	\$16,481,681
B. Active Employees	<u>\$6,023,186</u>	<u>\$4,002,057</u>	<u>\$3,850,229</u>	<u>\$1,155,717</u>	<u>\$1,458,076</u>	<u>\$16,489,265</u>
C. Total	\$9,796,944	\$9,735,668	\$7,532,525	\$4,244,647	\$1,661,162	\$32,970,946
<b><i>III. Actuarial Assets</i></b>	\$0	\$0	\$0	\$0	\$0	\$0
<b><i>IV. Unfunded Actuarial Accrued Liability (UAAL)</i></b>	\$9,796,944	\$9,735,668	\$7,532,525	\$4,244,647	\$1,661,162	\$32,970,946
<b><i>V. Annual Required Contribution (ARC)</i></b>						
A. Normal Cost	\$431,296	\$319,655	\$171,430	\$56,161	\$93,817	\$1,072,359
B. Supplemental Cost	\$484,453	\$477,289	\$354,677	\$200,416	\$76,679	\$1,593,514
C. Compound Interest to Year End	<u>\$29,152</u>	<u>\$22,266</u>	<u>\$17,371</u>	<u>\$5,601</u>	<u>\$5,784</u>	<u>\$80,174</u>
D. Annual Required Contribution [A. + B. + C.]	\$944,901	\$819,210	\$543,478	\$262,178	\$176,280	\$2,746,047
<b><i>VI. Net OPEB Obligation</i></b>	\$3,562,934	\$2,453,487	\$3,016,613	\$194,464	\$689,909	\$9,917,407
<b><i>VII. Interest on net OPEB Obligation</i></b>	\$142,517	\$98,139	\$120,665	\$7,779	\$27,596	\$396,696
<b><i>VIII. Adjustment to ARC</i></b>	(\$179,088)	(\$123,322)	(\$151,627)	(\$9,775)	(\$34,678)	(\$498,490)
<b><i>IX. Annual OPEB Cost (Expense)</i></b> <b><i>[V.D. + VII. + VIII.]</i></b>	\$908,330	\$794,027	\$512,516	\$260,182	\$169,198	\$2,644,253
<b><i>X. Expected Benefit Payments</i></b>						
A. Retirees/Disableds	\$373,908	\$480,567	\$183,670	\$233,087	\$51,817	\$1,323,049
B. Active Employees	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
C. Total	\$373,908	\$480,567	\$183,670	\$233,087	\$51,817	\$1,323,049



**EXECUTIVE SUMMARY DETAIL**  
**GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST**  
**FOR JULY 1, 2014 BY EMPLOYEE FUND**

	<u>001</u>	<u>112</u>	<u>430</u>	<u>440</u>	<u>School</u>	<u>Total</u>
<b>I. Present value of Future benefits</b>						
A. Retirees/Disableds	\$14,359,499	\$471,516	\$372,459	\$1,075,121	\$203,086	\$16,481,681
B. Active Employees	<u>\$25,490,613</u>	<u>\$570,701</u>	<u>\$524,482</u>	<u>\$1,035,176</u>	<u>\$2,768,470</u>	<u>\$30,389,442</u>
C. Total	\$39,850,112	\$1,042,217	\$896,941	\$2,110,297	\$2,971,556	\$46,871,123
<b>II. Actuarial Accrued Liability</b>						
A. Retirees/Disableds	\$14,359,499	\$471,516	\$372,459	\$1,075,121	\$203,086	\$16,481,681
B. Active Employees	<u>\$13,597,793</u>	<u>\$452,680</u>	<u>\$296,308</u>	<u>\$684,408</u>	<u>\$1,458,076</u>	<u>\$16,489,265</u>
C. Total	\$27,957,292	\$924,196	\$668,767	\$1,759,529	\$1,661,162	\$32,970,946
<b>III. Actuarial Assets</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>IV. Unfunded Actuarial Accrued Liability (UAAL)</b>	\$27,957,292	\$924,196	\$668,767	\$1,759,529	\$1,661,162	\$32,970,946
<b>V. Annual Required Contribution (ARC)</b>						
A. Normal Cost	\$905,046	\$14,309	\$18,293	\$40,894	\$93,817	\$1,072,359
B. Supplemental Cost	\$1,357,190	\$45,869	\$33,265	\$80,511	\$76,679	\$1,593,514
C. Compound Interest to Year End	<u>\$67,457</u>	<u>\$1,893</u>	<u>\$1,735</u>	<u>\$3,305</u>	<u>\$5,784</u>	<u>\$80,174</u>
D. Annual Required Contribution [A. + B. + C.]	\$2,329,693	\$62,071	\$53,293	\$124,710	\$176,280	\$2,746,047
<b>VI. Net OPEB Obligation</b>	\$8,330,229	\$343,673	\$219,837	\$333,759	\$689,909	\$9,917,407
<b>VII. Interest on net OPEB Obligation</b>	\$333,210	\$13,747	\$8,793	\$13,350	\$27,596	\$396,696
<b>VIII. Adjustment to ARC</b>	(\$418,712)	(\$17,274)	(\$11,050)	(\$16,776)	(\$34,678)	(\$498,490)
<b>IX. Annual OPEB Cost (Expense)</b> [V.D. + VII. + VIII.]	\$2,244,191	\$58,544	\$51,036	\$121,284	\$169,198	\$2,644,253
<b>X. Expected Benefit Payments</b>						
A. Retirees/Disableds	\$1,151,646	\$25,684	\$16,346	\$77,556	\$51,817	\$1,323,049
B. Active Employees	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
C. Total	\$1,151,646	\$25,684	\$16,346	\$77,556	\$51,817	\$1,323,049

**EXECUTIVE SUMMARY DETAIL**  
**GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST**  
**FOR JULY 1, 2015 BY EMPLOYEE GROUP**

	<u>Firefighters</u>	<u>Police</u>	<u>Local1033</u>	<u>Non Union</u>	<u>School</u>	<u>Total</u>
<b>I. Present value of Future benefits</b>						
A. Retirees/Disableds	\$3,543,322	\$5,472,777	\$3,642,244	\$2,974,738	\$158,356	\$15,791,437
B. Active Employees	<u>\$12,026,607</u>	<u>\$9,084,427</u>	<u>\$5,768,475</u>	<u>\$1,846,304</u>	<u>\$2,879,210</u>	<u>\$31,605,023</u>
C. Total	\$15,569,929	\$14,557,204	\$9,410,719	\$4,821,042	\$3,037,566	\$47,396,460
<b>II. Actuarial Accrued Liability</b>						
A. Retirees/Disableds	\$3,543,322	\$5,472,777	\$3,642,244	\$2,974,738	\$158,356	\$15,791,437
B. Active Employees	<u>\$6,712,661</u>	<u>\$4,494,581</u>	<u>\$4,182,526</u>	<u>\$1,260,354</u>	<u>\$1,613,969</u>	<u>\$18,264,091</u>
C. Total	\$10,255,983	\$9,967,358	\$7,824,770	\$4,235,092	\$1,772,325	\$34,055,528
<b>III. Actuarial Assets</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>IV. Unfunded Actuarial Accrued Liability (UAAL)</b>	\$10,255,983	\$9,967,358	\$7,824,770	\$4,235,092	\$1,772,325	\$34,055,528
<b>V. Annual Required Contribution (ARC)</b>						
A. Normal Cost	\$442,078	\$327,646	\$175,716	\$57,565	\$96,162	\$1,099,167
B. Supplemental Cost	\$519,875	\$503,047	\$378,234	\$206,614	\$83,677	\$1,691,447
C. Compound Interest to Year End	<u>\$29,434</u>	<u>\$22,568</u>	<u>\$17,775</u>	<u>\$5,110</u>	<u>\$5,554</u>	<u>\$80,441</u>
D. Annual Required Contribution [A. + B. + C.]	\$991,387	\$853,261	\$571,725	\$269,289	\$185,393	\$2,871,055
<b>VI. Net OPEB Obligation</b>	\$4,097,356	\$2,766,947	\$3,345,459	\$221,559	\$807,290	\$11,238,611
<b>VII. Interest on net OPEB Obligation</b>	\$163,894	\$110,678	\$133,818	\$8,862	\$32,292	\$449,544
<b>VIII. Adjustment to ARC</b>	(\$211,645)	(\$142,924)	(\$172,806)	(\$11,444)	(\$41,700)	(\$580,519)
<b>IX. Annual OPEB Cost (Expense)</b> [V.D. + VII. + VIII.]	\$943,636	\$821,015	\$532,737	\$266,707	\$175,985	\$2,740,080
<b>X. Expected Benefit Payments</b>						
A. Retirees/Disableds	\$401,951	\$516,610	\$197,445	\$250,568	\$55,703	\$1,422,277
B. Active Employees	<u>\$50,245</u>	<u>\$16,396</u>	<u>\$21,712</u>	<u>\$22,270</u>	<u>\$26,264</u>	<u>\$136,887</u>
C. Total	\$452,196	\$533,006	\$219,157	\$272,838	\$81,967	\$1,559,164

**EXECUTIVE SUMMARY DETAIL**  
**GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST**  
**FOR JULY 1, 2015 BY EMPLOYEE FUND**

	<u>001</u>	<u>112</u>	<u>430</u>	<u>440</u>	<u>School</u>	<u>Total</u>
<b><i>I. Present value of Future benefits</i></b>						
A. Retirees/Disableds	\$13,759,200	\$464,179	\$370,684	\$1,039,018	\$158,356	\$15,791,437
B. Active Employees	<u>\$26,510,237</u>	<u>\$593,530</u>	<u>\$545,462</u>	<u>\$1,076,584</u>	<u>\$2,879,210</u>	<u>\$31,605,023</u>
C. Total	\$40,269,437	\$1,057,709	\$916,146	\$2,115,602	\$3,037,566	\$47,396,460
<b><i>II. Actuarial Accrued Liability</i></b>						
A. Retirees/Disableds	\$13,759,200	\$464,179	\$370,684	\$1,039,018	\$158,356	\$15,791,437
B. Active Employees	<u>\$15,082,953</u>	<u>\$485,669</u>	<u>\$327,185</u>	<u>\$754,315</u>	<u>\$1,613,969</u>	<u>\$18,264,091</u>
C. Total	\$28,842,153	\$949,848	\$697,869	\$1,793,333	\$1,772,325	\$34,055,528
<b><i>III. Actuarial Assets</i></b>	\$0	\$0	\$0	\$0	\$0	\$0
<b><i>IV. Unfunded Actuarial Accrued Liability (UAAL)</i></b>	\$28,842,153	\$949,848	\$697,869	\$1,793,333	\$1,772,325	\$34,055,528
<b><i>V. Annual Required Contribution (ARC)</i></b>						
A. Normal Cost	\$927,672	\$14,667	\$18,750	\$41,916	\$96,162	\$1,099,167
B. Supplemental Cost	\$1,439,214	\$48,502	\$35,605	\$84,449	\$83,677	\$1,691,447
C. Compound Interest to Year End	<u>\$68,179</u>	<u>\$1,724</u>	<u>\$1,734</u>	<u>\$3,250</u>	<u>\$5,554</u>	<u>\$80,441</u>
D. Annual Required Contribution [A. + B. + C.]	\$2,435,065	\$64,893	\$56,089	\$129,615	\$185,393	\$2,871,055
<b><i>VI. Net OPEB Obligation</i></b>	\$9,422,774	\$376,533	\$254,527	\$377,487	\$807,290	\$11,238,611
<b><i>VII. Interest on net OPEB Obligation</i></b>	\$376,911	\$15,061	\$10,181	\$15,099	\$32,292	\$449,544
<b><i>VIII. Adjustment to ARC</i></b>	(\$486,724)	(\$19,449)	(\$13,147)	(\$19,499)	(\$41,700)	(\$580,519)
<b><i>IX. Annual OPEB Cost (Expense)</i></b> [V.D. + VII. + VIII.]	\$2,325,252	\$60,505	\$53,123	\$125,215	\$175,985	\$2,740,080
<b><i>X. Expected Benefit Payments</i></b>						
A. Retirees/Disableds	\$1,238,020	\$27,610	\$17,572	\$83,372	\$55,703	\$1,422,277
B. Active Employees	<u>\$86,814</u>	<u>\$12,547</u>	<u>\$4,416</u>	<u>\$6,846</u>	<u>\$26,264</u>	<u>\$136,887</u>
C. Total	\$1,324,834	\$40,157	\$21,988	\$90,218	\$81,967	\$1,559,164

## Section II

# Census Information

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

**CENSUS INFORMATION – A.**

**EMPLOYEE COUNTS**

	<i>As of July 1, 2015</i>			<i>As of July 1, 2013</i>			
	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>	
<b>Male</b>	257	113	370	<b>Male</b>	267	89	356
<b>Female</b>	450	68	518	<b>Female</b>	460	68	528
<b>Total</b>	707	181	888	<b>Total</b>	727	157	884

**COUNTS BY AGE AND ELIGIBILITY STATUS**

**ACTIVE EMPLOYEES :**

<u>Age</u>	<u>Currently Eligible to Retire</u>	<u>Not Currently Eligible to Retire</u>	<u>Total</u>
29 and under	0	51	51
30 - 34	0	59	59
35 - 39	0	69	69
40 - 44	2	97	99
45 - 49	7	98	105
50 - 54	31	80	111
55 - 59	74	33	107
60 - 64	61	15	76
65 and over	25	5	30
<b>Total</b>	<b>200</b>	<b>507</b>	<b>707</b>

**CURRENT RETIREES:**

<u>Age</u>	<u>Retirees</u>	<u>Spouses</u>	<u>Total</u>
54 and under	25	29	54
55 - 59	17	19	36
60 - 64	63	23	86
65 - 69	30	9	39
70 - 74	21	2	23
75 - 79	10	2	12
80 and over	15	1	16
<b>Total</b>	<b>181</b>	<b>85</b>	<b>266</b>

**CENSUS INFORMATION – B.**

**AVERAGE AGE AND SERVICE**

	<u>As of July 1, 2015</u>	<u>As of July 1, 2013</u>
ACTIVE EMPLOYEES:		
A. Average Age at Hire		
Males	31.3	30.7
Females	35.6	35.8
Total	34.1	33.9
B. Average Service		
Males	13.8	13.7
Females	13.8	12.9
Total	13.8	13.2
C. Average Current Age		
Males	45.1	44.4
Females	49.5	48.7
Total	47.9	47.1
CURRENT RETIREES:		
D. Average Current Age		
Males	62.3	61.2
Females	69.9	67.4
Total	65.1	63.9

## **Section III**

# **Financial Statement Disclosure**

**This section provides the required information and notes to the Financial Statements for the fiscal years ending June 30, 2015 and June 30, 2016.**

**FINANCIAL STATEMENT DISCLOSURE**

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

**1.) GASB 45 DISCLOSURE FINANCIALS – ALL DIVISIONS**

<b>A. Annual OPEB Cost and Net OPEB Obligation</b>	<b><u>7/1/2014 - 6/30/2015</u></b>	<b><u>7/1/2015 - 6/30/2016</u></b>
1. Annual Required Contribution (ARC)	\$2,746,047	\$2,871,055
2. Interest on net OPEB Obligation	\$396,696	\$449,544
3. Adjustment to ARC	<u>(\$498,490)</u>	<u>(\$580,519)</u>
4. Annual OPEB Cost (Expense)	\$2,644,253	\$2,740,080
5. Contribution made (assumed middle of year) *	<u>(\$1,323,049)</u>	<u>(\$1,559,164)</u>
6. Increase in net OPEB Obligation	\$1,321,204	\$1,180,916
7. Net OPEB Obligation - beginning of year	<u>\$9,917,407</u>	<u>\$11,238,611</u>
8. Net OPEB Obligation - end of year	\$11,238,611	\$12,419,527

\* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2015 / 2016 are as follows:

<b><u>Fiscal Year Ending</u></b>	<b><u>Annual OPEB Cost</u></b>	<b><u>Percentage of Annual OPEB Cost Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>	<b><u>Covered Payroll</u></b>	<b><u>OPEB Cost % of Pay</u></b>
6/30/2015	\$2,644,253	50.0%	\$11,238,611	N/A	N/A
6/30/2016	\$2,740,080	56.9%	\$12,419,527	N/A	N/A

**B. Funded Status and Funding Progress**

<b><u>Actuarial Valuation Date</u></b>	<b><u>Actuarial Value of Assets (a)</u></b>	<b><u>Actuarial Accrued Liability (AAL) (b)</u></b>	<b><u>Unfunded AAL (UAAL) (b - a)</u></b>	<b><u>Funded Ratio (a/b)</u></b>	<b><u>Covered Payroll (c)</u></b>	<b><u>UAAL as a Percentage of Covered Payroll (AAL) ((b - a) / c)</u></b>
7/1/2010	\$ -	\$34,510,724	\$34,510,724	0.0%	\$45,087,750	76.54%
7/1/2012	\$ -	\$33,361,496	\$33,361,496	0.0%	N/A	N/A
7/1/2014	\$ -	\$32,970,946	\$32,970,946	0.0%	N/A	N/A

**C. Methods and Assumptions**

- Interest Rate	4.00%
- 2014 Medical / Rx Trend Rates	7.50%
- Ultimate Medical / Rx Trend Rate	5.00%
- Year Ultimate Trend Rates Reached	2019
- Actuarial Cost Method	Entry Age Normal
- The remaining amortization period at 06/30/2015	23.40
- Annual Payroll Increase	2.50%



**FINANCIAL STATEMENT DISCLOSURE**

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

**2.) A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND DRUG INSURANCE PLAN:**

**Type of Coverage:**

- a. Plan Types:* Fully insured Medical  
Prescription Drug contribution for Municipal Union employees
- b. Eligibility:* Retirees from State Retirement System; and:  
Firefighters and Policemen: Age 55 and 10 years of service or 20 years of service.  
Municipal Employees (Local 1033): Age 58 and 20 years of service or 30 years of service.  
Non-Union: Age 58 and 10 years of service or 30 years of service.  
School: Age 55 and 10 years of service or age 50 and 20 years of service.
- c. Benefit/Cost Sharing:* Firefighters: Retiree pays 15% of premium until eligible for Medicare.  
Policemen: Town pays 100% until eligible for Medicare for current retirees and employees hired before 7/1/1995. Town pays 80% for all retirees hired on or after 7/1/1995.  
Municipal Employees (Local 1033):  
Town currently pays 100%. The town will contribute 80% for retirees who retire after 1/1/2012 and who were hired before 4/1/2000. The town contributes as follows for retirees hired after 4/1/2000:  
85% if they retire on 1/1/2012  
80% if they retire after 1/1/2012  
Town contributes \$2,424 (effective July 1, 2011) per year toward prescription drug coverage.  
Town provides Medicare Supplemental Coverage for life upon becoming eligible for Medicare.  
Nonunion Employees: Town currently pays 100%. The town will pay 80% for retirees who retire after 1/1/2012. Town provides Medicare Supplemental Coverage for life upon becoming eligible for Medicare.  
School Employees: Retirees pay 100% of premium. Coverage until Medicare eligible for teachers. There is no restriction as to the length of coverage for non-teaching employees.
- d. Spouse Benefit:* Yes; Not provided to Municipal Employees (Local 1033) hired after 9/24/2008.
- e. Surviving Spouse Benefit:* No

**FINANCIAL STATEMENT DISCLOSURE**

*f. Medical Premiums:*

<i>Plan</i>	<i>Single</i>	<i>Family</i>
1A25 CL	\$669.79	\$1,683.17
1A25 HM	\$595.80	\$1,383.12
3H10 CL	\$718.97	\$1,841.07
434 HM	\$529.48	\$1,340.00
4587 BC	\$811.50	\$1,508.12
4587 HM	\$782.32	\$1,652.81
4L85 BC	\$403.04	\$1,030.63
4L85 HM	\$367.78	\$931.30
5C43 HM	\$622.51	\$1,532.02
7115 BC	\$681.38	\$1,441.72
7115 HM	\$737.92	\$1,583.74
8218 CL	\$648.14	\$1,634.63
8218 HM	\$563.40	\$1,435.23
1A248 HM	\$599.81	\$1,383.12
1E869 HM	\$616.47	\$1,560.52
CLASSIC	\$705.73	\$1,807.52
HDP	\$478.28	\$1,224.24
HM	\$611.77	\$1,565.91
1D33 Plan 65	\$163.33	
MC0113	\$126.40	

## Section IV

# Actuarial Assumptions And Methodology

The following pages detail the assumptions used in the calculations.

**ACTUARIAL ASSUMPTIONS AND METHODOLOGY**

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

<u>Year</u>	<u>Medical Rates</u>
2014	7.5%
2015	7.0%
2016	6.5%
2017	6.0%
2018	5.5%
2019+	5.0%

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

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

4. **Termination Rates:** Based on service:

<u>Service</u>	<u>City</u>		<u>Police/Fire</u>
	<u>Male</u>	<u>Female</u>	<u>Rate</u>
0	17.50%	18.00%	10.00%
1	10.87%	11.43%	5.28%
5	5.52%	5.84%	3.54%
10	2.60%	2.55%	1.91%
15	2.01%	1.59%	0.90%
20	1.75%	1.12%	0.00%
24	0.44%	0.00%	0.00%

**ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)**

5. **Disability Rates:** None assumed

6. **Retirement Rates:** **City employees:** Separate male and female rates. Sample rates are shown below:

30 or more years of service prior to age 58:

<u>Service</u>	<u>Male</u>	<u>Female</u>
30	30.0%	30.0%
31	30.0%	25.0%
32-34	25.0%	10.0%
35	25.0%	15.0%
36	25.0%	20.0%
37	25.0%	25.0%
38	35.0%	25.0%
39	50.0%	25.0%
40+	100.0%	100.0%

Age 58 and older:

<u>Age</u>	<u>Male</u>	<u>Female</u>
58	12.0%	12.0%
59-61	10.0%	10.0%
62	30.0%	20.0%
63-64	20.0%	15.0%
65	20.0%	20.0%
66-68	25.0%	25.0%
69	30.0%	25.0%
70-74	30.0%	20.0%
75	100.0%	100.0%

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

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

**ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)**

7. **Participation Rate:** It was assumed that 100% of current active employees covered under the active plan on the day before retirement would enroll in the retiree medical and dental plans upon retirement; that 70% of the current active City employees and 60% of the current active Police would enroll in the retiree life insurance plan upon retirement; and that 95% of the current active City employees and 40% of the current active Police would enroll in the retiree life insurance plan upon disability.
8. **Percent Married:** It was assumed that 75% of the active employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that male spouses are three years older than their wives and female spouses are three years younger than the retiree. For current retirees, actual census information was used.
9. **Actuarial Value of Assets:** N/A
10. **Per Capita Claims Cost:** Premiums were age-graded on the current participants in the Medical plan. Further details of the annual per capita claims cost is featured in Section V of the report.
11. **Administrative expenses:** Included in premiums used.
12. **Participant Salary Increases:** 2.50% per annum.
13. **Payroll Growth Rate:** 2.50% annually

---

---

**ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)**

**ACTUARIAL COST METHOD**

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

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

The amortization of the unfunded actuarial accrued liability is being amortized as a level percentage of pay over 30 years on a closed basis.

**ADDITIONAL COMMENTS**

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

## Section V

# Representative Claim Costs

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



**REPRESENTATIVE 2014 PER CAPITA MEDICAL CLAIM COSTS FOR CITY EMPLOYEES**

**II. DEVELOPMENT OF PER CAPITA RETIREE CLAIM COSTS**

\$8,704,172	Employer Primary Premium Based Claims
\$0	Medicare Primary Premium Based Claims
\$8,704,172	Total Premium Based Claims
\$8,679	Retiree (Pre-65) Average Per Capita Claim
\$0	Retiree (Post-65) Average Per Capita Claim

**ALL ACTIVE PARTICIPANTS EMPLOYER PRIMARY**

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>	
24 & under	22	2	1	0.549	1.312	\$2,547	\$6,086	\$11,180
25 - 29	27	19	32	0.591	1.312	\$2,742	\$6,086	\$246,857
30 - 34	32	27	38	0.712	1.312	\$3,303	\$6,086	\$320,464
35 - 39	37	46	50	0.850	1.312	\$3,943	\$6,086	\$485,706
40 - 44	42	62	89	1.000	1.312	\$4,639	\$6,086	\$829,310
45 - 49	47	79	65	1.193	1.456	\$5,534	\$6,754	\$876,252
50 - 54	52	72	87	1.441	1.599	\$6,685	\$7,418	\$1,126,658
55 - 59	57	69	86	1.753	1.740	\$8,132	\$8,072	\$1,255,307
60 - 64	62	68	59	2.102	1.968	\$9,751	\$9,130	\$1,201,731
65 - 69	67	<u>38</u>	<u>24</u>	2.316	2.168	\$10,744	\$10,057	<u>\$649,650</u>
Employer Primary Sub.	482	531						\$7,003,114

**ALL RETIREE PARTICIPANTS EMPLOYER PRIMARY**

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>	
44 & under	42	0	0	1.000	1.312	\$4,639	\$6,086	\$0
45 - 49	47	1	15	1.193	1.456	\$5,534	\$6,754	\$106,851
50 - 54	52	22	15	1.441	1.599	\$6,685	\$7,418	\$258,334
55 - 59	57	18	18	1.753	1.740	\$8,132	\$8,072	\$291,674
60 - 64	62	<u>40</u>	<u>43</u>	2.102	1.968	\$9,751	\$9,130	\$782,623
65 - 69	67	9	8	2.316	2.168	\$10,744	\$10,057	\$177,155
70 - 74	72	3	1	2.557	2.396	\$11,862	\$11,115	\$46,701
75 - 79	77	2	1	2.769	2.593	\$12,845	\$12,029	\$37,720
80 - 84	82	0	0	2.910	2.724	\$13,500	\$12,637	\$0
85 - 89	87	0	0	3.059	2.864	\$14,191	\$13,286	\$0
90 & Over	92	<u>0</u>	<u>0</u>	3.215	3.010	\$14,914	\$13,963	<u>\$0</u>
Employer Primary Sub.	95	101						\$1,701,057

**ALL RETIREE PARTICIPANTS MEDICARE PRIMARY**

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>	
65 - 69	67	0	0	2.316	2.168	\$0	\$0	\$0
70 - 74	72	0	0	2.557	2.396	\$0	\$0	\$0
75 - 79	77	0	0	2.769	2.593	\$0	\$0	\$0
80 - 84	82	0	0	2.910	2.724	\$0	\$0	\$0
85 - 89	87	0	0	3.059	2.864	\$0	\$0	\$0
90 & Over	92	<u>0</u>	<u>0</u>	3.215	3.010	\$0	\$0	<u>\$0</u>
Medicare Primary Sub.	0	0						\$0
Retiree Subtotal	<u>95</u>	<u>101</u>						<u>\$1,701,057</u>
Grand Total	<u>577</u>	<u>632</u>						<u>\$8,704,172</u>

**REPRESENTATIVE 2014 PER CAPITA MEDICAL CLAIM COSTS FOR CITY EMPLOYEES  
 (CONTINUED)**

**PREMIUM BASED CLAIM BUCKETS:**

		<u>People</u>	<u>Premium</u>	<u>Annualized</u>
1A25 CL	Family	0	\$1,809.41	\$0
1A25 CL	Single	1	\$720.02	\$8,640
1A25 HM	Family	5	\$1,486.85	\$89,211
1A25 HM	Single	1	\$640.49	\$7,686
3H10 CL	Family	4	\$1,979.15	\$94,999
3H10 CL	Single	0	\$772.89	\$0
434 HM	Family	15	\$1,440.50	\$259,290
434 HM	Single	15	\$569.19	\$102,454
4587 BC	Family	1	\$1,621.23	\$19,455
4587 BC	Single	0	\$872.36	\$0
4587 HM	Family	56	\$1,776.77	\$1,193,990
4587 HM	Single	15	\$840.99	\$151,379
4L85 BC	Family	24	\$1,107.93	\$319,083
4L85 BC	Single	17	\$433.27	\$88,387
4L85 HM	Family	32	\$1,001.15	\$384,441
4L85 HM	Single	11	\$395.36	\$52,188
5C43 HM	Family	3	\$1,646.92	\$59,289
5C43 HM	Single	0	\$669.20	\$0
7115 BC	Family	0	\$1,549.85	\$0
7115 BC	Single	1	\$732.48	\$8,790
7115 HM	Family	30	\$1,702.52	\$612,907
7115 HM	Single	14	\$793.26	\$133,268
8218 CL	Family	7	\$1,757.23	\$147,607
8218 CL	Single	0	\$696.75	\$0
8218 HM	Family	20	\$1,542.87	\$370,289
8218 HM	Single	1	\$605.66	\$7,268
1A248 HM	Family	2	\$1,486.85	\$35,685
1A248 HM	Single	0	\$644.80	\$0
1E869 HM	Family	0	\$1,677.56	\$0
1E869 HM	Single	0	\$662.71	\$0
CLASSIC	Family	4	\$1,943.08	\$93,268
CLASSIC	Single	29	\$758.66	\$264,013
HDP	Family	199	\$1,316.06	\$3,142,747
HDP	Single	78	\$514.15	\$481,245
HM	Family	93	\$1,683.35	\$1,878,622
HM	Single	36	\$657.65	\$284,106
Pre-65 Total		1,209		\$10,290,308
Adjust for Children's Claims				\$8,704,172

**Section VI**  
**Appendices**

**APPENDIX - I.**

**ACTIVE EMPLOYEE BY AGE AND SERVICE**

**AS OF JULY 1, 2015**

<u>Age</u>	<u>Service</u>									<u>Total</u>
	<u>0 - 4</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>35 - 39</u>	<u>40+</u>	
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	3	0	0	0	0	0	0	0	0	3
25 - 29	40	8	0	0	0	0	0	0	0	48
30 - 34	25	30	4	0	0	0	0	0	0	59
35 - 39	8	19	37	5	0	0	0	0	0	69
40 - 44	17	18	34	26	3	1	0	0	0	99
45 - 49	13	12	29	29	19	3	0	0	0	105
50 - 54	13	11	24	23	11	26	3	0	0	111
55 - 59	5	16	40	13	8	18	6	1	0	107
60 - 64	6	6	13	16	12	17	6	0	0	76
65 - 69	0	1	3	6	2	8	1	1	2	24
70 - 74	0	1	1	0	0	0	0	0	1	3
75 - 79	1	0	1	1	0	0	0	0	0	3
80 and Over	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>131</b>	<b>122</b>	<b>186</b>	<b>119</b>	<b>55</b>	<b>73</b>	<b>16</b>	<b>2</b>	<b>3</b>	<b>707</b>

**APPENDIX - II.**

**RECONCILIATION OF ACTUARIAL ACCRUED LIABILITY**

a. 7/1/2012 Actuarial Accrued Liability	\$33,361,496
b. 2012 Normal Cost	\$1,322,349
c. Interest Rate	4.00%
d. Interest on (b. + c.)	\$1,387,354
e. 2012 Benefit Payments	(\$1,045,469)
f. Interest on e.	<u>(\$20,910)</u>
g. 7/1/2013 Expected Actuarial Accrued Liability (a. + b. + d. + e. + f.)	\$35,004,820
h. 2013 Normal Cost	\$1,355,408
i. Interest Rate	4.00%
j. Interest on (g. + h.)	\$1,454,409
k. 2013 Benefit Payments	(\$1,283,994)
l. Interest on k.	<u>(\$25,679)</u>
m. 7/1/2014 Expected Actuarial Accrued Liability (h. + j. + k. + l. + m.)	\$36,504,964
n. Change in Actuarial Accrued Liability due to	
i. Demographic and plan cost changes	(\$4,584,813)
ii. Change in Actuarial Assumptions	<u>\$1,050,795</u>
iii. Total	(\$3,534,018)
o. 7/1/2014 Actuarial Accrued Liability (m. + n. iii.)	\$32,970,946

**APPENDIX - III.**

**DEVELOPMENT OF AMORTIZATION PAYMENT**

**A. Prior Bases**

1. Amortization Base Balance as of 7/1/2012	\$33,361,496
2. 2012 Amortization Payment	(\$1,512,077)
3. Interest	4.00%
4. Interest on (1) + (2)	<u>\$1,273,977</u>
5. Amortization Base Balance as of 7/1/2013 (1) + (2) + (4)	\$33,123,396
6. 2013 Amortization Payment	(\$1,626,690)
7. Interest	4.00%
8. Interest on (5) + (6)	<u>\$1,259,868</u>
9. Amortization Base Balance as of 7/1/2014 (5) + (6) + (8)	\$32,756,574
10. Remaining Amortization Period	24.37
11. Valuation Interest rate	4.00%
12. Assumed payroll growth	2.50%
13. 2014 Adjusted Amortization Amount	\$1,584,761

**B. New Amortization Base**

1. Experience (Gain)/Loss	(\$4,584,813)
2. Assumption Changes	\$1,050,795
3. Plan Change	\$0
4. Loss due to Funding timing	<u>\$3,748,390</u>
5. Total (1) + (2) + (3) + (4)	\$214,372
6. Remaining Amortization Period	30
7. Valuation Interest rate	4.00%
8. Assumed payroll growth	2.50%
9. Amortization Amount	\$8,753

**C. Combined Bases**

1. Amortization Base Balance as of 7/1/2014 (A.9. + B.5.)	\$32,970,946
2. 2014 Preliminary Total Amortization Amount (A.9. + B.13.)	\$1,593,514
3. 2014 Minimum Total Amortization Amount (30 year)	\$1,346,075
4. 2014 Total Amortization Amount (greater of 2. and 3.)	\$1,593,514

APPENDIX – IV

PROJECTED BENEFIT PAYMENTS

<u>Year</u>	<u>Amount</u>	<u>Accumulated</u>	<u>Year</u>	<u>Amount</u>	<u>Accumulated</u>	<u>Year</u>	<u>Amount</u>	<u>Accumulated</u>
2014	\$ 1,323,049	\$ 1,323,049	2047	\$ 2,141,858	\$ 83,878,561	2080	\$ 21,692	\$ 99,015,306
2015	\$ 1,559,164	\$ 2,882,213	2048	\$ 2,020,653	\$ 85,899,214	2081	\$ 16,815	\$ 99,032,121
2016	\$ 1,646,346	\$ 4,528,559	2049	\$ 1,980,401	\$ 87,879,615	2082	\$ 12,797	\$ 99,044,918
2017	\$ 1,791,482	\$ 6,320,041	2050	\$ 1,737,994	\$ 89,617,609	2083	\$ 9,578	\$ 99,054,496
2018	\$ 1,916,052	\$ 8,236,093	2051	\$ 1,388,057	\$ 91,005,666	2084	\$ 7,059	\$ 99,061,555
2019	\$ 1,982,015	\$ 10,218,108	2052	\$ 1,251,809	\$ 92,257,475	2085	\$ 5,122	\$ 99,066,677
2020	\$ 2,061,280	\$ 12,279,388	2053	\$ 1,039,338	\$ 93,296,813	2086	\$ 3,666	\$ 99,070,343
2021	\$ 2,133,973	\$ 14,413,361	2054	\$ 834,949	\$ 94,131,762	2087	\$ 2,586	\$ 99,072,929
2022	\$ 2,165,688	\$ 16,579,049	2055	\$ 722,725	\$ 94,854,487	2088	\$ 1,795	\$ 99,074,724
2023	\$ 2,225,767	\$ 18,804,816	2056	\$ 538,797	\$ 95,393,284	2089	\$ 1,231	\$ 99,075,955
2024	\$ 2,306,669	\$ 21,111,485	2057	\$ 482,808	\$ 95,876,092	2090	\$ 834	\$ 99,076,789
2025	\$ 2,359,587	\$ 23,471,072	2058	\$ 367,584	\$ 96,243,676	2091	\$ 558	\$ 99,077,347
2026	\$ 2,442,041	\$ 25,913,113	2059	\$ 305,357	\$ 96,549,033	2092	\$ 370	\$ 99,077,717
2027	\$ 2,468,420	\$ 28,381,533	2060	\$ 287,845	\$ 96,836,878	2093	\$ 242	\$ 99,077,959
2028	\$ 2,578,480	\$ 30,960,013	2061	\$ 222,177	\$ 97,059,055	2094	\$ 158	\$ 99,078,117
2029	\$ 2,666,813	\$ 33,626,826	2062	\$ 205,450	\$ 97,264,505	2095	\$ 102	\$ 99,078,219
2030	\$ 2,675,842	\$ 36,302,668	2063	\$ 190,180	\$ 97,454,685	2096	\$ 66	\$ 99,078,285
2031	\$ 2,902,839	\$ 39,205,507	2064	\$ 176,238	\$ 97,630,923	2097	\$ 43	\$ 99,078,328
2032	\$ 2,940,476	\$ 42,145,983	2065	\$ 163,453	\$ 97,794,376	2098	\$ 27	\$ 99,078,355
2033	\$ 3,088,148	\$ 45,234,131	2066	\$ 151,592	\$ 97,945,968	2099	\$ 17	\$ 99,078,372
2034	\$ 3,127,506	\$ 48,361,637	2067	\$ 140,414	\$ 98,086,382	2100	\$ 11	\$ 99,078,383
2035	\$ 3,087,192	\$ 51,448,829	2068	\$ 129,661	\$ 98,216,043	2101	\$ 3	\$ 99,078,386
2036	\$ 3,085,972	\$ 54,534,801	2069	\$ 119,205	\$ 98,335,248	2102	\$ 2	\$ 99,078,388
2037	\$ 2,951,543	\$ 57,486,344	2070	\$ 108,925	\$ 98,444,173	2103	\$ -	\$ 99,078,388
2038	\$ 2,849,647	\$ 60,335,991	2071	\$ 98,766	\$ 98,542,939	2104	\$ -	\$ 99,078,388
2039	\$ 2,936,219	\$ 63,272,210	2072	\$ 88,739	\$ 98,631,678	2105	\$ -	\$ 99,078,388
2040	\$ 2,825,663	\$ 66,097,873	2073	\$ 78,841	\$ 98,710,519	2106	\$ -	\$ 99,078,388
2041	\$ 2,765,276	\$ 68,863,149	2074	\$ 69,054	\$ 98,779,573	2107	\$ -	\$ 99,078,388
2042	\$ 2,782,271	\$ 71,645,420	2075	\$ 59,575	\$ 98,839,148	2108	\$ -	\$ 99,078,388
2043	\$ 2,739,256	\$ 74,384,676	2076	\$ 50,547	\$ 98,889,695	2109	\$ -	\$ 99,078,388
2044	\$ 2,505,993	\$ 76,890,669	2077	\$ 42,050	\$ 98,931,745	2110	\$ -	\$ 99,078,388
2045	\$ 2,425,606	\$ 79,316,275	2078	\$ 34,344	\$ 98,966,089	2111	\$ -	\$ 99,078,388
2046	\$ 2,420,428	\$ 81,736,703	2079	\$ 27,525	\$ 98,993,614	2112	\$ -	\$ 99,078,388

**APPENDIX – V**  
**GLOSSARY**

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

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

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

**Actuarial Present Value of Total Projected Benefits.** The present value, as of the valuation date, of the cost of future benefits to be paid to employees, retirees, and covered dependents, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. It is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.

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

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

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

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

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

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

**OPEB.** Postemployment benefits other than pension benefits.

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

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

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