



**TOWN OF WEST HARTFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**Actuarial Valuation as of July 1, 2021
To Determine Funding for Fiscal Year 2022-23**

Prepared by

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2021 to determine funding for fiscal year 2022-23. This report presents the results of our valuation.

The ultimate cost of an Other Post-Employment Benefits (OPEB) plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. OPEB costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable actuarial standards of practice. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Review of plan experience since the previous valuation to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of the Town of West Hartford ("Town"). To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of the plan provisions. Additional determinations may be needed for purposes other than determining funding amounts, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

The valuation results were developed using models employing standard actuarial techniques. In addition to the models described previously, Milliman has developed certain models to develop the expected long term rate of return on assets and estimate the claim costs and trend used in this analysis. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice. The models, including all input, calculations, and output may not be appropriate for any other purpose.

We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

In preparing these valuation results, we have relied on the health cost claim and trend models maintained by Milliman's health consultants.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



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Section I - Executive Summary Changes Since the Prior Valuation

Demographic Changes and Plan Experience

From July 1, 2019 to July 1, 2021, the overall membership decreased from 2,881 to 2,873. The number of active members increased from 1,527 to 1,531, and the total number of members and spouses/dependents receiving benefits decreased from 1,354 to 1,342.

The average age of active members decreased slightly from 45.7 to 45.5, and the average age of members receiving benefits decreased slightly from 71.2 to 71.1.

We updated expected claims costs based on our analysis of the claims experience and premium information that was provided to us for this valuation. Per capita healthcare costs decreased more than expected, which decreased the Accrued Liability by about \$3.3 million.

Changes in Actuarial Methods and Assumptions

Although it is possible that the COVID-19 pandemic could have a material impact on the projected mortality and liabilities, we have chosen not to make an adjustment in the projections at this time, given the substantial current uncertainty regarding the impact of COVID-19 on mortality and plan costs, including whether the pandemic will increase or decrease mortality during the term of our projections. We will be monitoring this development closely and may adjust future projections to reflect the impact of COVID-19, if and when it becomes appropriate.

We updated mortality, decrements and salary scale for Certified members to reflect the latest Connecticut State Teachers' Retirement System valuation assumptions. We also updated the salary scale for all others to match the salary scale being used in the Town of West Hartford's Pension Plan.

Lastly, we decreased the interest rate assumption from 6.99% to 6.25%.

These assumption changes in combination increased the Accrued Liability by approximately \$21.2 million and decreased the Actuarially Determined Contribution by about \$931,000.

Other Significant Changes

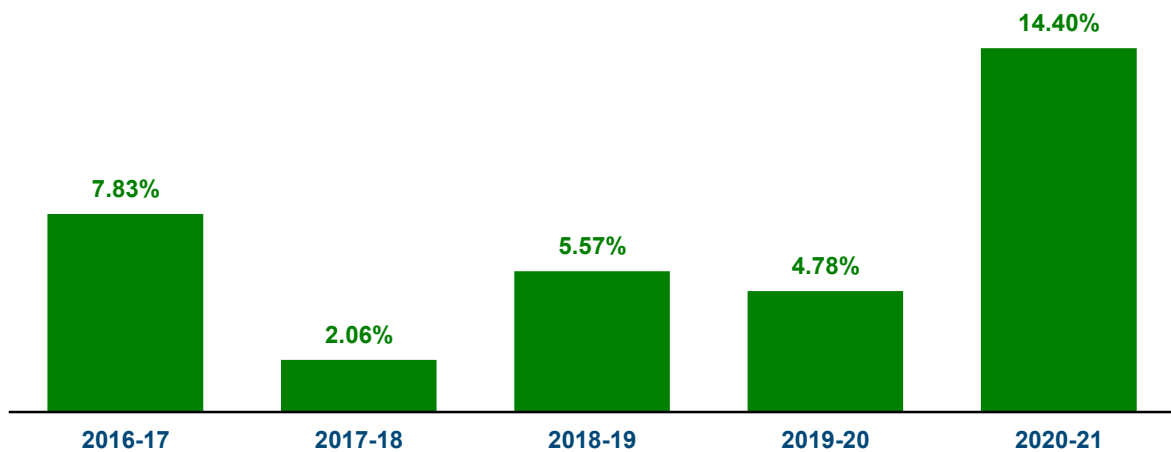
None.

Section I - Executive Summary Assets

The Market Value is a snapshot of the plan's investments as of the valuation date.

Market Value as of July 1, 2019	\$7,204,521
Town Contributions	32,840,144
Member Contributions	240,789
Net Investment Income	1,951,482
Benefit Payments	(28,746,144)
Administrative Expenses	(3,602)
Market Value as of July 1, 2021	13,487,190

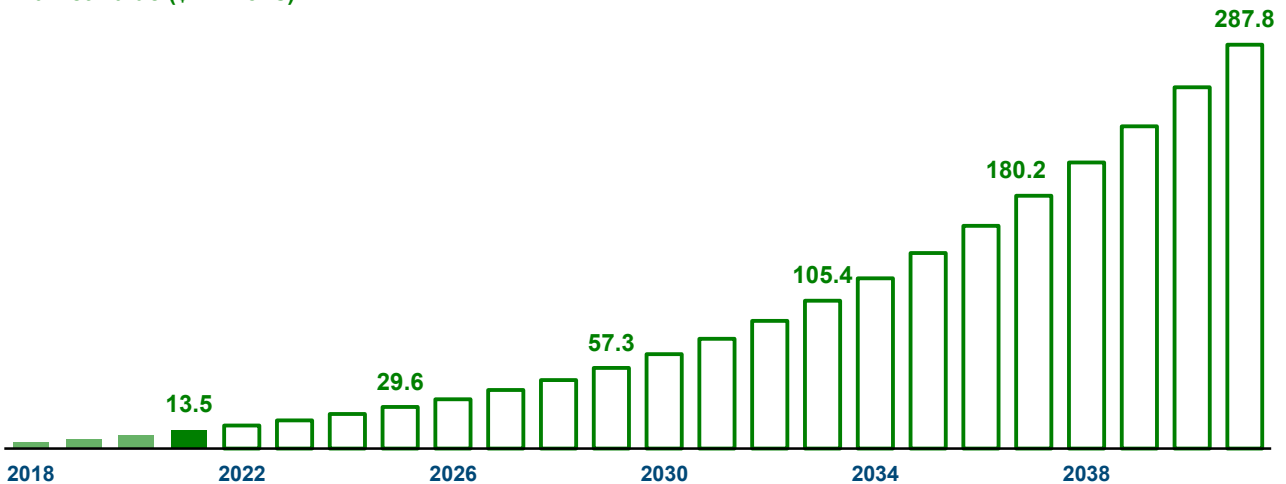
For fiscal year 2019-20, the plan's assets earned 4.78% on a Market Value basis. The actuarial assumption for this period was 6.99%; the result is an asset loss of about \$0.2 million. For fiscal year 2020-21, the plan's assets earned 14.40% on a Market Value basis. The actuarial assumption for this period was 6.99%; the result is an asset gain of about \$0.8 million. Historical rates of return are shown in the graph below.



Section I - Executive Summary Assets (continued)

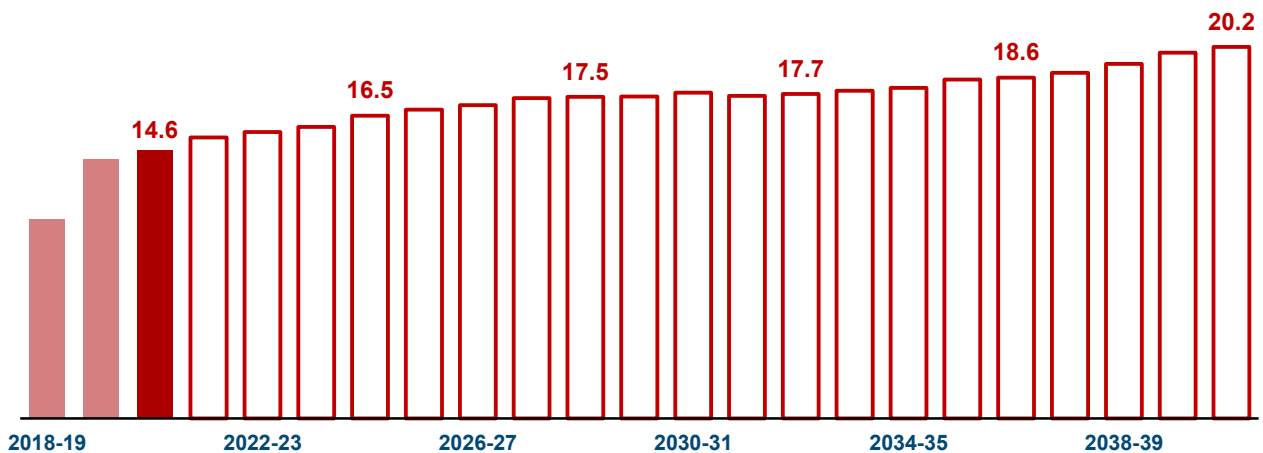
The graph below shows how this year's asset values compare to where the plan's assets have been over the past several years and how they are projected to change over the next 20 years. For purposes of this projection, we have assumed that the Town always contributes the Actuarially Determined Contribution and the investments always earn the assumed interest rate each year.

Market Value (\$ millions)



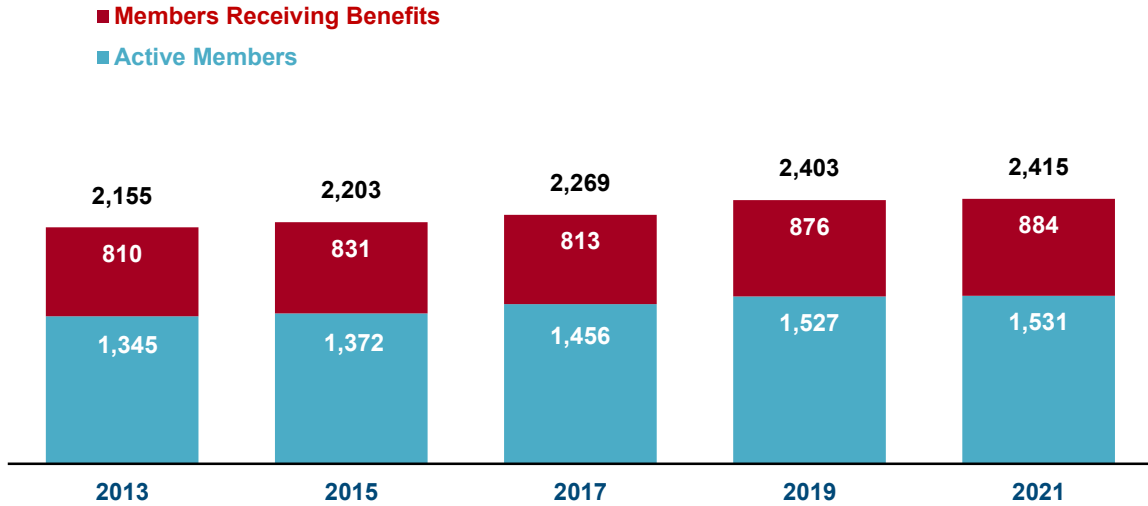
In 2020-21, the plan paid out \$14.6 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$354 million in benefits to members.

Benefit Payments (\$ millions)



Section I - Executive Summary Membership

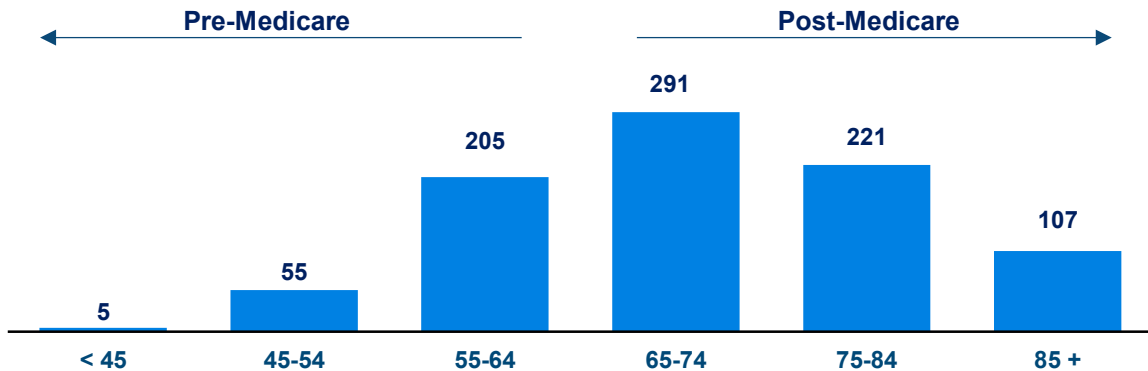
There are two basic categories of plan members included in the valuation: (1) members who are receiving benefits and (2) active employees who have met the eligibility requirements for membership.



Members Receiving Benefits on July 1, 2021

Police & Fire	323	Average Age	71.1
Town	289		
Certified BOE	62		
Non-Certified BOE	<u>210</u>		
Total	884		

As of July 1, 2021, there were 884 members receiving benefits and 458 spouses/dependents receiving benefits. The members receiving benefits fall across a wide distribution of ages:



Section I - Executive Summary Membership (continued)

Active Members on July 1, 2021

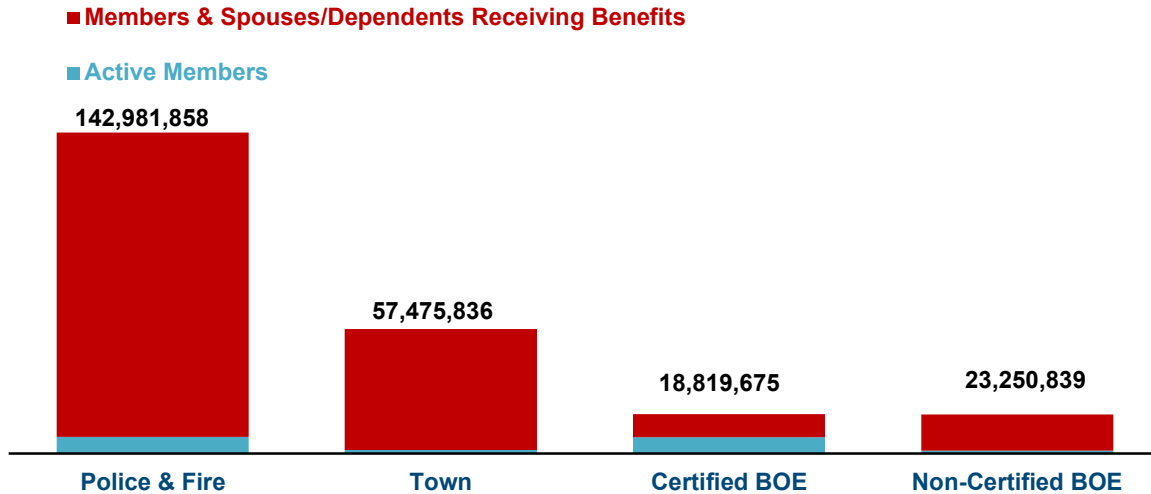
Police & Fire	184	Average Age	45.5
Town	201	Average Service	12.1
Certified BOE	916	Payroll	\$118,800,539
Non-Certified BOE	<u>230</u>	Average Payroll	77,597
Total	1,531		

The table below illustrates the age and years of service of the active membership:

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	17							17
25-29	88	23						111
30-34	69	69	7					145
35-39	69	67	67	24				227
40-44	51	54	46	69	8			228
45-49	35	38	33	41	58	5		210
50-54	33	27	32	27	57	33	4	213
55-59	32	29	24	42	46	15	19	207
60-64	14	17	16	30	26	14	8	125
65+	6	2	9	10	12	4	5	48
Total	414	326	234	243	207	71	36	1,531

Section I - Executive Summary Accrued Liability

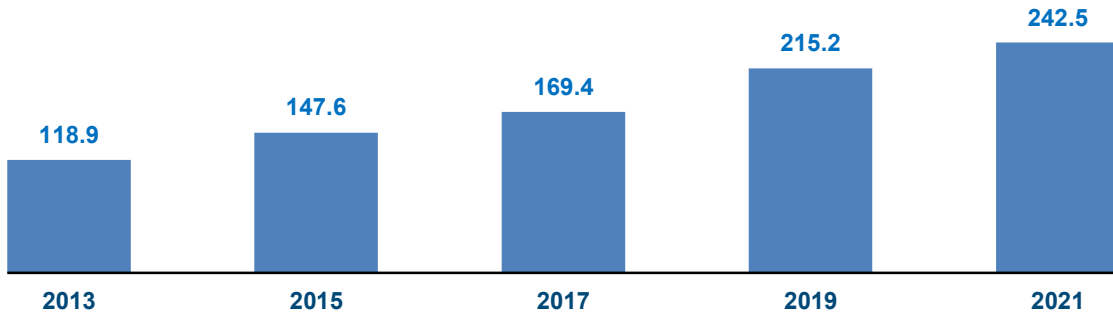
The Accrued Liability as of July 1, 2021 is \$242,528,208 and consists of the following pieces:



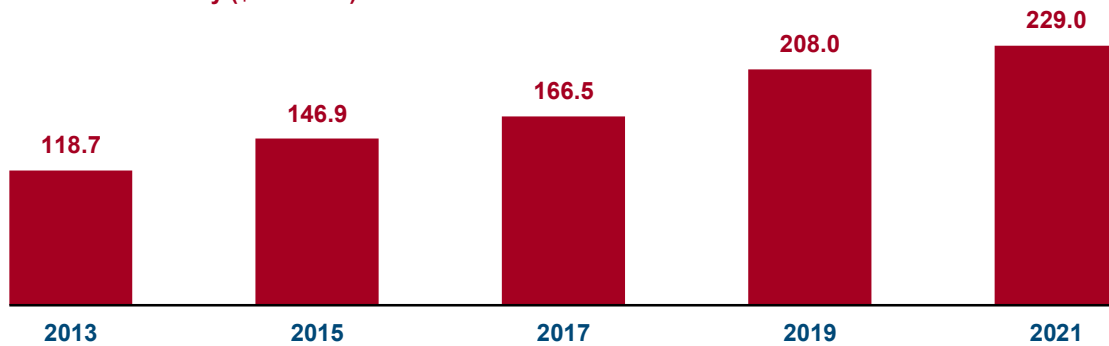
Section I - Executive Summary Funded Status

The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as members receive benefits; it may also change when there are changes to the plan provisions or changes in the actuarial assumptions. The Unfunded Accrued Liability is the dollar difference between the Accrued Liability and the Actuarial Value of Assets; the Funded Ratio is the ratio of the two.

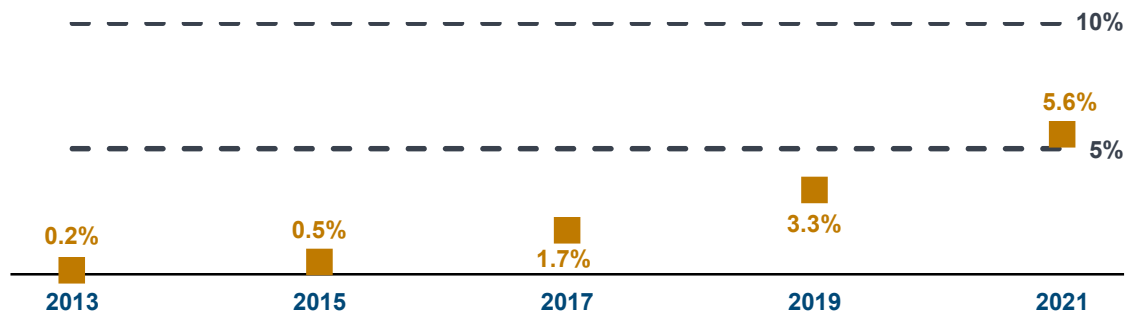
Accrued Liability (\$ millions)



Unfunded Accrued Liability (\$ millions)



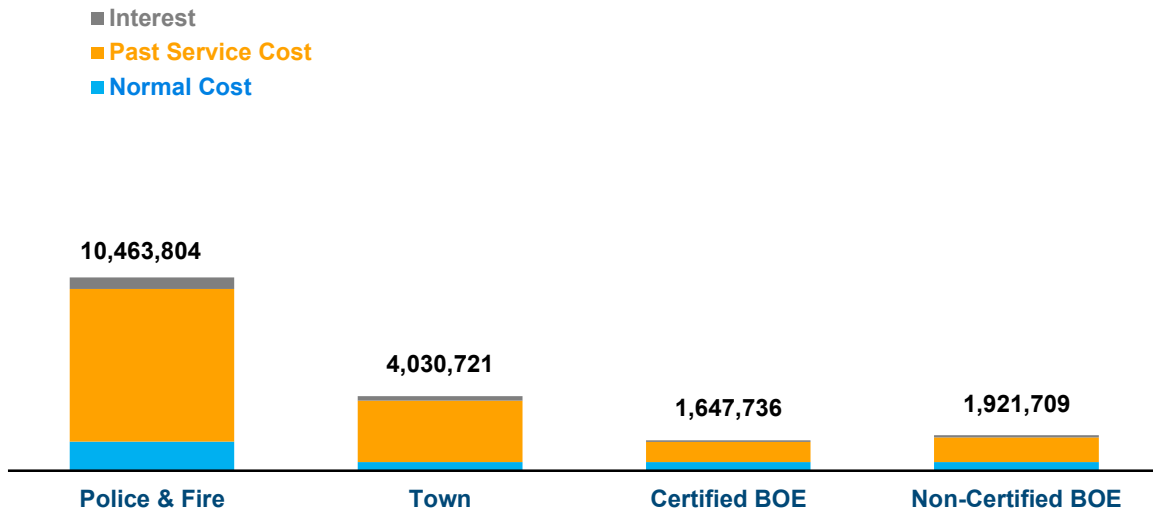
Funded Ratio



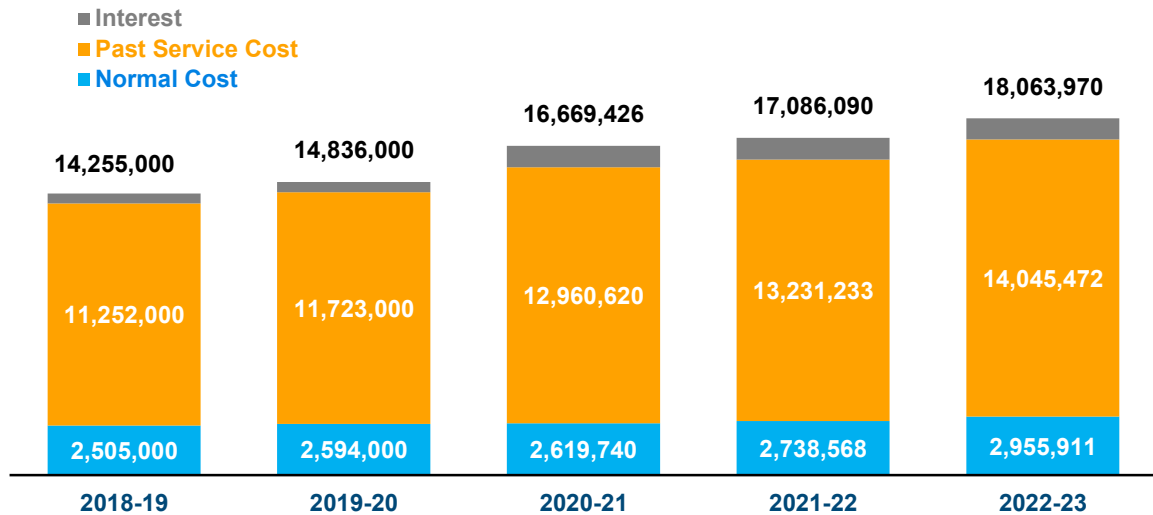
Section I - Executive Summary Actuarially Determined Contribution

The Actuarially Determined Contribution consists of three pieces: a Normal Cost payment to fund the benefits earned each year, a Past Service Cost to gradually reduce any unfunded or surplus liability, and Interest to reflect the timing of the contribution relative to the valuation date.

The Actuarially Determined Contribution for fiscal year 2022-23 totals \$18,063,970, as shown graphically below.



The chart below shows the Actuarially Determined Contribution for the past five fiscal years.

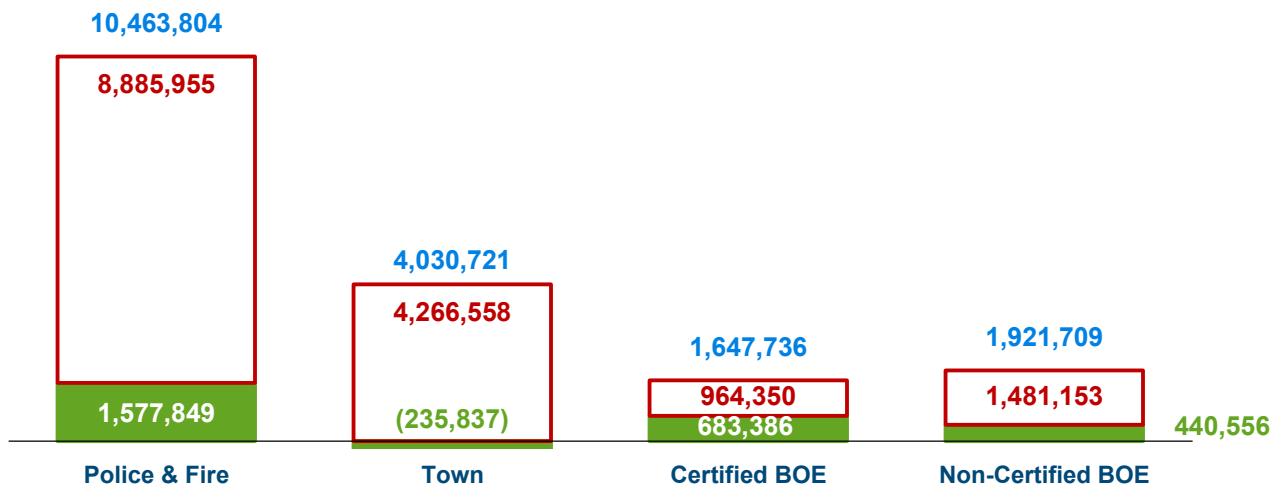


Section I - Executive Summary Net Budget Impact

The Town is currently paying retiree healthcare benefits outside of the OPEB Trust. In addition to the Actuarially Determined Contribution, we calculate the Net Budget Impact as the additional cash contribution to the Trust. The Net Budget Impact is found by subtracting the Expected Benefit Payments from the Actuarially Determined Contribution.

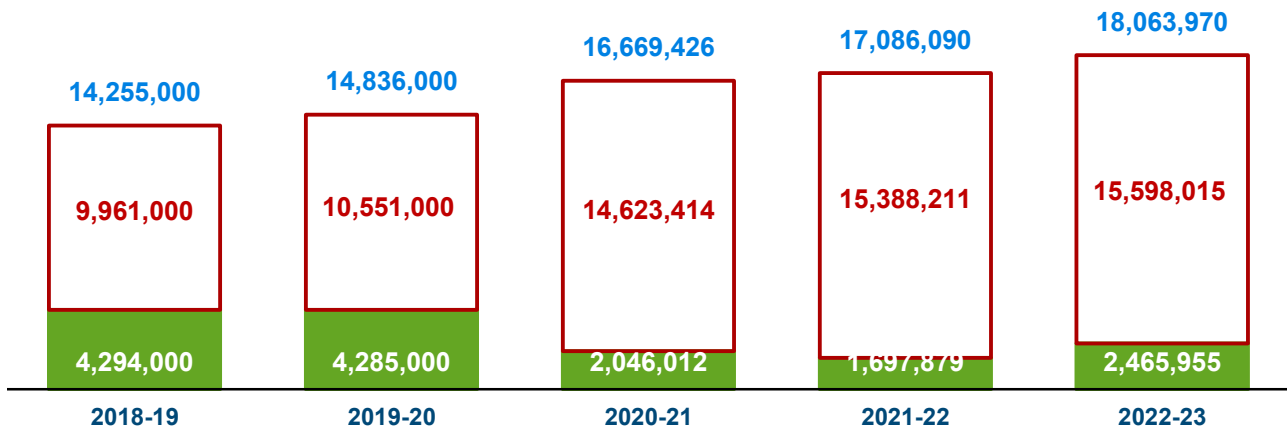
The chart below shows the Net Budget Impact by group for fiscal year 2022-23.

Actuarially Determined Contribution
Expected Benefit Payments
Net Budget Impact



The chart below shows the Net Budget Impact for the past five fiscal years.

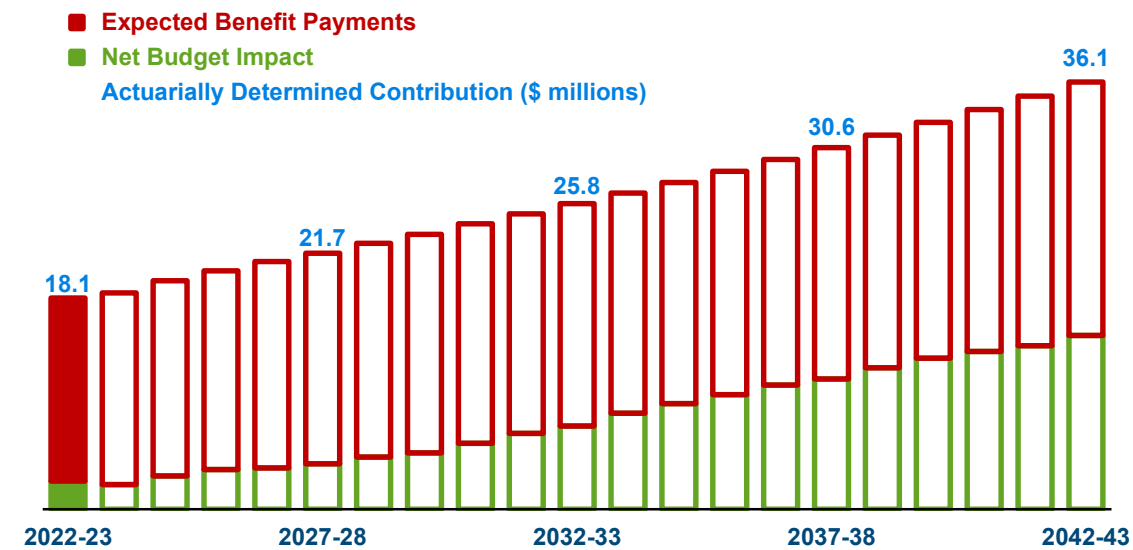
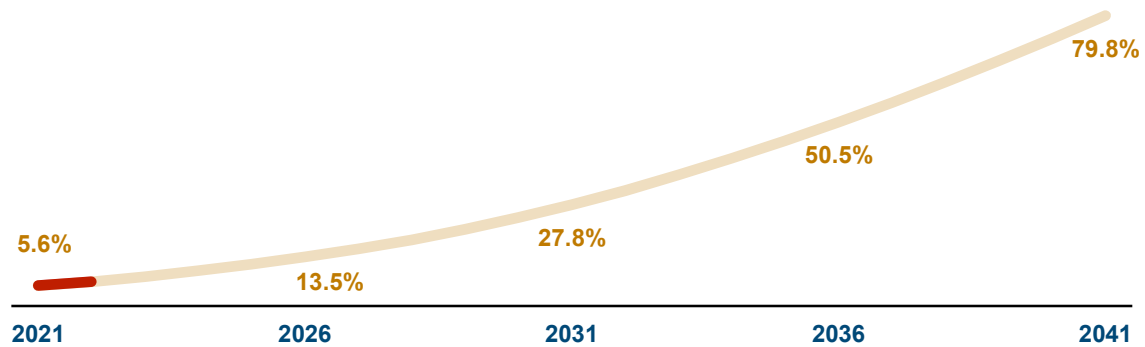
Actuarially Determined Contribution
Expected Benefit Payments
Net Budget Impact



Section I - Executive Summary Long-Range Forecast

If the Town pays the Actuarially Determined Contribution each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following changes in the plan's funded status and the long-range contribution levels:

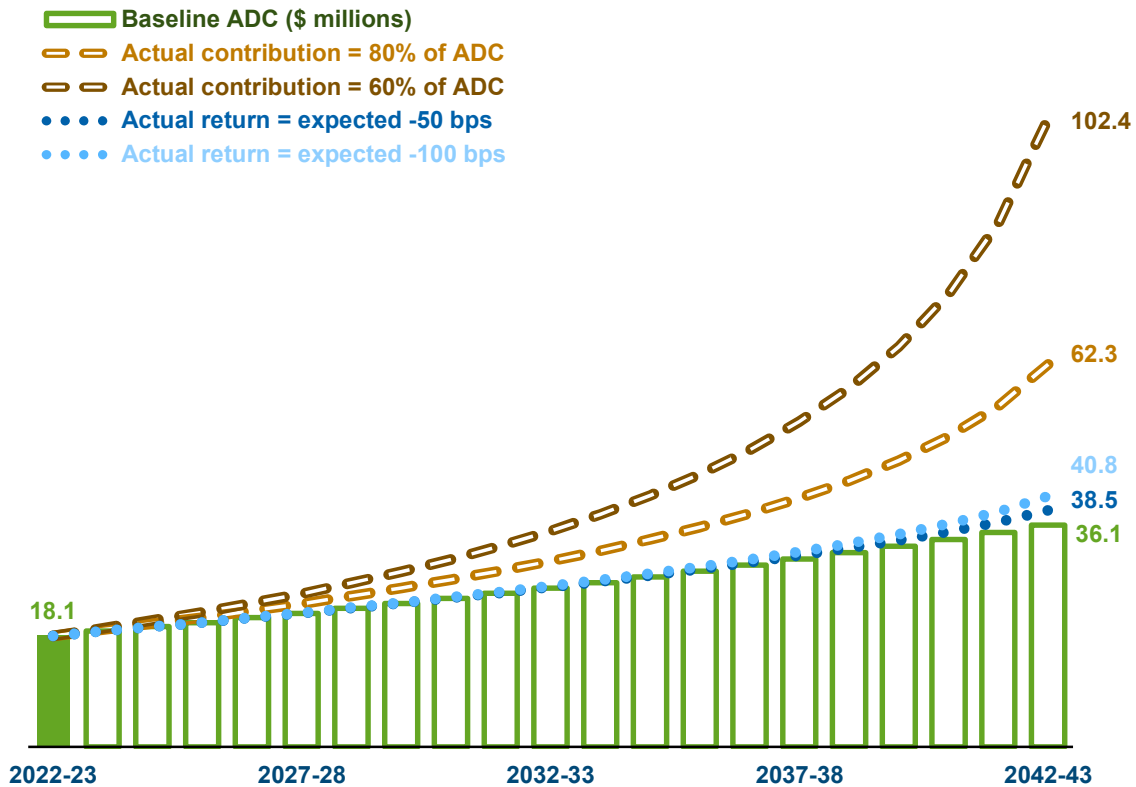
Funded Ratio



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary Long-Range Forecast (continued)

Benefits are paid for through a combination of contributions from the Town and from employees, and from investment income. If the Town pays less than the Actuarially Determined Contribution each year, or if the investments persistently earn less than the assumed interest rate, then the plan's funded status would suffer, and to compensate, the Town's contribution levels would be pushed higher. The risks of underfunding and underearning are illustrated in the hypothetical scenarios below:



The scenarios illustrated above are based on deterministic projections that assume emerging plan experience always exactly matches the actuarial assumptions except for the return scenarios noted above; in particular that actual asset returns will be constant in every year of the projection period. Underfunding and underearning with both result in actuarial losses. For illustration purposes, we have amortized these losses over the remaining amortization period, even if that period is less than 10 years. Variation in asset returns, contribution amounts, and many other factors may have a significant impact on the long-term financial health of the plan, the liquidity constraints on plan assets, and the Town's future contribution levels. Stochastic projections could be prepared that would enable the Town to understand the potential range of future results based on the expected variability in asset returns and other factors. Such analysis was beyond the scope of this engagement.

Section I - Executive Summary Summary of Principal Results

Membership as of	July 1, 2019	July 1, 2021
Active Members	1,527	1,531
Members Receiving Benefits	<u>876</u>	<u>884</u>
Total Count	2,403	2,415
 Payroll	 \$109,141,703	 \$118,800,539
Assets and Liabilities as of	July 1, 2019	July 1, 2021
Market Value of Assets	\$7,204,521	\$13,487,190
Accrued Liability for Active Members	56,705,045	46,931,423
Accrued Liability for Members Receiving Benefits	<u>158,535,073</u>	<u>195,596,785</u>
Total Accrued Liability	215,240,118	242,528,208
Unfunded Accrued Liability	208,035,597	229,041,018
Funded Ratio	3.3%	5.6%
Actuarially Determined Contribution for Fiscal Year	2020-21	2022-23
Normal Cost	\$2,619,740	\$2,955,911
Past Service Cost	12,960,620	14,045,472
Interest	<u>1,089,066</u>	<u>1,062,587</u>
Actuarially Determined Contribution	16,669,426	18,063,970
Allocated to Police & Fire	\$8,959,033	\$10,463,804
Allocated to Town	4,571,234	4,030,721
Allocated to Certified BOE	1,700,226	1,647,736
Allocated to Non-Certified BOE	<u>1,438,933</u>	<u>1,921,709</u>
Total	16,669,426	18,063,970

Section II - Plan Assets

A. Summary of Fund Transactions

Market Value as of July 1, 2019	\$7,204,521
Town Contributions	16,098,730
Member Contributions	116,572
Net Investment Income	394,644
Benefit Payments	(14,122,730)
Administrative Expenses	(1,608)
 Market Value as of June 30, 2020	 9,690,129
Expected Return on Market Value of Assets, 2019-20	577,105
Market Value (Gain)/Loss, 2019-20	182,461
Approximate Rate of Return, 2019-20*	4.78%
 Market Value as of July 1, 2020	 \$9,690,129
Town Contributions	16,741,414
Member Contributions	124,217
Net Investment Income	1,556,838
Benefit Payments	(14,623,414)
Administrative Expenses	(1,994)
 Market Value as of June 30, 2021	 13,487,190
Expected Return on Market Value of Assets, 2020-21	755,715
Market Value (Gain)/Loss, 2020-21	(801,123)
Approximate Rate of Return, 2020-21*	14.40%

* The rates shown here are not the dollar or time weighted investment yield rate which measures investment performance. They are an approximate net return assuming all activity occurred on average midway through the fiscal year.

Section III - Development of Contribution

A. Summary of Liabilities

We have calculated the Accrued Liability separately for 4 groups, who are eligible for different OPEB benefits. We have broken the accrued liability into several pieces: benefits that are expected to be paid prior to age 65 (i.e. prior to Medicare) and after age 65 (i.e. after Medicare) to current active members and their covered dependents after retirement, and the same figures for members who have already retired and are currently receiving benefits. In all cases, the Accrued Liability only reflects benefits that are paid for by the Town, taking into account any implicit rate subsidies.

	Police & Fire	Town	Certified BOE	Non-Certified BOE	Total
Current active members					
Members Under Age 65	\$6,725,883	\$1,367,324	\$6,534,529	\$1,102,752	\$15,730,488
Members Over Age 65	4,925,781	4,648,301	394,532	5,459,044	15,427,658
Spouses/Dependents Under Age 65	6,240,665	837,240	2,333,012	621,577	10,032,494
Spouses/Dependents Over Age 65	<u>2,333,226</u>	<u>1,744,953</u>	<u>196,673</u>	<u>1,465,931</u>	<u>5,740,783</u>
Total	20,225,555	8,597,818	9,458,746	8,649,304	46,931,423
Current members receiving benefits					
Members Under Age 65	26,611,719	3,154,331	561,720	2,340,557	32,668,327
Members Over Age 65	35,470,030	27,298,648	7,321,505	9,497,188	79,587,371
Spouses/Dependents Under Age 65	36,065,841	4,066,842	209,888	850,360	41,192,931
Spouses/Dependents Over Age 65	<u>24,608,713</u>	<u>14,358,197</u>	<u>1,267,816</u>	<u>1,913,430</u>	<u>42,148,156</u>
Total	122,756,303	48,878,018	9,360,929	14,601,535	195,596,785
Total Accrued Liability	142,981,858	57,475,836	18,819,675	23,250,839	242,528,208
Accrued Liability Sensitivity					
			1% Decrease	Baseline	1% Increase
Discount Rate			272,846,818	242,528,211	217,568,949
Trend Rate			217,249,670	242,528,211	273,378,182

Section III - Development of Contribution

B. Actuarially Determined Contribution

The Actuarially Determined Contribution (ADC) for the OPEB program consists of three pieces: a **Normal Cost** (the cost of benefits earned each year should be accrued in that year) plus a **Past Service Cost** (a catch-up accrual to amortize the Unfunded Accrued Liability) plus **Interest** to reflect the timing lag between the valuation date and the fiscal year.

The amortization period is a closed period of 30 years starting in 2014 and produces annual payments that will increase by 2.75% annually. On this basis, the ADC is determined as follows:

	Police & Fire	Town	Certified BOE	Non-Certified BOE	Total
Accrued Liability	\$142,981,858	\$57,475,836	\$18,819,675	\$23,250,839	\$242,528,208
Market Value of Assets*	7,951,337	3,196,278	1,046,577	1,292,998	13,487,190
Unfunded Accrued Liability	135,030,521	54,279,558	17,773,098	21,957,841	229,041,018
Funded Ratio	5.6%	5.6%	5.6%	5.6%	5.6%
Amortization Period	23	23	23	23	23
Amortization Growth Rate	2.75%	2.75%	2.75%	2.75%	2.75%
Past Service Cost	8,280,470	3,328,583	1,089,899	1,346,520	14,045,472
Total Normal Cost	1,753,876	465,037	460,911	462,147	3,141,971
Employee Contributions	186,060	0	0	0	186,060
Expenses	0	0	0	0	0
Net Normal Cost	1,567,816	465,037	460,911	462,147	2,955,911
Interest	615,518	237,101	96,926	113,042	1,062,587
ADC for FY 2022-23	10,463,804	4,030,721	1,647,736	1,921,709	18,063,970
Expected Benefit Payments	(8,885,955)	(4,266,558)	(964,350)	(1,481,153)	(15,598,015)
Net Budget Impact	1,577,849	(235,837)	683,386	440,556	2,465,955

The ADC is assumed to be paid at the beginning of the Fiscal Year.

*The Market Value of Assets is allocated in proportion to the Accrued Liability.

Section III - Development of Contribution C. Long Range Forecast

This forecast is based on the results of the July 1, 2021 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Values as of the Valuation Date				Fiscal Year	Cash Flows Projected to the Following Fiscal Year			
	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio		Town Contributions	Member Contributions	Benefit Payments	Net Cash Flows
7/1/2021	\$242,528,208	\$13,487,190	\$229,041,018	5.6%	2022-23	\$18,063,970	\$192,572	(\$15,598,015)	\$2,658,527
7/1/2022	246,999,000	16,356,000	230,643,000	6.6%	2023-24	18,849,000	199,000	(15,880,000)	3,168,000
7/1/2023	250,804,000	20,119,000	230,685,000	8.0%	2024-25	19,573,000	206,000	(16,494,000)	3,285,000
7/1/2024	253,907,000	24,642,000	229,265,000	9.7%	2025-26	20,221,000	214,000	(16,820,000)	3,615,000
7/1/2025	258,043,000	29,568,000	228,475,000	11.5%	2026-27	21,009,000	221,000	(17,076,000)	4,154,000
7/1/2026	261,084,000	35,142,000	225,942,000	13.5%	2027-28	21,724,000	229,000	(17,455,000)	4,498,000
7/1/2027	265,390,000	41,621,000	223,769,000	15.7%	2028-29	22,558,000	237,000	(17,520,000)	5,275,000
7/1/2028	268,745,000	48,858,000	219,887,000	18.2%	2029-30	23,343,000	245,000	(17,531,000)	6,057,000
7/1/2029	272,526,000	57,348,000	215,178,000	21.0%	2030-31	24,144,000	254,000	(17,751,000)	6,647,000
7/1/2030	276,823,000	67,176,000	209,647,000	24.3%	2031-32	24,976,000	262,000	(17,577,000)	7,661,000
7/1/2031	281,470,000	78,226,000	203,244,000	27.8%	2032-33	25,827,000	272,000	(17,673,000)	8,426,000
7/1/2032	286,899,000	91,012,000	195,887,000	31.7%	2033-34	26,709,000	281,000	(17,846,000)	9,144,000
7/1/2033	292,897,000	105,385,000	187,512,000	36.0%	2034-35	27,630,000	291,000	(18,013,000)	9,908,000
7/1/2034	299,441,000	121,398,000	178,043,000	40.5%	2035-36	28,575,000	301,000	(18,466,000)	10,410,000
7/1/2035	306,578,000	139,198,000	167,380,000	45.4%	2036-37	29,561,000	312,000	(18,573,000)	11,300,000
7/1/2036	314,075,000	158,629,000	155,446,000	50.5%	2037-38	30,562,000	323,000	(18,822,000)	12,063,000
7/1/2037	322,305,000	180,191,000	142,114,000	55.9%	2038-39	31,586,000	334,000	(19,325,000)	12,595,000
7/1/2038	331,177,000	203,886,000	127,291,000	61.6%	2039-40	32,639,000	346,000	(19,930,000)	13,055,000
7/1/2039	340,477,000	229,612,000	110,865,000	67.4%	2040-41	33,751,000	358,000	(20,236,000)	13,873,000
7/1/2040	350,167,000	257,419,000	92,748,000	73.5%	2041-42	34,864,000	370,000	(20,693,000)	14,541,000

Section III - Development of Contribution
D. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2013	\$183,000	\$118,864,906	\$118,681,906	0.2%
July 1, 2015	702,000	147,594,000	146,892,000	0.5%
July 1, 2017	2,960,380	169,415,000	166,454,620	1.7%
July 1, 2019	7,204,521	215,240,118	208,035,597	3.3%
July 1, 2021	13,487,190	242,528,208	229,041,018	5.6%

Section III - Development of Contribution E. History of Town Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Town Contribution	Contribution Deficiency (Excess)
2016-17	\$11,981,000	\$12,018,884	(\$37,884)
2017-18	12,689,000	12,208,089	480,911
2018-19	14,255,000	12,551,065	1,703,935
2019-20	14,836,000	16,098,730	(1,262,730)
2020-21	16,669,426	16,741,414	(71,988)
2021-22	17,086,090	TBD	TBD
2022-23	18,063,970	TBD	TBD

Section IV - Membership Data

A. Statistics of Active Membership

		As of July 1, 2019	As of July 1, 2021
Number of Active Members	Police & Fire	185	184
	Town	207	201
	Certified BOE	910	916
	Non-Certified BOE	<u>225</u>	<u>230</u>
	Total	1,527	1,531
Average Age	Police & Fire	38.0	37.1
	Town	49.1	48.8
	Certified BOE	44.9	44.9
	Non-Certified BOE	52.0	51.9
	Total	45.7	45.5
Average Service	Police & Fire	10.9	9.2
	Town	12.1	10.6
	Certified BOE	12.8	13.0
	Non-Certified BOE	12.3	11.8
	Total	12.4	12.1

Section IV - Membership Data

B. Distribution of Active Members as of July 1, 2021

Police & Fire

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	3							3
25-29	24	6						30
30-34	17	27	2					46
35-39	10	15	21	7				53
40-44	3	2	1	7	3			16
45-49	3	1	2	2	4			12
50-54		1	1	5	8			15
55-59	2	1		2	4			9
60-64								0
65+								0
Total	62	53	27	23	19	0	0	184

Town

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	3							3
25-29	8	1						9
30-34	6	3						9
35-39	10	9	2	3				24
40-44	10	10	4	6				30
45-49	9	3	4	5	3	1		25
50-54	12	3	3	2	5	2	2	29
55-59	8	5	5	3	7	2	4	34
60-64	10	6	3	1	5	1	1	27
65+		2	2	1	4	1	1	11
Total	76	42	23	21	24	7	8	201

Certified BOE

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	8							8
25-29	53	15						68
30-34	37	35	5					77
35-39	40	35	42	13				130
40-44	28	38	39	52	5			162
45-49	19	26	22	34	49	3		153
50-54	14	16	24	13	39	25	1	132
55-59	8	14	16	29	25	12	14	118
60-64		6	4	17	10	9	7	53
65+	1		2	3	6	1	2	15
Total	208	185	154	161	134	50	24	916

Section IV - Membership Data

B. Distribution of Active Members as of July 1, 2021

Non-Certified BOE

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	3							3
25-29	3	1						4
30-34	9	4						13
35-39	9	8	2	1				20
40-44	10	4	2	4				20
45-49	4	8	5		2	1		20
50-54	7	7	4	7	5	6	1	37
55-59	14	9	3	8	10	1	1	46
60-64	4	5	9	12	11	4		45
65+	5		5	6	2	2	2	22
Total	68	46	30	38	30	14	4	230

Section IV - Membership Data

C. Information on Members Receiving Benefits

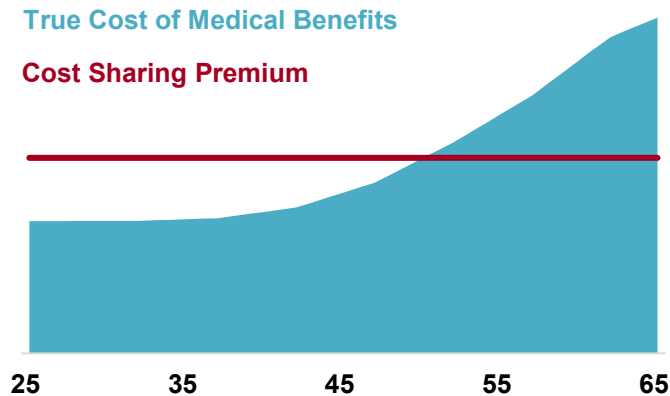
	As of July 1, 2019	As of July 1, 2021
Members Receiving Benefits		
Number		
Police & Fire	312	323
Town	292	289
Certified BOE	89	62
Non-Certified BOE	<u>183</u>	<u>210</u>
Total	876	884
Average Age		
Police & Fire	66.8	66.5
Town	73.9	74.2
Certified BOE	76.0	74.5
Non-Certified BOE	72.3	73.2
Total	71.2	71.1
Spouses/Dependents Receiving Benefits		
Number		
Police & Fire	227	224
Town	165	141
Certified BOE	13	21
Non-Certified BOE	<u>73</u>	<u>72</u>
Total	478	458
Average Age		
Police & Fire	63.9	62.5
Town	71.2	72.1
Certified BOE	64.4	65.7
Non-Certified BOE	73.6	71.2
Total	67.9	67.1

Section V - Healthcare Information

A. Introduction

In many cases, the cost sharing premium is lower than the true cost of providing the medical benefits, for two reasons:

- The cost sharing premium is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:



- The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit rate subsidy." GASB 74 and 75 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by Milliman's health actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed in this report. We term this amount the "gross liability."

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the Other Post-Employment Benefits Plan – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors. We term this amount the "offset liability."

Finally, the net liability for the Town is calculated as the difference between the gross liability and the offset liability.

Section V - Morbidity

B. Current Premiums

The annual medical premiums for cost sharing purposes are shown below.

Pre-65 Medical Plan	Employee	Spouse	Effective Date
Active Police and Town - State Partnership Plan	\$14,197.92	\$22,179.84 *	7/1/2021
Retired Police, Town and Fire - PPO	14,069.28	26,771.16 *	7/1/2021
Active Fire - HDHP	11,958.84	17,666.76 *	7/1/2021
BOE - State Partnership Plan	11,138.40	12,793.44	7/1/2021
 Post-65 Medical Plan			
Active Police and Town	3,210.96	3,210.96	1/1/2022
Fire and Retired Police and Town	6,402.36	6,722.52	7/1/2021
BOE Certified State Partnership Plan	11,138.40	12,793.44	7/1/2021
BOE Non-Certified	3,210.96	3,210.96	1/1/2022

*Includes child dependent costs.

Section V - Morbidity

C. Expected Healthcare Costs

Milliman's Health Cost Guidelines were used to develop the expected true cost of healthcare benefits by age and gender, separately for employees and spouses. Representative healthcare cost factors were developed with the July 1, 2019 actuarial valuation and are shown in the table below. These factors were then applied to the plan's healthcare rates for the year beginning July 1, 2021 to arrive at the expected annual per capita claims costs for a 65-year-old, which are also shown below.

Fire and Retired Police and Town

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.33855	0.52853	0.49451	0.64885
50	0.45069	0.57094	0.58087	0.71623
55	0.59062	0.68845	0.68685	0.79540
60	0.75818	0.83626	0.81487	0.88841
65	1.00000	1.00000	1.00000	1.00000
70	1.09388	1.09958	1.09388	1.00438
75	1.17368	1.23125	1.17368	1.02284
80	1.20575	1.36291	1.20575	1.02628
85	1.17079	1.49457	1.17079	0.97941
90	1.13239	1.62624	1.13239	0.93915

Age 65 per capita claims cost

Pre-65 - Active Fire	\$21,897.42	\$19,861.30	\$32,082.50	\$29,764.14
Pre-65 - Other	29,566.50	26,817.28	38,793.44	35,990.13
Post-65	6,967.57	7,178.81	6,967.45	7,178.68

Board of Education - Non-Medicare Eligible

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.35369	0.53310	0.35369	0.53410
50	0.47244	0.62127	0.47244	0.62147
55	0.62121	0.72349	0.62121	0.72349
60	0.80217	0.84866	0.80217	0.84866
65	1.00000	1.00000	1.00000	1.00000
70	1.20970	1.17337	1.20970	1.17337
75	1.43512	1.36207	1.43512	1.36207
80	1.64460	1.54188	1.64460	1.54188
85	1.87058	1.74706	1.87058	1.74706
90	2.08120	1.94403	2.08120	1.94403

Age 65 per capita claims cost

Certified	\$20,852.81	\$19,810.29	\$20,852.81	\$19,810.29
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Section V - Morbidity

C. Expected Healthcare Costs

Board of Education - Medicare Eligible and Active Town and Police

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.35369	0.53310	0.35369	0.53410
50	0.47244	0.62127	0.47244	0.62147
55	0.62121	0.72349	0.62121	0.72349
60	0.80217	0.84866	0.80217	0.84866
65	1.00000	1.00000	1.00000	1.00000
70	1.09388	1.09958	1.09388	1.00438
75	1.17368	1.23125	1.17368	1.02284
80	1.20575	1.36291	1.20575	1.02628
85	1.17079	1.49457	1.17079	0.97941
90	1.13239	1.62624	1.13239	0.93915

Age 65 per capita claims cost

Pre-65 - BOE	\$20,852.81	\$19,810.29	\$20,852.81	\$19,810.29
Pre-65 - Other	20,852.81	19,810.29	28,265.38	26,852.27
Post-65	3,324.46	3,425.24	3,324.46	3,425.24

Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the Entry Age Normal Method. The Actuarially Determined Contribution consists of three pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus Interest to reflect the timing of the contribution relative to the valuation date.

The Normal Cost is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The Unfunded Accrued Liability is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level percent over a closed 30 year period starting on July 1, 2014.

For funding purposes, assets are carried at Market Value.

The long-range forecasts included in this report have been developed by assuming that members will terminate, retire, become disabled, and die according to the actuarial assumptions with respect to these causes of decrement, and that pay increases, cost of living adjustments, and so forth will likewise occur according to the actuarial assumptions. For those unions whose new employees are eligible to participate in this plan, members who are projected to leave active employment are assumed to be replaced by new active members with the same age, service, gender, and pay characteristics as those hired in the past few years.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest Rate 6.25% (prior: 6.99%)

Inflation 2.75%

Amortization Growth Rate 2.75%

Salary Scale **Certified BOE[#]**

Service	Rate
0	6.50%
1	6.25%
2-9	6.00%
10-11	5.50%
12	5.25%
13	5.00%
14	4.75%
15	4.50%
16	4.00%
17	3.75%
18	3.50%
19	3.25%
20+	3.00%

All Others:

Age	Rate
<25	6.00%
25-29	5.85%
30-34	4.65%
35-39	4.35%
40-49	3.65%
50-59	3.50%
60+	2.80%

Prior: 3.50% for all.

Appendix B - Actuarial Assumptions

Medical Trend

The medical trend assumption used in this valuation is based on long-term healthcare trend rates generated by the Society of Actuaries' Getzen Trend Model and was developed with the July 1, 2019 actuarial valuation. Inputs to the model are consistent with other assumptions used in the valuation.

The medical trend assumption includes the estimated impact of the Further Consolidated Appropriations Act, 2020, which became law on December 20, 2019. This law repeals the Cadillac Tax completely and removes the Health Insurer Fee permanently beginning in 2021.

State Partnership Plan

Year Beginning	Rate	Year Beginning	Rate
2020 to 2021	5.30%	2061 to 2065	4.80%
2021 to 2023	5.10%	2065 to 2066	4.70%
2023 to 2034	5.00%	2066 to 2067	4.60%
2034 to 2043	5.10%	2067 to 2069	4.50%
2043 to 2044	5.20%	2069 to 2070	4.40%
2044 to 2046	5.10%	2070 to 2072	4.30%
2046 to 2049	5.00%	2072 to 2074	4.20%
2049 to 2061	4.90%	2074 +	4.10%

All Others

Year Beginning	Pre-65	Year Beginning	Post-65
2020 to 2021	5.80%	2020 to 2021	5.60%
2021 to 2022	5.30%	2021 to 2022	5.20%
2022 to 2024	5.00%	2022 to 2024	5.00%
2024 to 2027	4.90%	2024 to 2027	4.90%
2027 to 2030	4.80%	2027 to 2030	4.80%
2030 to 2039	4.90%	2030 to 2039	4.90%
2039 to 2048	5.00%	2039 to 2048	5.00%
2048 to 2049	5.10%	2048 to 2049	5.10%
2049 to 2051	5.00%	2049 to 2051	5.00%
2051 to 2059	4.90%	2051 to 2058	4.90%
2059 to 2065	4.80%	2058 to 2065	4.80%
2065 to 2066	4.70%	2065 to 2066	4.70%
2066 to 2067	4.60%	2066 to 2067	4.60%
2067 to 2069	4.50%	2067 to 2069	4.50%
2069 to 2070	4.40%	2069 to 2070	4.40%
2070 to 2072	4.30%	2070 to 2072	4.30%
2072 to 2073	4.20%	2072 to 2073	4.20%
2073 +	4.10%	2073 +	4.10%

Appendix B - Actuarial Assumptions

Healthy Mortality

Certified BOE#: PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2019 Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2019 Ultimate scale and set forward 1 year for both males and females is used for survivors and beneficiaries. This assumption includes a margin for improvements in longevity beyond the valuation date.

All Others: Pub-2010 Mortality Table with generational projection per the MP-2019 ultimate scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. The Public Safety variant is used for Custodial (05), Maintenance (06), Grounds (70), Building Maintenance (71), Streets (62), Fire (61), and Police (60), and the General variant is used for all other groups. This assumption includes a margin for future improvements in longevity.

Disabled Mortality

Certified BOE#: PubT-2010 Disabled Mortality Table for males and females with generational projection of future improvements per the MP-2019 Ultimate scale. This assumption includes a margin for mortality improvement beyond the valuation date.

All Others: Pub-2010 Mortality Table for disabled retirees with generational projection per the MP-2019 ultimate scale. The Public Safety variant is used for Custodial (05), Maintenance (06), Grounds (70), Building Maintenance (71), Streets (62), Fire (61), and Police (60), and the General variant is used for all other groups. This assumption includes a margin for future improvements in longevity.

Appendix B - Actuarial Assumptions

Retirement

Certified BOE#: rates based on age, eligibility for pension benefits, and gender:

Age	Unreduced			
	< 35 years of service		35+ years of service	
	Male	Female	Male	Female
50-59			35.00%	30.00%
60	20.00%	20.00%	30.00%	30.00%
61	20.00%	20.00%	30.00%	30.00%
62	22.50%	20.00%	30.00%	30.00%
63	22.50%	20.00%	30.00%	30.00%
64	25.00%	25.00%	30.00%	30.00%
65	27.50%	32.50%	35.00%	37.50%
66	27.50%	30.00%	35.00%	37.50%
67-74	27.50%	30.00%	30.00%	32.50%
75	100.00%	100.00%	100.00%	100.00%

Age	Proratable		Reduced	
	Male	Female	Male	Female
50-52			1.50%	1.25%
53			1.50%	1.75%
54			2.00%	2.25%
55			3.00%	3.00%
56			4.00%	3.75%
57			5.00%	4.50%
58			6.50%	5.50%
59			8.00%	7.00%
60	6.00%	5.00%		
61	6.00%	6.00%		
62	6.00%	7.00%		
63	9.00%	8.00%		
64	12.00%	9.00%		
65	15.00%	12.00%		
66-68	18.00%	15.00%		
69-79	28.50%	15.00%		
80	100.00%	100.00%		

Appendix B - Actuarial Assumptions

Retirement

Prior:

Certified BOE[#]

Age	Unreduced		Proratable		Reduced	
	Male	Female	Male	Female	Male	Female
50	27.50%	27.50%			1.00%	1.00%
51	27.50%	27.50%			1.00%	1.25%
52	27.50%	27.50%			1.00%	1.75%
53	27.50%	27.50%			2.00%	2.25%
54	27.50%	27.50%			3.00%	2.75%
55	38.50%	27.50%			4.00%	4.75%
56	38.50%	27.50%			6.00%	6.25%
57	38.50%	27.50%			7.00%	6.75%
58	38.50%	27.50%			8.00%	7.25%
59	38.50%	27.50%			11.00%	8.50%
60	22.00%	27.50%	6.00%	5.50%		
61	25.30%	27.50%	6.00%	6.50%		
62	25.30%	27.50%	9.00%	7.50%		
63	27.50%	27.50%	11.00%	7.50%		
64	27.50%	27.50%	10.00%	8.00%		
65	36.30%	32.50%	13.00%	12.50%		
66-67	27.50%	32.50%	20.00%	12.50%		
68	27.50%	32.50%	20.00%	12.00%		
69	27.50%	32.50%	30.00%	14.50%		
70-73	100.00%	32.50%	30.00%	14.50%		
74-79	100.00%	32.50%	30.00%	18.00%		
80	100.00%	100.00%	100.00%	100.00%		

Appendix B - Actuarial Assumptions

Retirement

Town and Non-Certified BOE

Age	Rate
45-49	1%
50-54	3%
55-59	5%
60	15%
61-64	10%
65-69	40%
70+	100%

Age	Fire Rate*	Police Rate*
40-44	1%	1%
45-49	5%	2%
50-55	10%	10%
56-64	25%	20%
65+	100%	100%

*In the year the participant is first eligible for retirement, the assumed rate is the greater of the rate in the chart above and 25%.

Turnover

Certified BOE#: rates based on gender and length of service for the first ten years and gender and age thereafter:

Service	Male	Female
0-1	15.00%	12.00%
1-2	11.00%	11.00%
2-3	8.50%	9.50%
3-4	7.00%	8.00%
4-5	5.50%	7.50%
5-6	4.50%	7.00%
6-7	4.00%	6.50%
7-8	3.50%	6.00%
8-9	3.50%	5.50%
9-10	3.50%	5.00%
10+	1.80%	6.00%

Age	Male	Female
25	1.80%	6.00%
35	1.80%	4.25%
45	1.80%	2.00%
55	4.00%	3.90%

Appendix B - Actuarial Assumptions

Turnover

Prior:

Certified BOE#: Rates based on gender and length of service for first ten years and gender and age thereafter

Service	Male	Female
0-1	14.00%	12.00%
1-2	11.00%	10.50%
2-3	8.00%	8.75%
3-4	6.50%	7.50%
4-5	4.50%	6.75%
5-6	3.50%	6.00%
6-7	3.00%	5.25%
7-8	2.75%	4.75%
8-9	2.50%	4.25%
9-10	2.50%	4.00%

After first ten years of service:

Age	Male	Female
25-34	1.50%	4.00%
35	1.50%	3.50%
40	1.50%	2.30%
45	1.59%	1.50%
50	2.04%	2.00%
55	3.44%	2.50%
59+	4.00%	2.90%

Appendix B - Actuarial Assumptions

Turnover

Town and Non-Certified BOE

Age	Years of Service			
	0-2	3-5	6-9	10+
20	30%	12%	8%	6%
25	25%	11%	7%	5%
30	20%	10%	6%	4%
35	15%	9%	5%	3%
40+	10%	8%	4%	2%

Fire: None

Police: Crocker-Sarason T-1

Disability

Teachers and Administrators[#]: rates based on age and gender:

Age	Male	Female
20	0.0200%	0.0200%
30	0.0200%	0.0200%
40	0.0300%	0.0600%
50	0.1500%	0.1500%
60	0.1500%	0.1500%

Certified BOE[#]

Age	Rate	
	Male	Female
20	0.005%	0.005%
30	0.005%	0.004%
40	0.007%	0.007%
50	0.033%	0.026%
60+	0.128%	0.050%

Town, Non-Certified BOE, Fire and Police

Age	Rate
20	0.08%
30	0.09%
40	0.17%
50	0.51%
60	1.44%

20% of Town and Non-Certified BOE and 50% of Police and Fire disabilities are assumed to be service connected.

Appendix B - Actuarial Assumptions

Future Retiree Coverage

Certified BOE: 95% of current active members and 80% of their spouses will elect medical coverage at retirement.

Town and Non-Certified BOE: 95% of current active members and 65% of their spouses will elect medical coverage at retirement.

Fire and Police: 100% of current active members and 65% of their spouses will elect medical coverage at retirement.

Married Assumption

Certified BOE: 85% of male and 75% of female active members are assumed to be married with wives 3 years younger than husbands.

Town, Non-Certified BOE, Fire and Police: 80% of male and 65% of female active members are assumed to be married with wives 3 years younger than husbands.

Future Post-65 Coverage

80% of current active and pre-65 retired Certified BOE members hired prior to April 1, 1986 and 100% of All Others are assumed to be Medicare-eligible.

Certain actuarial demographic assumptions for Teachers and Administrators are based on the assumptions used in the June 30, 2020 valuation of the Connecticut State Teachers' Retirement System.

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Many plan provisions vary by union. We have shown the applicable union codes in parentheses where appropriate to indicate which union(s) are covered by which plan provisions.

Eligibility	Police (60)	
	Hired before 8/1/2006	20 years of Credited Service
	Hired after 8/1/2006	25 years of Credited Service
	Fire (61)	
	Hired on or before 7/1/2005	Age 55 with 10 years of Credited Service 20 years of Credited Service Age 65
	Hired after 7/1/2005	Age 50 with 25 years of Credited Service Age 65
	An employee retiring at age 65 but without meeting the service requirement is not eligible for retiree health insurance.	
	Streets Union (62)	
	Hired before 7/1/2003	Age 55 with 25 years of Credited Service Age 60 with 10 years of Credited Service 30 years of Credited Service Age 70
	Hired on or after 7/1/2003	Age 65 with 15 years of Credited Service 35 years of Credited Service Age 70
	Dispatchers Union (64)	
	Hired before 7/1/2007	Age 55 with 25 years of Credited Service Age 60 with 10 years of Credited Service 20 years of Credited Service Age 70
	Hired on or after 7/1/2007	Age 60 with 10 years of Credited Service 25 years of Credited Service Age 70

Appendix C - Summary of Plan Provisions

Eligibility **Grounds (70), Building Maintenance (71) and Supervisor (74) Unions**

Hired before 7/1/2003 Age 55 with 25 years of Credited Service
Age 60 with 10 years of Credited Service
30 years of Credited Service
Age 70

Hired on or after 7/1/2003 Age 65 with 15 years of Credited Service
Age 62 with 35 years of Credited Service
Age 70

Nurses Union (58), Directors (59), Clerical Union (65), Non-Bargaining Clerical (66), Non-Bargaining Unit (68), Professional/Management Union (73), Seasonal Part Time (79), Parking Monitors Union (81), Non-Bargaining Corporate Counsel Management (87) and Town Manager

Hired before 7/1/2003 Age 55 with 25 years of Credited Service
Age 60 with 10 years of Credited Service
Age 70

Hired on or after 7/1/2003 Age 65 with 15 years of Credited Service
Age 62 with 35 years of Credited Service
Age 70

Teachers and Administrators

Teachers or Administrators retiring under the Connecticut State Teachers' Retirement System shall be eligible to receive health benefits for self and spouse.

Secretarial/Clerical Union (02)

Hired before 5/1/2006 Age 55 with 25 years of Credited Service
Age 60 with 10 years of Credited Service
Age 70

Hired on or after 5/1/2006 Age 65 with 15 years of Credited Service
Age 62 with 35 years of Credited Service
Age 70

Appendix C - Summary of Plan Provisions

Eligibility	Custodial Union (05)	
	Hired before 1/1/2006	Age 55 with 25 years of Credited Service Age 60 with 10 years of Credited Service 30 years of Credited Service Age 70
	Hired on or after 1/1/2006	Age 65 with 15 years of Credited Service 35 years of Credited Service Age 70
	Maintenance Union (06)	
	Hired before 7/1/2004	Age 55 with 25 years of Credited Service Age 60 with 10 years of Credited Service Age 70
	Hired on or after 7/1/2004	Age 65 with 15 years of Credited Service Age 62 with 35 years of Credited Service Age 70
	Nurses Union (07)	
	Hired before 7/1/2004	Age 55 with 25 years of Credited Service Age 60 with 10 years of Credited Service Age 70
	Hired on or after 7/1/2004	Age 65 with 15 years of Credited Service Age 62 with 35 years of Credited Service Age 70
	Non-Bargaining Union (09)	
	Hired before 7/1/2006	Age 55 with 25 years of Credited Service Age 60 with 10 years of Credited Service Age 70
	Hired on or after 7/1/2006	Age 65 with 15 years of Credited Service Age 62 with 35 years of Credited Service Age 70

Appendix C - Summary of Plan Provisions

Eligibility

Custodial III Union (10)

Hired before 7/1/2005

Age 55 with 25 years of Credited Service
Age 60 with 10 years of Credited Service
Age 70

Hired on or after 7/1/2005

Age 65 with 15 years of Credited Service
Age 62 with 35 years of Credited Service
Age 70

Security (12)

Hired before 7/1/2013

Age 55 with 25 years of Credited Service
Age 60 with 10 years of Credited Service

Hired on or after 7/1/2013

Not eligible for OPEB.

Professional and Technical Union (14)

Hired before 7/1/2004

Age 55 with 25 years of Credited Service
Age 60 with 10 years of Credited Service
Age 70

Hired on or after 7/1/2004

Age 65 with 15 years of Credited Service
Age 62 with 35 years of Credited Service
Age 70

Cafeteria Managers (15)

No current or future employees are eligible for OPEB. There are a few current retirees that are receiving benefits.

Paraprofessional (03), Printers Union (04), and Cafeteria Union (08)

Not eligible for OPEB.

Appendix C - Summary of Plan Provisions

Cost Sharing Police (60)

Hired before 6/26/2018	Town pays 100% of the premium.
Hired after 6/26/2018	Town pays 50% of the premium.
Service connected disability	Town pays 100% of the premium.

Fire (61)

Hired before 4/1/1986	10-15 years of service: Town pays greater of rate in effect on July 1st after retirement or 50% of the premium. 10-15 years of service: Town pays greater of rate in effect on July 1st after retirement or 75% of the premium. 20+ years of service: Town pays 100% of the premium.
Hired between 4/1/1986 and 1/1/2001	Town pays 100% of the premium if age 65, 20 years of Credited Service or age 55 with 10 years of Credited Service. Town pays as secondary if retiree has primary insurance if 10-15 years of Credited Service.
Hired between 1/1/2001 and 4/1/2014	Town pays 100% of the premium if service requirement is met.
Hired after 4/1/2014	Town pays 75% of the self-insured equivalent rate.
Service connected disability	Town pays 100% of the premium.

Appendix C - Summary of Plan Provisions

Cost Sharing Streets Union (62)

Hired before 10/27/1998	Town pays 93% of the premium until Medicare eligibility, at which point the Town pays 100%.
Hired between 10/27/1998 and 6/30/2003	Town pays 85% of the premium until Medicare eligibility if age 55 with 25 years of Credited Service or 30 years of Credited Service (70% otherwise), at which point the Town pays 100%.
Hired between 6/30/2003 and 8/1/2016	Town pays 75% of the premium for the retiree and 50% of the premium for dependents until Medicare eligibility, at which point the Town pays 100%.
Hired on or after 8/1/2016	Town pays 50% of the premium.

Dispatchers Union (64)

Hired before 7/1/1986	Town pays 100% of the premium.
Hired between 7/1/1986 and 1/1/1999	Town pays 93% of the premium until Medicare eligibility if age 55 with 25 years of Credited Service (70% otherwise), at which point the Town pays 100%.
Hired between 1/1/1999 and 7/1/2007	Town pays 82.5% of the premium until Medicare eligibility if 25 years of Credited Service and under age 55 and 85% if age 55 or older. Town pays 80% if 20-25 years of Credited Service and 70% if less than 20 years of Credited Service. Upon reaching Medicare eligibility, the Town pays 100%.
Hired between 7/1/2007 and 12/16/2016	Town pays 82.5% of the premium until Medicare eligibility if 25 years of Credited Service and under age 55, 85% if age 55 or older and 70% if less than 25 years of Credited Service. Upon reaching Medicare eligibility, the Town pays 100%.
Hired on or after 12/16/2016	Town pays 50% of the premium.

Parking Monitors Union (81)

Retiree pays 100% of the premium.

Appendix C - Summary of Plan Provisions

Cost Sharing	Nurses (58), Non-Bargaining Clerical (66), Non-Bargaining (68), Professional/Management (73) and Non-Bargaining Corporate Counsel Management (87) Unions	
	Hired before 7/1/1986	Town pays 100% of the premium.
	Hired between 7/1/1986 and 1/1/1998 (11/10/1997 for Prof./Management)	Town pays 93% of the premium until Medicare eligibility, at which point the Town pays 100%.
	Hired between 1/1/1998 (11/10/1997 for Prof./Management) and 7/1/2003	Town pays 85% of the premium until Medicare eligibility if age 55 with 25 years of Credited Service (70% otherwise), at which point the Town pays 100%.
	Hired between 7/1/2003 and 11/10/2015	Town pays 75% of the premium for the retiree and 50% of the premium for dependents until Medicare eligibility, at which point the Town pays 100%.
	Hired on or after 11/10/2015	Town pays 50% of the premium.
	Directors (59), Clerical Union (65), Grounds Union (70), Building Maintenance Union (71), Supervisor Union (74), Seasonal Part Time (79), and Town Manager	
	Hired before 7/1/1986	Town pays 100% of the premium.
	Hired between 7/1/1986 and 11/10/1997	Town pays 93% of the premium until Medicare eligibility, at which point the Town pays 100%.
	Hired between 11/10/1997 and 7/1/2003	Town pays 85% of the premium until Medicare eligibility if age 55 with 25 years of Credited Service (70% otherwise), at which point the Town pays 100%.
	Hired between 7/1/2003 and 5/24/2016 (11/10/2015 for Grounds Union)	Town pays 75% of the premium for the retiree and 50% of the premium for dependents until Medicare eligibility, at which point the Town pays 100%.
	Hired on or after 5/24/2016 (11/10/2015 for Grounds Union)	Town pays 50% of the premium.
	Teachers and Administrators	Retiree pays 100% of the premium.
	Secretarial/Clerical (02) and Non-Bargaining (09) Unions	Board pays 100% of the premium for the retiree and 50% of the premium for dependents.

Appendix C - Summary of Plan Provisions

Cost Sharing	Custodial (05), Custodial III (10) and Maintenance (06) Unions	Pre-65, Board pays 100% of the premium for employee and 50% of the premium for dependent. Post-65, the employee pays 100% of the Major Medical premium for both the employee and dependent. The Board pays 100% of the premium for the employee and 50% of the Medicare premium.
	Nurses Union (07)	Board pays 50% of the premium for the retiree and dependents.
	Security (12)	Pre-65, Board pays 75% of the premium for employee and dependent. Post-65, the employee pays 100% of the Major Medical premium for both the employee and dependent. The Board pays 100% of the premium for the employee and 50% of the Medicare premium for the dependent.
	Professional and Technical (14)	
	Hired before 7/1/2007	Board pays 100% of the premium for the retiree and 50% of the premium for dependents.
	Hired on or after 7/1/2007	Board pays 75% of the premium for the retiree and 50% of the premium for dependents.
	Cafeteria Managers (15)	Board pays 100% of the premium until Medicare eligibility.
Life Insurance	Police (60)	25% of the amount of life insurance in force immediately prior to retirement (not to exceed \$7,500).
	Fire (61)	50% of the amount of life insurance in force immediately prior to retirement (not to exceed \$25,000).
	Streets Union (62)	50% of the amount of life insurance in force immediately prior to retirement (effective 10/27/1998, not to exceed \$25,000).

Appendix C - Summary of Plan Provisions

Life Insurance	Dispatchers (64), Grounds (70), Building Maintenance (71) and Supervisor (74) Unions	\$25,000, effective 5/24/2016 (effective 11/10/2015 for Grounds Union).
	Non-Bargaining Clerical (66) and Professional/Management (73) Unions	\$25,000, effective 11/10/2015 (effective 1/1/1998 for Non-Bargaining Clerical Union).
	Non-Bargaining Unit (68) and Non-Bargaining Corporate Counsel Management (87) Unions	\$25,000 if they receive a normal, unreduced pension benefit immediately upon termination.
	Directors Union (59)	\$50,000 if they receive a normal, unreduced pension benefit immediately upon termination.
	Town Managers	\$100,000. If hired on or after 7/1/2017, \$50,000 if they receive a normal, unreduced pension benefit immediately upon termination.
	Professional and Technical (14)	\$15,000.
	Secretarial/Clerical (02)	\$10,000.
Active Contributions towards Retiree Healthcare	Police (60)	
	Hired before 6/26/2018	1.65% of bi-weekly base wage.
	Hired after 6/26/2018	No active contributions.
	Fire (61)	
	Hired before 7/1/2005	1.00% of bi-weekly base wage.
	Hired between 7/1/2005 and 4/1/2014	1.00% of bi-weekly base wage plus an additional 0.65% for dependent health benefits.
	Hired after 4/1/2014	No active contributions.

Appendix D - Glossary

Actuarial Cost Method - This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Actuarial Accrued Liability and the Normal Cost.

Accrued Liability - This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).

Actuarial Assumptions - With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the interest rate, salary scale, and rates of mortality, turnover and retirement.

Actuarial Present Value of Benefits - This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.

Actuarial Value of Assets - This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.

Actuarially Determined Contribution (“ADC”) - This is the employer’s periodic contributions to a defined benefit plan, calculated in accordance with actuarial standards of practice.

Attribution Period - The period of an employee’s service to which the expected benefit obligation for that employee is assigned. The beginning of the attribution period is the employee’s date of hire and costs are spread across all employment.

Interest Rate - This is the long-term expected rate of return on any investments set aside to pay for the benefits. In a financial reporting context (e.g., GASB 68) this is termed the Discount Rate.

Normal Cost - This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.

Past Service Cost - This is a catch-up payment to fund the Unfunded Accrued Liability over time (generally 10 to 30 years). A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each valuation date. Also known as the Amortization Payment.

Return on Plan Assets - This is the actual investment return on plan assets during the fiscal year.

Unfunded Accrued Liability - This is the excess of the Accrued Liability over the Actuarial Value of Assets.