

TOWN OF WEST HARTFORD POSTRETIREMENT BENEFITS OTHER THAN
PENSION (OPEB) FOR TOWN AND BOARD OF EDUCATION EMPLOYEES

ACTUARIAL VALUATION REPORT

JULY 1, 2017

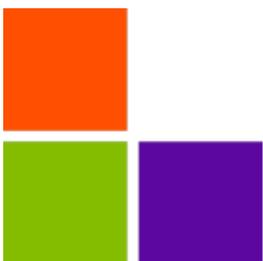




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Certification

This report presents the results of the July 1, 2017 Actuarial Valuation for the Town of West Hartford postretirement benefits other than pension (OPEB) for Town and Board of Education Employees post-retirement benefit other than pension (OPEB) for Town and Board of Education Employees (the Plan) for the purpose of estimating the funded status of the Plan and determining the Actuarially Determined Employer Contribution (ADEC) for the fiscal years ending June 30, 2019 and June 30, 2020. This report is intended to satisfy the requirements of Connecticut General Statute 7-450a. This report may not be appropriate for any other purpose.

The valuation has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with all applicable Actuarial Standards of Practice.

I certify that the actuarial assumptions and methods that were selected by me and represent my best estimate of anticipated actuarial experience under the Plan.

In preparing this valuation, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Town. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the Plan Provisions section of this report and the actuarial assumptions and methods detailed in the Description of Actuarial Methods and Assumptions section of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: 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 this report, an analysis of the potential range of such future measurements has not been performed.

I have no relationship with the employer or the Plan that would impair, or appear to impair, my objectivity in performing the work presented in this report. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Evan W. Woollacott, FCA, MAAA
Enrolled Actuary 17-04513

April 30, 2018



Executive Summary

The July 1, 2017 accrued liability of \$169,415,000 is higher than anticipated. The additional liability is primarily due to the changes in assumptions. The assumption changes include mortality, retirement, withdrawal, morbidity, trend, inflation, and discount rate. The changes in assumptions increased the liability by approximately 8.4%. Of the 8.4%, the discount rate increased the liability by approximately 3% while the mortality change increased the liability by approximately 2.5%.

Schedule of Funding Status and Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAL as a Percentage of Covered Payroll
7/1/2011	\$80,000	\$107,490,000	\$107,410,000	0%	N/A	N/A
7/1/2013	183,000	118,865,000	118,682,000	0%	N/A	N/A
7/1/2015	702,000	147,594,000	146,892,000	0%	105,853,000	139%
7/1/2017	2,960,000	169,415,000	166,455,000	2%	116,440,000	143%

History of Actuarially Determined Employer Contribution (ADEC)	
Year Ended June 30	Actuarially Determined Employer Contribution (ADEC)
2015	\$9,780,000
2016	11,251,000
2017	11,981,000
2018	12,689,000
2019	14,255,000
2020	14,836,000



Unfunded Accrued Liability and Actuarially Determined Employer Contribution

Unfunded Accrued Liability (UAL)					
Actuarial Accrued Liability 7/1/2017	Police & Fire	Town	Certified	Non-Certified	Grand Total
Actives	\$25,098,000	\$12,736,000	\$5,474,000	\$11,407,000	\$54,715,000
Retirees	<u>54,159,000</u>	<u>35,505,000</u>	<u>10,476,000</u>	<u>14,560,000</u>	<u>114,700,000</u>
Total	79,257,000	48,241,000	15,950,000	25,967,000	169,415,000
Assets 7/1/2017	<u>1,384,000</u>	<u>843,000</u>	<u>279,000</u>	<u>454,000</u>	<u>2,960,000</u>
Unfunded Accrued Liability (UAL) 7/1/2017	77,873,000	47,398,000	15,671,000	25,513,000	166,455,000

Actuarially Determined Employer Contribution (ADEC)					
2018 / 2019 Fiscal Year ADEC	Police & Fire	Town	Certified	Non-Certified	Grand Total
Normal Cost	\$1,559,000	\$506,000	\$252,000	\$440,000	\$2,757,000
Employee Contributions	(252,000)	0	0	0	(252,000)
27 Year Amortization of UAL	5,264,000	3,204,000	1,059,000	1,725,000	11,252,000
Interest	<u>238,000</u>	<u>134,000</u>	<u>48,000</u>	<u>78,000</u>	<u>498,000</u>
Total ADEC 2018 / 2019	6,809,000	3,844,000	1,359,000	2,243,000	14,255,000
Expected Benefit Payments 2018 / 2019	4,207,000	3,310,000	900,000	1,544,000	9,961,000
ADEC minus EBP 2018 / 2019	2,602,000	534,000	459,000	699,000	4,294,000
2019 / 2020 Fiscal Year ADEC	Police & Fire	Town	Certified	Non-Certified	Grand Total
Normal Cost	\$1,614,000	\$524,000	\$261,000	\$455,000	\$2,854,000
Employee Contributions	(260,000)	0	0	0	(260,000)
26 Year Amortization of UAL	5,484,000	3,338,000	1,104,000	1,797,000	11,723,000
Interest	<u>248,000</u>	<u>140,000</u>	<u>49,000</u>	<u>82,000</u>	<u>519,000</u>
Total ADEC 2019 / 2020	7,086,000	4,002,000	1,414,000	2,334,000	14,836,000
Expected Benefit Payments 2019 / 2020	4,558,000	3,399,000	940,000	1,654,000	10,551,000
ADEC minus EBP 2019 / 2020	2,528,000	603,000	474,000	680,000	4,285,000



Participant Counts and Average Attained Age As of July 1, 2017

Participant Counts			
Group	Active Participants	Retirees*	Total
Police & Fire	210	296	506
Town	208	279	487
Certified	830	84	914
Non-Certified	208	154	362
Total	1,456	813	2,269

*Does not include spouses of existing retirees or retirees with life insurance only.

Average Age and Service			
Group	Active Average Age	Active Average Service	Retiree Average Age
Police & Fire	39.3	11.8	67.3
Town	49.9	13.8	73.6
Certified	45.4	12.4	69.8
Non-Certified	53.7	14.5	74.1



Participant Counts and Average Attained Age As of July 1, 2015

Participant Counts			
Group	Active Participants	Retirees*	Total
Police & Fire	213	292	505
Town	206	269	475
Certified	756	109	865
Non-Certified	197	161	358
Total	1,372	831	2,203

*Does not include spouses of existing retirees or retirees with life insurance only.

Average Age and Service			
Group	Active Average Age	Active Average Service	Retiree Average Age
Police & Fire	38.7	11.1	66.3
Town	50.6	15.1	73.3
Certified	44.8	12.0	67.9
Non-Certified	53.9	15.8	75.2



Projected Benefit Payments

Fiscal Year Beginning July 1st	Currently Active Employees	Currently Retired Employees	Total
2018	\$703,000	\$9,258,000	\$9,961,000
2019	1,178,000	9,373,000	10,551,000
2020	1,670,000	9,507,000	11,177,000
2021	2,163,000	9,487,000	11,650,000
2022	2,661,000	9,508,000	12,169,000
2023	3,124,000	9,516,000	12,640,000
2024	3,606,000	9,552,000	13,158,000
2025	4,159,000	9,458,000	13,617,000
2026	4,683,000	9,342,000	14,025,000
2027	5,207,000	9,287,000	14,494,000
2028	5,683,000	9,115,000	14,798,000
2029	6,127,000	8,945,000	15,072,000
2030	6,631,000	8,714,000	15,345,000
2031	6,914,000	8,550,000	15,464,000
2032	7,381,000	8,350,000	15,731,000
2033	7,798,000	8,230,000	16,028,000
2034	8,124,000	8,122,000	16,246,000
2035	8,502,000	8,007,000	16,509,000
2036	8,805,000	7,786,000	16,591,000
2037	9,306,000	7,578,000	16,884,000



Target Allocation and Expected Rates of Return

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
Core Fixed Income	40.00%	1.75%	0.70%
U.S. Large Cap Equities	28.50%	5.60%	1.60%
U.S. Small Cap Equities	7.50%	5.90%	0.44%
Developed Foreign Equities	19.00%	5.80%	1.10%
Emerging Markets Equity	5.00%	4.25%	0.21%
	100.00%		4.05%
Long-Term Inflation Expectation			2.25%
Long-Term Expected Nominal Return			6.30%

**Long-Term Returns are provided by Fiduciary Investment Advisors. The returns are geometric means.*

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the OPEB plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 5.80% and 6.80%. An expected rate of return of 7.25% was used. With this valuation, we lowered the expected return from 7.50% to 7.25%. When the July 1, 2019 valuation is prepared, we will review the expected return assumption. If these expected returns persist, we expect to lower the return assumption even further.



Description of Actuarial Methods

Asset Valuation Method

Plan Assets equal the Market Value of assets.

Actuarial Cost Method

Changes in Actuarial Cost Method: None.

Description of Current Actuarial Cost Method: Entry Age Normal (level percentage of salary)

Normal Cost: Under this method, the total normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary. The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions).

Amortization Method

The Unfunded Accrued Liability is amortized each year over 30 years on a closed basis. In addition, amortization growth based upon the table below was used:

Fiscal	Amortization Growth	Amortization Period
2019	1.75%	27 years
2020	1.50%	26 years

Funding Policy

The Plan Sponsor's Funding Policy is to contribute the annual health insurance payments and is in the process of phasing in its required contribution over a 10-year period ending June 30, 2023.



Description of Actuarial Assumptions

Changes in Actuarial Assumptions as of July 1, 2017

The valuation reflects changes in the actuarial assumptions listed below. (The assumptions used before and after these changes are more fully described in the next section.)

- Interest
- Mortality
- Retirement
- Withdrawal
- Inflation
- Healthcare Cost Trend Rates
- Morbidity

The assumptions indicated were changed to represent the Enrolled Actuary's current best estimate of anticipated experience of the plan.

Interest

7.25% (Prior: 7.50%)

Since the OPEB plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments for current plan members, the long-term expected rate of return on OPEB plan investments was used to discount liabilities.

Rate of compensation increase (including inflation)

3.50%.

The assumption is based on historical national wage increases and input from the plan sponsor regarding future expectations.

Inflation

2.60%. (Prior: 2.50%)

This assumption is consistent with the Social Security Administration's current best estimate of the ultimate long-term (75-year horizon) annual percentage increase in CPI, as published in the 2017 OASDI Trustees Report.

The assumption was changed to better reflect expected experience.

Mortality

Non-Disabled Mortality: RP-2000 Annuitant and Non-Annuitant Mortality Tables for Males and Females projected from a base year of 2006 to valuation date by Scale BB. A Blue Collar adjustment is applied pre- and post-retirement for members of the Custodial (05), Maintenance (06), Grounds (70), Building Maintenance (71), Streets (62), Fire (61) and Police (60) groups.

Prior: RP-2000 Mortality Table with separate male and female rates, with separate tables for non-annuitants and annuitants, projected to the valuation date with Scale AA.

Disabled Mortality: RP-2000 Disabled Mortality Table.



Mortality Improvement

Non-Disabled Mortality Improvement: Projected to date of decrement using Scale BB (generational).

(Prior: Non-Disabled Mortality Improvement: Projected from valuation date to 2020 using Scale AA.)

Disabled Mortality Improvement: None.

We have selected a mortality table commonly used by public pension systems (such as the State of Massachusetts). It is a recently published pension mortality study released by the Society of Actuaries. The plan does not have sufficiently credible data on which to perform a mortality experience study.

We are using Scale BB because it is consistent with recent industry analysis of future mortality improvement.

Retirement

The assumed rates of retirement are as follows:

Town and BOE Non-Certified

All Other Ages	
Age	Rate
45-59	1%
50-54	3%
55-59	5%
60	15%
61-64	10%
65-59	40%
70	100%

Fire

All Other Ages	
Age	Rate
40-44	1%
45-49	5%
50-55	10%
56-64	25%
65	100%

In the year the participant is first eligible for unreduced pension and retiree medical, the assumed rate is the greater of the rate based on age in the chart above and 25%.



Police

All Other Ages	
Age	Rate
40-44	1%
45-49	2%
50-55	10%
56-64	20%
65	100%

In the year the participant is first eligible for unreduced pension and retiree medical, the assumed rate is the greater of the rate based on age in the chart above and 25%.

All members older than the latest assumed retirement age are assumed to retire immediately.

The actuarial assumption in regards to rates of retirement shown above are based on standard modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

BOE Certified

Per table below (from Connecticut State TRS 2016 Pension Valuation):

Age	Eligible for Normal (Unreduced) Retirement (Age 60 and 20 Yrs. Serv. or 35 yrs. Serv.)		Eligible for Early (Reduced) Retirement (Age 55 and 20 Yrs. Serv. or 25 yrs. Serv.)	
	Male	Female	Male	Female
50	27.5%	27.5%	1.00%	1.00
51	27.5	27.5	1.00	1.25
52	27.5	27.5	1.00	1.75
53	27.5	27.5	2.00	2.25
54	27.5	27.5	3.00	2.75
55	38.5	27.5	4.00	4.75
56	38.5	27.5	6.00	6.25
57	38.5	27.5	7.00	6.75
58	38.5	27.5	8.00	7.25
59	38.5	27.5	11.00	8.50
60	22.0	27.5		
61-62	25.3	27.5		
63-64	27.5	27.5		
65	36.3	32.5		
66-69	27.5	32.5		
70-79	100.0	32.5		
80	100.0	100.0		



Prior: Assumed Rates of Retirement (from CT State TRS 2014 OPEB Valuation)

Age	Eligible for Normal (Unreduced) Retirement (Age 60 and 20 Yrs. Serv. or 35 yrs. Serv.)		Eligible for Early (Reduced) Retirement (Age 55 and 20 Yrs. Serv. or 25 yrs. Serv.)	
	Male	Female	Male	Female
50-51	27.5%	15.0%	2.0%	2.0%
52	27.5	15.0	3.0	3.0
53	27.5	15.0	3.0	4.0
54	27.5	15.0	4.5	5.0
55	38.5	30.0	4.5	6.0
56	38.5	30.0	7.0	8.5
57	38.5	30.0	10.0	9.5
58	38.5	30.0	11.0	10.0
59	38.5	30.0	12.0	10.0
60	22.0	20.0		
61-62	25.3	22.5		
63-64	27.5	22.5		
65	36.3	30.0		
66-69	27.5	30.0		
70-79	100.0	40.0		
80	100.0	100.0		

The actuarial assumption in regards to rates of retirement shown above are based on the rates used by the Connecticut State Teachers' Retirement System actuaries.

The retirement assumption was updated to reflect actual experience.

Termination prior to retirement

Sample Age-Based Withdrawal Rates (until eligible to retire)

Town and BOE Non-Certified

Age	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 Table T-1.

The actuarial assumption in regards to rates of withdrawal shown above are based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.



BOE Certified

Rates based on gender and length of service for first Ten years and gender and age thereafter (Connecticut State TRS 2016 Pension Valuation):

Service	Male Rate	Female Rate
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
10 +	use age-related rates until eligible to retire	

Sample Age-Based Withdrawal Rates (until eligible to retire):

Age	Male Rate	Female Rate
25	1.50%	4.00%
30	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

Prior:

Service-Based Withdrawal Rates (until eligible to retire) (from CT State TRS 2014 OPEB Valuation)

Service	Male Rate	Female Rate
0-1	.1400	.1200
1-2	.0850	.0900
2-3	.0550	.0700
3-4	.0450	.0600
4-5	.0350	.0550
5-6	.0250	.0500
6-7	.0240	.0450
7-8	.0230	.0350
8-9	.0220	.0300
9-10	.0210	.0250
10 +	use age-related rates until eligible to retire	



Sample Age-Based Withdrawal Rates (until eligible to retire) (from CT State TRS 2014 OPEB Valuation)

Age	Male Rate	Female Rate
25-37	.0120	.0350
40	.0120	.0230
45	.0126	.0130
50	.0196	.0125
55	.0276	.0160
59+	.0300	.0190

The actuarial assumption in regards to rates of withdrawal shown above are based on the rates used by the Connecticut State Teachers' Retirement System actuaries.

The withdrawal assumption was updated to reflect actual experience.

Disability

Police, Fire, Town, and BOE Non-Certified

The following annual rates of disability are assumed:

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

Service connected disabilities are assumed to comprise 50% of total disability for Police and Fire and 20% for Town and BOE Non-Certified.

The participant's regular accrued benefit is assumed to be higher than the other disability benefits under the plan.

The actuarial assumption in regards to rates of disability shown above are based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

BOE Certified

Age	Male Rate	Female Rate
20	.005%	.005%
30	.005%	.004%
40	.007%	.007%
50	.033%	.026%
60+	.128%	.050%

The actuarial assumption in regards to rates of disability shown above are based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.



Utilization

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

Police and Fire – 100% actives and 65% of their spouses will elect medical benefit at retirement.

BOE Certified – 95% of current actives and 80% of their spouses will elect medical benefit at retirement.

Medicare Eligibility

80% of current Certified BOE members hired prior to April 1, 1986 and 100% of All Others are assumed to be Medicare Eligible.

Spousal Coverage

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

BOE Certified – 85% of male and 75% of female active members are assumed to be married and elect spousal benefits at retirement with wives 3 years younger than husbands.

Healthcare Cost Trend Rates

7.1% in 2017, reducing by 0.5% each year to an ultimate rate of 4.6% per year rate for 2022 and later.

(Prior: 8.0% in 2015, reducing by 0.5% each year to a final 4.5% per year rate for 2022 and later.)

Healthcare cost trend rates reflect both the current and long-term outlook for increases in healthcare costs. The short term rates are based on recent industry surveys, plan experience and near-term expectations. The long term trend rate is based on our general inflation assumption plus an adjustment to reflect expectations for long-term medical inflation.

The trend rates were changed to align with the inflation assumption change.

Premiums/Allocation rates:

	Employee	Employee Plus Spouse
Pre-65:		
Police, Fire, and Town Actives	\$8,867	\$18,178
Police, Fire, and Town Retirees	10,731	21,998
BOE Non-Certified	9,741	21,139
BOE Certified & Nurses	8,898	19,308
Post-65:		
Police, Fire, and Town Retirees	\$5,110	\$10,476
Board of Education	6,015	12,030

Premiums were used as the basis for per capita costs. The average premium was derived by reflecting participation among the various plans offered by the employer.



Expected Claim Costs

Police, Fire, and Town Actives (Pre-65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$7,130	\$9,938
50	9,311	11,580
55	12,218	13,490
60	15,740	15,734
64	19,222	18,419

Police, Fire, and Town Retirees (Pre-65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$5,454	\$7,561
50	7,084	8,809
55	9,295	10,263
60	11,974	11,970
64	14,623	14,013

Police, Fire, and Town Retirees (Post-65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	\$4,359	\$4,131
70	4,998	4,731
75	5,433	5,161
80	5,714	5,457
85	5,750	5,494

BOE Non-Certified (Pre-65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$5,521	\$7,696
50	7,211	8,967
55	9,462	10,446
60	12,189	12,184
64	14,885	14,264



BOE Certified and Nurses

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$5,160	\$7,193
50	6,739	8,381
55	8,843	9,763
60	11,392	11,388
65	14,505	13,803
70	17,449	16,144
75	20,023	18,122

The sample per capita claim was developed as follows: Using the total count of active participants eligible for post-retirement medical benefits and retirees currently electing medical coverage, we calculate the total projected claims by multiplying the total count by the average annual premium. Using the cost increases derived from a study sponsored by the Society of Actuaries prepared by Dale H. Yamamoto from May 2013: “Health Care Costs from Birth to Death”, we allocate the total projected claims by age and gender.

(Prior: The sample per capita claim was developed as follows: Using the total count of active participants eligible for post-retirement medical benefits and retirees currently electing medical coverage, we calculate the total projected claims by multiplying the total count by the average annual premium. Using the cost increases derived from a study sponsored by the Society of Actuaries prepared by J.P Petertil from August 1, 2003: “Aging Curves for Health Care Costs in Retirement”, we allocate the total projected claims by age.)

For Police, Fire, Town and BOE Non-Certified active plans integrated with Medicare, the premium is assumed to be unaffected by age. For BOE Certified plans integrated with Medicare, the premium is also assumed to be unaffected by age.

The per capita claims method was changed to reflect the most recent study.

Patient Protection and Affordable Care Act (PPACA)

High Cost Plan Excise Tax (“Cadillac Tax”): Effective in 2020, there will be a 40% excise tax on per capita medical benefit costs in excess of certain thresholds, which (in 2018) are \$10,200 for single coverage and \$27,500 for family coverage for Medicare eligible retirees. Thresholds (in 2018) for retirees who are between ages 55 and 65 are \$11,850 and \$30,950 for single and family coverage respectively. After 2018, the thresholds are indexed by CPI (CPI +1% in 2018 only). CPI is assumed to equal the inflation assumption.

The impact of this future excise tax has been reflected in plan liabilities.

Other Requirements of PPACA:

For purposes of this valuation, extended coverage for adult children and 100% coverage of preventive care are assumed to be reflected in per capita costs.

For purposes of this valuation, elimination of lifetime maximum benefits and removal of the limits on essential healthcare are assumed to have no impact on plan liabilities.

Amortization Growth Rate

Starts at 2.5% in 2015 decreasing by 0.25% per year down to 0% in 2025 and beyond.



Summary of Plan Provisions Town

This summary is intended only to describe our understanding of the essential benefits that will be provided to future retirees based on copies of bargaining agreements, applicable personnel rules and the benefits being currently provided to retired members. All eligibility requirements and benefit amounts shall be determined in strict accordance with the relevant plan documents. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Fire (61)

Eligibility: For firefighters hired on or before July 1, 2005, the earliest of age 55 with 10 years of Credited Service, 20 years of Credited Service, or age 65. For Firefighters hired after July 1, 2005, age 50 with 25 years of Credited Service or age 65. An employee retiring at age 65 but without meeting the service requirement is not eligible for retiree health insurance.

Premium Sharing – Fire - Date of hire prior to April 1, 1986:

10-15 years of Credited Service: Town pays greater of rate in effect on July 1st after retirement or 50% of the premium.

15-20 years of Credited Service: Town pays greater of rate in effect on July 1st after retirement or 75% of the premium.

20+ years of Credited Service: Town pays 100% of the premium.

For Fire employees hired on or after April 1, 1986 and prior to January 1, 2001: Town pays 100% of premium with 20 years of credited service, age 55 years and 10 years of credited service, or age 65. For 10 – 15 years of credited service, Town plan will pay as secondary if retiree has primary insurance.

Fire employees with date of hire on or after January 1, 2001 and prior to July 1, 2005:

Less than 20 years of service: No coverage.

20+ years of service: Town pays 100% of the premium.

Fire employees with date of hire on or after July 1, 2005 and prior to April 1, 2014:

Less than 25 years of service: No coverage.

25+ years of service, age 50: Town pays 100% of the premium.

Fire employees hired after April 1, 2014, pay 25% of the self-insured equivalent rate for retiree and retiree dependent healthcare in retirement. These employees do not contribute to retiree and retiree dependent healthcare as active employees.

Life Insurance: 50% of the amount of life insurance in force immediately prior to retirement (not to exceed \$25,000).



Police (60)

Eligibility: Police Officers hired on or after 7/1/1986 but prior to 8/1/2006, 20 years of credited service. Those hired on or after 8/1/2006, must have 25 years of credited service to receive retiree health benefits.

Police employees with date of hire on or after July 1, 1986 and prior to August 1, 2006:

Less than 20 years of service: No coverage.

20+ years of service: Town pays 100% of the premium.

Police employees with date of hire on or after August 1, 2006:

Less than 25 years of service: No coverage.

25+ years of service: Town pays 100% of the premium.

On-the-job Disability Pension, Police and Fire: Effective July 1, 1987, Town pays 100% of the premium.

Life Insurance: Effective July 1, 1981, 25% of the amount of life insurance in force immediately prior to retirement (not to exceed \$7,500).

Police & Fire Active Contributions

Effective October 2, 2000, active Police employees pay 1% of bi-weekly base wage toward the cost of retiree health benefits.

Effective July 1, 2006, active Police employees pay 1.65% of bi-weekly base wage toward the cost of retiree health benefits.

Active Fire employees hired prior to July 1, 2005 pay 1% of bi-weekly base wage toward the cost of retiree health benefits.

Active Fire employees hired after July 1, 2005 but before April 1, 2014, pay 1% of bi-weekly base wage toward the cost of retiree health benefits and an additional 0.65% toward the cost of dependent health benefits.

Town Employees

Streets Union (62) Eligibility:

Date of hire before July 1, 2003: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service, age 70 or any age with 30 years of Credited Service.

Date of hire on or after July 1, 2003: Earliest of age 65 with 15 years of Credited Service, age 70 or any age with 35 years of Credited Service.

Life Insurance: 50% of the amount of life insurance in force immediately prior to retirement (Effective October 27, 1998, not to exceed \$25,000)



Dispatchers Union (64) Eligibility:

Date of hire on or after January 1, 1999 but prior to 7/1/2007: Earliest of age 55 with 25 years of Credited Service or age 60 with 10 years of Credited Service or 20 years of credited service with no age requirement or age 70.

Date of hire on or after July 1, 2007: Earliest of any age with 25 years of service or age 60 with 10 years of Credited Service or age 70

Life Insurance: Effective May 24, 2016, each employee pensioned will have their group life insurance automatically reduced to \$25,000.

Grounds Union (70), Building Maintenance Union (71) and Supervisor Union (74) Eligibility:

Date of hire before July 1, 2003: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service, age 70 or any age with 30 years of Credited Service for those retiring after July 1, 2007.

Date of hire on or after July 1, 2003: Earliest of age 65 with 15 years of Credited Service, age 62 with 35 years of Credited Service, or age 70.

Life Insurance: \$25,000 (Effective November 10, 2015 for Union (70) and May 24, 2016 for Unions (71) and (74)).

Non-Bargaining Non-Public School Nurses (58), Directors (59), Clerical Union (65), Non-Bargaining Clerical (66), Non-Bargaining Unit (68), Professional/Management Union (73), , Parking Monitors (81), Non-Bargaining Corporate Counsel Management (87) and Town Manager Eligibility:

Date of hire before July 1, 2003: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service, or age 70.

Date of hire on or after July 1, 2003: Earliest of age 65 with 15 years of Credited Service, age 62 with 35 years of Credited Service, or age 70.

Life Insurance (exclude Parking Monitors (81)):

\$25,000 for Union (73) Effective November 10, 2015, Unions (66) Effective January 1, 1998, and Unions (68) and (87) if choose to receive a normal, unreduced pension benefit immediately upon termination.

\$100,000 for Town Managers pensioned immediately upon termination. If hired on or after July 1, 2017, who receive a normal, unreduced pension benefit immediately upon separation, life insurance will be reduced to \$50,000.

\$50,000 for Union (59) who receive their pension benefit immediately upon termination.



Dispatchers Union (64) Eligibility:

Date of hire before 7/1/1986, Town pays 100% with Normal retirement pension.

Date of hire on or after July 1, 1986 and prior to January 1, 1999:

Receive a normal retirement pension benefit with eligibility at age 55 with 25 years of service: Town pays 93% of the premium until Medicare eligibility, then Town pays 100%.

Receive a normal retirement pension benefit with eligibility at age 60 with 10 years of service: Town pays 70% of the premium until Medicare eligibility, then Town pays 100%.

Date of hire on or after January 1, 1999 but prior to December 16, 2016:

Receive a normal retirement pension benefit with eligibility at 20 years of credited service and have at least 25 years of service but has not reached age 55: Town pays 82.5% of the premium until Medicare eligibility, then Town pays 100%.

Receive a normal retirement pension benefit with eligibility at age 55 with 25 years of service: Town pays 85% of the premium until Medicare eligibility, then Town pays 100%.

Receive a normal retirement pension benefit with eligibility at age 60 with 10 years of service: Town pays 70% of the premium until Medicare eligibility, then Town pays 100%.

Any active employee as of January 1, 1999, or hired on or after January 1, 1999 but prior to July 1, 2007, who retires with a normal retirement benefit with 20 years of credited service, the Town pays 80%.

Any active employees hired on or after December 16, 2016, who retires with a normal retirement benefit with 25 years of service immediately upon separation, the Town pays 50% for pre and post-65 benefits.

Premium Sharing:

Date of hire prior to July 1, 1986 who receives either an early or normal retirement pension benefit: Town pays 100% of premium.

All non-public safety groups except for Dispatchers Union (64) and Parking Monitors (81):

Date of hire on or after July 1, 1986 and prior to November 10, 1997 (prior to October 27, 1998 for Union (62) and January 1, 1998 for Unions (58), (66), (68), and (87)), who receives a normal retirement pension benefit: Town pays 93% of the premium until Medicare eligibility, then Town pays 100%.

Date of hire on or after November 10, 1997 (on or after October 27, 1998 for Union (62) and January 1, 1998 for Unions (58), (66), (68), and (87)) and on or before June 30, 2003:

Receive a normal retirement pension benefit with eligibility at age 55 and 25 years of service (or 30 years of service for Union (62)): Town pays 85% of the premium until Medicare eligibility, then Town pays 100%.

Receive a normal retirement pension benefit with eligibility at age 60 and 10 years of service: Town pays 70% of the premium until Medicare eligibility, then Town pays 100%.



Date of hire on or after July 1, 2003 and prior to November 10, 2015 for Unions (70) and (73) (prior to August 1, 2016 for Union (62) and May 24, 2016 for Unions (65), (71) and (74)):

Receive a normal retirement pension benefit with eligibility at age 65 with 15 years of service or age 62 with 35 years of service: Town pays 75% of the premium for employee and 50% of the premium for dependent until Medicare eligibility, then Town pays 100%.

Employees hired on or after November 10, 2015 for Unions (58), (66), (68), (70), (73) and (87) (May 24, 2016 for Unions (65), (71) and (74)), who retires with a normal retirement benefit (age 65 with 15 years of service or age 62 with 35 years of service) immediately upon termination, Town pays 50% for pre and post-65 benefits.

Employees hired on or after August 1, 2016 for Unions (62), who retires with a normal retirement benefit (age 65 with 15 years of service or 35 years of service) immediately upon termination, Town pays 50% for pre and post-65 benefits.

Health Benefits with a Disability Pension:

Streets Union (62): Effective October 27, 1998

Dispatchers Union (64): Effective January 1, 1999

Non-Bargaining Non-Public School Nurses (58), Directors (59), Clerical Union (65) Non-Bargaining Clerical (66), Non-Bargaining Unit (68), Grounds Union (70), Building Maintenance Union (71), Professional /Management Union (73), Supervisory Union (74), Non-Bargaining Corporate Counsel Management (87), and Town Managers: Effective January 1, 1998

Eligibility: At least of 10 years of service. Dependent coverage will be terminated after 1 year.

Premium Sharing: Employees shall contribute $(100 - 3.5 \times \text{employee's years of service})$ percent.



Summary of Plan Provisions BOE

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Board of Education

Teachers and Administrators Eligibility:

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

Secretarial/Clerical (02) Eligibility:

Date of hire before May 1, 2006: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service, or age 70.

Date of hire on or after May 1, 2006: Earliest of age 65 with 15 years of Credited Service, age 62 with 35 years of Credited Service, or age 70.

Life Insurance: \$10,000

Custodial Union (05) Eligibility:

Date of hire before January 1, 2006: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service, age 70, or any age with 30 years of Credited Service.

Date of hire on or after January 1, 2006: Earliest of age 65 with 15 years of Credited Service, age 70, or any age with 35 years of Credited Service.

Maintenance Union (06) Eligibility:

Date of hire before July 1, 2004: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service, age 70, or any age with 30 years of Credited Service.

Date of hire on or after July 1, 2004: Earliest of age 65 with 15 years of Credited Service, age 62 with 35 years of Credited Service, or age 70.

Nurses Union (07) Eligibility:

Date of hire before July 1, 2004: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service, or age 70.

Date of hire on or after July 1, 2004: Earliest of age 65 with 15 years of Credited Service, age 62 with 35 years of Credited Service, or age 70.

Non-Bargaining Union (09) Eligibility:

Date of hire before July 1, 2006: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service, or age 70.



Date of hire on or after July 1, 2006: Earliest of age 65 with 15 years of Credited Service, age 62 with 35 years of Credited Service, or age 70.

Custodial III Union (10) Eligibility:

Date of hire before July 1, 2005: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service or age 70.

Date of hire on or after July 1, 2005: Earliest of age 65 with 15 years of Credited Service, age 62 with 35 years of Credited Service or age 70.

Professional and Technical Union (14) Eligibility:

Date of hire before July 1, 2004: Earliest of age 55 with 25 years of Credited Service, age 60 with 10 years of Credited Service, or age 70.

Date of hire on or after July 1, 2004: Earliest of age 65 with 15 years of Credited Service, age 62 with 35 years of Credited Service, or age 70.

Life Insurance: \$15,000

Paraprofessional (03), Printers Union (04), Security (12) and Cafeteria Union (08) Eligibility:

Not eligible for OPEB.

Premium Sharing:

Teachers and Administrators: Employee pays 100% of the premium for employee and dependent.

Secretarial/Clerical (02) and Non-Bargaining Union (09): Board pays 100% of the premium for employee and 50% of the premium for dependent.

Custodial Union (05), Maintenance Union (06), and Custodial III Union (10): 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 employee and dependent. The Board pays 100% of the premium for the employee and 50% of the premium for dependent for the Over 65 portion.

Nurses Union (07): Board pays 50% of the premium for employee and dependent.

Professional and Technical (14):

Date of hire before July 1, 2007: Board pays 100% of the premium for employee and 50% of the premium for dependent.

Date of Hire on or after July 1, 2007: Board pays 75% of the premium for employee and 50% of the premium for dependent.