



TOWN OF EAST HARTFORD POST-RETIREMENT BENEFIT OTHER THAN  
PENSION (OPEB) PLAN FOR TOWN AND BOARD OF EDUCATION EMPLOYEES

ACTUARIAL VALUATION REPORT

JULY 1, 2017





## Table of Contents

Certification.....	1
Executive Summary.....	2
Participant Counts and Average Attained Age.....	4
Projected Benefit Payments.....	6
Target Allocation and Expected Rates of Return .....	7
Description of Actuarial Methods .....	8
Description of Actuarial Assumptions.....	9
Summary of Plan Provisions.....	17

### Report Prepared By:

Stephen Chykirda  
Consulting Actuary  
860.856.2047

[SChykirda@hhconsultants.com](mailto:SChykirda@hhconsultants.com)

Evan W. Woollacott, Jr.  
Vice President and Consulting Actuary  
860.856.2118

[EWoollacott@hhconsultants.com](mailto:EWoollacott@hhconsultants.com)

Gwen Zhu  
Senior Actuarial Analyst  
860.856.2135

[GZhu@hhconsultants.com](mailto:GZhu@hhconsultants.com)



## Certification

This report presents the results of the July 1, 2017 Actuarial Valuation for the Town of East Hartford Post-retirement Benefit Other Than Pension (OPEB) Plan 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, 2018 and June 30, 2019. 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.

  
Stephen Chykirda, ASA, MAAA  
Enrolled Actuary 17-07517

December 4, 2018



## Executive Summary

The July 1, 2017 accrued liability of \$87,787,000 is lower than anticipated. There are several sources contributing to the overall "gain" to the plan. Among the items having a positive impact on the plan are medical premiums increasing less than expected from the 2015 valuation, a decrease in the number of participants with medical coverage, clarification on how benefits are administered and a change in the discount rate from 4.00% to 6.50%. Experience gains from a decrease in the population and lower than expected premiums decreased the actuarial accrued liability by approximately 5%.

In addition there were clarifications in the benefits available to non-certified Board of Education members as well as the eligibility for disability benefits for Police and cost sharing for certain Town groups. These changes decreased the liability by an additional 15%. We also made several assumption changes besides the change in the Discount Rate to better reflect actual and future expected experience. These included updating Mortality, Retirement, Withdrawal and the Medical Trend assumptions. The change in the Discount Rate decreased the liability by approximately 23%, while all other assumption changes had a net affect that resulted in decreasing the liability by an additional 3%.

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	\$525,000	\$148,883,000	\$148,358,000	0%	N/A	N/A
7/1/2013	1,037,000	160,456,000	159,419,000	1%	92,364,000	173%
7/1/2015	2,448,000	134,043,000	131,595,000	2%	87,571,000	150%
7/1/2017	8,429,000	87,787,000	79,358,000	10%	82,623,000	96%

History of Actuarially Determined Employer Contribution (ADEC)	
Year Ended June 30	Actuarially Determined Employer Contribution (ADEC)
2015	\$14,515,000
2016	13,747,000
2017	13,909,000
2018	14,076,000
2019	7,660,000
2020	7,791,000



Unfunded Accrued Liability (UAL)					
Actuarial Accrued Liability 7/1/2017	BOE Certified	BOE Non-Certified	Town	Police & Fire	Grand Total
Actives	\$3,652,000	\$4,779,000	\$4,136,000	\$22,052,000	\$34,619,000
Retirees	<u>7,731,000</u>	<u>10,422,000</u>	<u>12,220,000</u>	<u>22,795,000</u>	<u>53,168,000</u>
Total	<b>11,383,000</b>	<b>15,201,000</b>	<b>16,356,000</b>	<b>44,847,000</b>	<b>87,787,000</b>
Assets 7/1/2017	<u>1,093,000</u>	<u>1,460,000</u>	<u>1,571,000</u>	<u>4,306,000</u>	<u>8,430,000</u>
Unfunded Accrued Liability (UAL) 7/1/2017	<b>10,290,000</b>	<b>13,741,000</b>	<b>14,785,000</b>	<b>40,541,000</b>	<b>79,357,000</b>
Funded Ratio	9.6%	9.6%	9.6%	9.6%	9.6%

Actuarially Determined Employer Contribution (ADEC)					
2018 / 2019 Fiscal Year ADEC	BOE Certified	BOE Non-Certified	Town	Police & Fire	Grand Total
Normal Cost	\$193,000	\$213,000	\$150,000	\$1,149,000	\$1,705,000
Employee Contributions	0	0	(33,000)	(125,000)	(158,000)
Amortization of UAL	761,000	1,017,000	1,094,000	3,000,000	5,872,000
Interest	<u>31,000</u>	<u>40,000</u>	<u>39,000</u>	<u>131,000</u>	<u>241,000</u>
Total ADEC 2018 / 2019	<b>985,000</b>	<b>1,270,000</b>	<b>1,250,000</b>	<b>4,155,000</b>	<b>7,660,000</b>

2019 / 2020 Fiscal Year ADEC	BOE Certified	BOE Non-Certified	Town	Police & Fire	Grand Total
Normal Cost	\$198,000	\$219,000	\$154,000	\$1,179,000	\$1,750,000
Employee Contributions	0	0	(34,000)	(194,000)	(228,000)
Amortization of UAL	781,000	1,043,000	1,122,000	3,078,000	6,024,000
Interest	<u>32,000</u>	<u>41,000</u>	<u>40,000</u>	<u>132,000</u>	<u>245,000</u>
Total ADEC 2019 / 2020	<b>1,011,000</b>	<b>1,303,000</b>	<b>1,282,000</b>	<b>4,195,000</b>	<b>7,791,000</b>



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

Participant Counts			
Group	Active Participants *	Retirees **	Total
BOE Certified	636	80	716
BOE Non-Certified	197	164	361
Town	112	181	293
Police & Fire	240	202	442
Total	1,185	627	1,812

\*Does not include actives that are not eligible for retiree medical.

\*\*Does not include retirees without medical and spouses of existing retirees.

Average Age		
Group	Active Average Age	Retiree Average Age
BOE Certified	42.5	75.1
BOE Non-Certified	55.7	75.6
Town	52.6	72.1
Police & Fire	44.0	68.5



**As of July 1, 2015**

Participant Counts			
Group	Active Participants	Retirees*	Total
BOE Certified	684	513	1,197
BOE Non-Certified	234	178	412
Town	206	174	380
Police & Fire	240	191	431
Total	1,364	1,056	2,420

\*Does not include spouses of existing retirees.

Average Age		
Group	Active Average Age	Retiree Average Age
BOE Certified	41.4	74.6
BOE Non-Certified	54.0	74.6
Town	48.8	71.9
Police & Fire	43.4	67.6



## Projected Benefit Payments

Fiscal Year Beginning July 1st	Currently Active Employees	Currently Retired Employees	Total
2018	\$402,000	\$5,449,000	\$5,851,000
2019	734,000	5,335,000	6,069,000
2020	1,176,000	5,320,000	6,496,000
2021	1,510,000	5,081,000	6,591,000
2022	1,845,000	4,767,000	6,612,000
2023	2,230,000	4,494,000	6,724,000
2024	2,700,000	4,316,000	7,016,000
2025	3,239,000	4,059,000	7,298,000
2026	3,684,000	3,848,000	7,532,000
2027	4,047,000	3,654,000	7,701,000
2028	4,452,000	3,539,000	7,991,000
2029	4,748,000	3,400,000	8,148,000
2030	5,084,000	3,159,000	8,243,000
2031	5,373,000	3,032,000	8,405,000
2032	5,515,000	2,986,000	8,501,000
2033	5,560,000	2,835,000	8,395,000
2034	5,520,000	2,714,000	8,234,000
2035	5,342,000	2,536,000	7,878,000
2036	5,435,000	2,391,000	7,826,000
2037	5,296,000	2,202,000	7,498,000





## Target Allocation and Expected Rates of Return

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
U.S. Large Cap	18.00%	5.60%	1.01%
U.S. Small Cap	6.00%	5.90%	0.35%
International Large Cap	15.00%	5.80%	0.87%
International Small Cap	7.50%	5.80%	0.44%
Emerging Markets	7.50%	6.85%	0.51%
Alternatives (RE, etc.)	6.00%	4.25%	0.26%
Fixed Income	40.00%	1.75%	0.70%
	100.00%		4.14%
Long-Term Inflation Expectation			2.60%
Long-Term Expected Nominal Return			6.74%

*\*Long-Term Real Rates of Return are provided by Fiduciary Investment Advisors, LLC. 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 6.25% and 6.75%. An expected rate of return of 6.50% was used.



## 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, as a level dollar amount. (19 years remaining as of July 1, 2017)



## 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
- Compensation Increase
- 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

6.50% (Prior: 4.00%)

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)

2.60%. (Prior: 3.00%)

The plan does not have statistically credible data on which to form a rate of compensation increase assumption.

The assumption was changed to better reflect expected experience.

#### Inflation

2.60%. (Prior: 3.00%)

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

Police and Fire: RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2017.

All Others: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017.

(Prior: RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale BB.)

#### Mortality Improvement

Projected to date of decrement using Scale MP-2017 (generational).

(Prior: Projected to date of decrement using Scale BB (generational mortality).)

We have selected this mortality assumption because it is based on the latest published pension mortality study released by the Society of Actuaries.



## Retirement

Certified BOE: 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 Connecticut 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	4.0
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.



## Retirement (cont.)

Police:

Age	Rate
25	35%
26	30%
27-29	20%
30-34	50%
35	100%

Fire:

Age	Rate
25	30%
26	25%
27-29	15%
30	30%
31-34	40%
35	100%

Non-Certified BOE and Town:

Age	Rate
55-59	2%
60	10%
61	5%
62	20%
63-64	5%
65	100%

(Prior: Dispatches – 50% upon first becoming eligible for Normal Retirement following by 20% for each of the next four years then 100% in the fifth year.)

The actuarial assumption in regards to rates of retirement 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.

The retirement assumption was updated to better reflect anticipated experience.



### Termination prior to retirement

Certified BOE: 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: Rates based on gender and length of service for first Ten years and gender and age thereafter  
(Connecticut State TRS 2014 Pension Valuation):

Service	Male Rate	Female Rate
0-1	14.00%	12.00%
1-2	8.50	9.00
2-3	5.50	7.00
3-4	4.50	6.00
4-5	3.50	5.50
5-6	2.50	5.00
6-7	2.40	4.50
7-8	2.30	3.50
8-9	2.20	3.00
9-10	2.10	2.50
10 +	use age-related rates until eligible to retire	



### Termination prior to retirement (cont.)

Prior:

Age	Male Rate	Female Rate
25-37	1.20%	3.50%
40	1.20	2.30
45	1.26	1.30
50	1.96	1.25
55	2.76	1.60
59+	3.00	1.90

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

Non-Certified BOE and Town: Crocker-Sarason T-3 withdrawal table

Age	Rate
20	6.58%
25	5.27
30	4.83
35	4.47
40	3.84
45	3.21
50	1.52
55	0.33
60	0.00

Police and Fire: Crocker-Sarason T-1 withdrawal table

Age	Rate
20	5.44%
25	4.89
30	3.70
35	2.35
40	1.13
45	0.27
50	0.00

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

### Disability

Police and Fire:

Age	Rate
20	0.06%
30	0.11%
40	0.22%
50	0.60%

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

Certified BOE: 85% of current active members will elect medical coverage at retirement.

All Others: 90% of current active members will elect medical coverage at retirement.

### Medicare Eligibility

15% of current Certified BOE members hired prior to April 1, 1986 are assumed to continue coverage post-65, without Medicare Eligible.

All Others: Are assumed to be Medicare Eligible.

### Spousal Coverage

Certified BOE: 30% of active members are assumed to be married and elect spousal benefits at retirement with wives 3 years younger than husbands.

All Others: 50% of active members are assumed to be married and elect spousal benefits at retirement with wives 3 years younger than husbands.

### Healthcare Cost Trend Rates

7.00% in 2017, reducing by 0.5% each year to an ultimate rate of 4.60% per year rate for 2022 and later.

(Prior: 8.00% in 2015, reducing by 0.5% each year to a final 5.00% per year rate for 2021 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 used change and better reflect expected experience.

### Premiums/Allocation rates

	Employee	Employee Plus Spouse
HDHP-Certified BOE	\$9,216	\$18,432
HDHP-Non-Certified BOE	9,875	19,750
Century Preferred	13,099	26,198

#### Post-65 Premiums:

	Employee	Employee Plus Spouse
High Option Plan 82	\$5,559	\$11,119
Plan F	5,582	11,165
Base Plan	2,034	4,067
Buy-Up	5,586	11,172

#### Dental Premiums:

Employee	Employee Plus Spouse
\$578	\$1,156

Premiums were used as the basis for per capita costs.





### Expected Claim Costs

Certified BOE		
Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$5,707	\$7,955
50	7,453	9,269
55	9,780	10,798
60	12,599	12,594
65	16,041	15,265
70	19,297	17,854
75	22,144	20,042

Non-Certified BOE Actives		
Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$6,115	\$8,523
50	7,986	9,931
55	10,479	11,569
60	13,499	13,494
64	16,485	15,797

Town, Police, Fire and Non-Certified BOE Retirees		
Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$8,111	\$11,306
50	10,593	13,174
55	13,900	15,347
60	17,906	17,899
64	21,868	20,955

The sample per capita claim for plans not integrated with Medicare was developed as follows: Using the total count of active participants eligible for post-retirement medical benefits and retirees currently electing medical coverage in a non-Medicare supplement plan, 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 for plans not integrated with Medicare was developed as follows: Using the total count of active participants eligible for post-retirement medical benefits and retirees currently electing medical coverage in a non-Medicare supplement plan, 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.)

The per capita claims method was changed to reflect the most recent study and better reflect actual experience.



### **Patient Protection and Affordable Care Act (PPACA)**

High Cost Plan Excise Tax ("Cadillac Tax"): Effective in 2022, 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.



## Summary of Plan Provisions

### Teachers and Administrators

#### Eligibility for Medical Coverage

A Teacher or Administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive medical and dental benefits for self and spouse.

Normal retirement: Age 60 with 20 years of Credited Service, or 35 years of Credited Service

Early Retirement: 25 years of Credited Service, or age 55 with 20 years of Credited Service

#### Retiree/Spouse Cost of Medical Coverage

Retiree and Spouse: pay 100%

Coverage is pre-65 only. Post-65 non-Medicare eligible retirees can continue coverage at their own expense. Retirees that are currently under the Medicare Supplement Plan are grandfathered as the district no longer offers it to retirees.

\*Less \$1,320 annual CT Teachers Retirement Board subsidy

#### Life Insurance

Retire after January 1, 1970 shall be paid \$3,000

### Town Local 818 Supervisors

#### Eligibility for Medical Coverage

Hired prior to Match 1, 1983: age 62 with 8 or more years of service provided they do not elect a refund of their pension deductions.

Hired on or after March 1, 1983: Normal Retirement is age 65 with 10 years of service, age 62 with 25 years of service, or Rule of 85. Early retirement is age 55 with 10 years of service.

Hired prior to January 1, 2006: Effective December 12, 2013 must contribute 1.0% of their annual base pay to the Town's OPEB trust.

Hired on or after January 1, 2006: not eligible for OPEB benefits.

#### Retiree/Spouse Cost of Medical Coverage

Pre-65 Coverage

Retiree: free

Spouse: pay 50% if retiree has attained age 60; pay 100% otherwise

Post-65 Coverage

Retiree/Spouse: free High Option/Plan 82 Medicare Supplement Plan (Pays the difference in premiums if choose Plan F with BlueScript. Plan F is closed to new members as of 7/1/2014.)

#### Life Insurance

\$10,000



### **Town Local 559 Teamsters**

#### **Eligibility for Medical Coverage**

Hired on or after March 1, 1983: Normal Retirement is age 65 with 5 years of service, 25 years of service, or Rule of 75. Early retirement is age 55 with 5 years of service.

#### **Retiree/Spouse Cost of Medical Coverage**

Pre-65 Coverage

Retiree

Retired prior to January 1, 2011: free

Retired on or after January 1, 2011: subject to the following

- Retire on or prior to age 55: pay 50%
- Retire at age 56 through 59: pay 25%
- Retire at age 60 through 64: free

Spouse

Retired prior to January 1, 2011: pay 50% if retiree has attained age 60; pay 100% otherwise

Retired on or after January 1, 2011: subject to the following

- Retire on or prior to age 55: pay 100%
- Retire at age 56 through 59: pay 75%
- Retire at age 60 through 64: pay 50%

Post-65 Coverage

Retiree/Spouse

Retired prior to January 1, 2011: free High Option/Plan 82 Medicare Supplement Plan (Pays the difference in premiums if choose Plan F with BlueScript. Plan F is closed to new members as of 7/1/2014.)

Retired on or after January 1, 2011: Not available

#### **Life Insurance**

\$3,000

### **Town Local 1548 Fire Fighters**

#### **Eligibility for Medical Coverage**

Normal retirement is 25 years of service regardless of age. Mandatory retirement is age 65 with 15 years of service.

Hired prior to September 1, 2013: effective July 1, 2017, contribute \$700 annually to Town's OPEB trust

Hired on or after September 1, 2013: contribute \$1,700 annually to Town's OPEB trust

Disability Retirement is 5 years of service for non-service connected and no service requirement for service connected.



### **Town Local 1548 Fire Fighters (cont.)**

#### **Retiree/Spouse Cost of Medical Coverage**

Pre-65 Coverage

Retiree: free

Spouse: pay 50% if retiree has attained age 60, 100% otherwise.

Post-65 Coverage

Retiree/Spouse: free High Option/Plan 82 Medicare Supplement Plan (Pays the difference in premiums if choose Plan F with BlueScript. Plan F is closed to new members as of 7/1/2014.).

#### **Life Insurance**

Retire after July 1, 2013 shall be paid \$15,000

Retired between July 1, 2006 through June 30, 2013 shall be paid \$10,000

Retired between July 1, 1998 through June 30, 2006 shall be paid \$5,000

### **Police Officers**

#### **Eligibility for Medical Coverage**

Normal retirement is 25 years of service regardless of age. Mandatory retirement is age 65 with 15 years of service. Employees will be eligible for the medical coverage when they would have normally been eligible to retire had they continued employment but not before age 52.

Hired prior to July 1, 2014: effective July 1, 2019, contribute \$700 annually to Town's OPEB trust

Hired on or after July 1, 2014: contribute \$1,700 annually to Town's OPEB trust

Disability Retirement is 5 years of service for non-service connected and no service requirement for service connected.

#### **Retiree/Spouse Cost of Medical Coverage**

Pre-65 Coverage

Retiree: free

Spouse: pay 50% if retiree has attained age 60, 100% otherwise.

Post-65 Coverage

Retiree/Spouse: free High Option/Plan 82 Medicare Supplement Plan (Pays the difference in premiums if choose Plan F with BlueScript. Plan F is closed to new members as of 7/1/2014.).

#### **Life Insurance**

Retire after July 1, 2013 shall be paid \$15,000

Retired on or prior to July 1, 2013 shall be paid \$3,000



### **Town Local 1174 (Parks and Recreation)**

#### **Eligibility for Medical Coverage**

Hired prior to March 1, 1983: age 62 with 8 or more years of service provided they do not elect a refund of their pension deductions.

Hired on or after March 1, 1983: Normal Retirement is age 65 with 10 years of service, age 62 with 25 years of service, or Rule of 85. Early retirement is age 55 with 10 years of service.

Hired prior to January 1, 2006: Effective July 1, 2015 must contribute 1.0% of their annual base pay to the Town's OPEB trust.

Hired on or after January 1, 2006: not eligible for OPEB benefits.

#### **Retiree/Spouse Cost of Medical Coverage**

Pre-65 Coverage

Retiree: free

Spouse: pay 50% if retiree has attained age 60, 100% otherwise.

Post-65 Coverage

Retiree/Spouse: free High Option/Plan 82 Medicare Supplement Plan (Pays the difference in premiums if choose Plan F with BlueScript. Plan F is closed to new members as of 7/1/2014.).

#### **Life Insurance**

\$5,000

### **Town Local 2001 and Non-Bargaining Unit**

#### **Eligibility for Medical Coverage**

Hired prior to March 1, 1983: age 62 with 8 or more years of service provided they do not elect a refund of their pension deductions.

Hired on or after March 1, 1983: Normal Retirement is age 65 with 10 years of service, age 62 with 25 years of service, or Rule of 85. Early retirement is age 55 with 10 years of service.

Hired on or after January 1, 2006: not eligible for OPEB benefits.

#### **Retiree/Spouse Cost of Medical Coverage**

Pre-65 Coverage

Retiree

Retire within 60 days of December 28, 2012: free

Retire later than 60 days after December 28, 2012: subject to the following

- Retire on or prior to age 55: pay 50%
- Retire at age 56 through 59: pay 25%
- Retire at age 60 through 64: free



### **Town Local 2001 and Non-Bargaining Unit (cont.)**

#### Spouse

Retire within 60 days of December 28, 2012: pay 50% if retiree has attained age 60, 100% otherwise.

Retire later than 60 days after December 28, 2012: subject to the following

- Retire on or prior to age 55: pay 100%
- Retire at age 56 through 59: pay 75%
- Retire at age 60 through 64: pay 50%

#### Post-65 Coverage

##### Retiree/Spouse

Retire within 60 days of December 28, 2012: free High Option/Plan 82 Medicare Supplement Plan (Pays the difference in premiums if choose Plan F with BlueScript. Plan F is closed to new members as of 7/1/2014.).

Retire later than 60 days after December 28, 2012: Not available

#### **Life Insurance**

Local 2001: \$5,000

Non-Bargaining Unit: \$25,000

### **BOE Local 818**

#### **Eligibility for Medical Coverage**

Hired prior to March 1, 1983: age 62 with 8 or more years of service provided they do not elect a refund of their pension deductions.

Hired on or after March 1, 1983: Normal Retirement is age 65 with 10 years of service, age 62 with 25 years of service, or Rule of 85. Early retirement is age 55 with 10 years of service.

Hired on or after January 1, 2006: not eligible for OPEB benefits.

#### **Retiree/Spouse Cost of Medical Coverage**

##### Pre-65 Coverage

##### Retiree

Retire prior to July 1, 2016: free

Retire on or after July 1, 2016: pay the same percentage as active employees (Effective July 1, 2017 the percentage is 7.5%)

Spouse: pay 100%

##### Post-65 Coverage

##### Retiree

Retire prior to July 1, 2016: free

Retire on or after July 1, 2016: pay the same percentage as active employees (Effective July 1, 2017 the percentage is 7.5%).

Spouse: pay 100%

#### **Life Insurance**

\$3,000 (\$1,000 for those retired prior to May 9, 1973)



## **BOE Local 1933**

### **Eligibility for Medical Coverage**

Hired prior to March 1, 1983: age 62 with 8 or more years of service provided they do not elect a refund of their pension deductions.

Hired on or after March 1, 1983: Normal Retirement is age 65 with 10 years of service, age 62 with 25 years of service, or Rule of 85. Early retirement is age 55 with 10 years of service.

Hired on or after January 1, 2006: not eligible for OPEB benefits.

### **Retiree/Spouse Cost of Medical Coverage**

#### **Pre-65 Coverage**

##### **Retiree**

Retire prior to January 1, 2015: free

Retire on or after January 1, 2015: pay the same percentage as active employees (Effective July 1, 2016 the percentage is 16.0% for HDHP)

Spouse: pay 100%

#### **Post-65 Coverage**

##### **Retiree**

Retire prior January 1, 2015: free

Retire on or after January 1, 2015: pay the same percentage as active employees (Effective July 1, 2016 the percentage is 16.0%).

Spouse: pay 100%

### **Life Insurance**

\$3,000

## **BOE Nurses**

### **Eligibility for Medical Coverage**

Hired prior to March 1, 1983: age 62 with 8 or more years of service provided they do not elect a refund of their pension deductions.

Hired on or after March 1, 1983: Normal Retirement is age 65 with 10 years of service, age 62 with 25 years of service, or Rule of 85. Early retirement is age 55 with 10 years of service.

Hired on or after January 1, 2006: not eligible for OPEB benefits.





## **BOE Nurses (cont.)**

### **Retiree/Spouse Cost of Medical Coverage**

#### **Pre-65 Coverage**

##### **Retiree**

Retire before July 1, 2017: free

Retire on or after July 1, 2017: pay the same cost share in effect at the time of retirement for the duration of their retirement (Effective July 1, 2017 the percentage is 17.0% for health insurance and 19.5% for dental).

Spouse: pay 100%

#### **Post-65 Coverage**

##### **Retiree**

Retire before July 1, 2017: free

Retire on or after July 1, 2017: pay the same cost share in effect at the time of retirement for the duration of their retirement (Effective July 1, 2017 the percentage is 17.0% for health insurance and 19.5% for dental).

Spouse: pay 100%

### **Life Insurance**

Retire after January 1, 1971 shall be paid \$3,000

## **BOE Local 2727**

### **Eligibility for Medical Coverage**

Hired prior to March 1, 1983: age 62 with 8 or more years of service provided they do not elect a refund of their pension deductions.

Hired on or after March 1, 1983: Normal Retirement is age 65 with 10 years of service, age 62 with 25 years of service, or Rule of 85. Early retirement is age 55 with 10 years of service.

Hired on or after January 1, 2006: not eligible for OPEB benefits.

### **Retiree/Spouse Cost of Medical Coverage**

#### **Pre-65 & Post-65 Coverage**

##### **Retiree**

Retire before July 1, 2006: free

Retire on or after July 1, 2006 and before January 1, 2015: pay their current contribution percentage

Retire on or after January 1, 2015 and before July 1, 2016: pay the same cost share as active employee (Effective July 1, 2016 the percentage is 16.0% for health insurance and 19.0% for dental).

Retire on or after July 1, 2016 and before July 1, 2017: pay 20%

Retire on or after July 1, 2017: pay 25%

Spouse: pay 100%

### **Life Insurance**

\$3,000



### **BOE Paraeducators**

#### **Eligibility for Medical Coverage**

10 or more years of service provided they do not elect a refund of their pension deductions. Normal retirement is age 65 with 10 years of service, age 62 with 25 years of service, or Rule of 85.

Hired on or after July 1, 2015: Not eligible for OPEB benefits

#### **Retiree/Spouse Cost of Medical Coverage**

Pre-65 Coverage

Retiree/Spouse: Not available

Post-65 Coverage

Retiree: pay 15%

Spouse: pay 100%

#### **Life Insurance**

None

### **BOE Local 1950 (Behavior Managers)**

No OPEB benefits