



TOWN OF EAST HARTFORD

GASB 45 VALUATION REPORT - **REVISED**

AS OF JULY 1, 2015

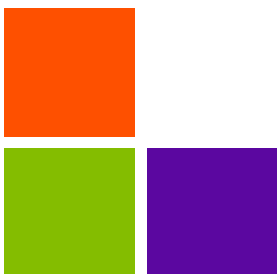




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Actuarial Certification

This report presents the results of the July 1, 2015 Actuarial Valuation for the Town of East Hartford 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 Annual Required Contribution (ARC) for the fiscal years ending June 30, 2016, June 30, 2017 and June 30, 2018. 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 *Summary of 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 the following: retiree group benefits program experience differing from that anticipated by the assumptions; changes in assumptions; increase or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in the retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this report, an analysis of the potential range of such future measurements has not been performed.

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, Jr., FCA, MAAA
Enrolled Actuary 14-005126

August 4, 2016



Executive Summary

The July 1, 2015 accrued liability of \$134,043,000 is lower than anticipated. The primary reason for the lower liability was premiums being lower than expected. The revised valuation reflects the addition of contributions from active police officers and some plan interpretation changes.

Below is a history of the Actuarial Accrued Liability (AAL) and Annual Required Contribution (ARC):

Schedule of Funding Status and Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2009	\$2,404,000	\$129,899,000	\$127,495,000	2%	N/A	N/A
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%

History of Annual Required Contribution (ARC)	
Year Ended June 30	Annual Required Contribution (ARC)
2013	\$12,935,000
2014	13,816,000
2015	14,515,000
2016	13,747,000
2017	13,909,000
2018	14,076,000



Unfunded Actuarial Accrued Liability

GASB 45 Unfunded Actuarial Accrued Liability (UAAL)					
Actuarial Accrued Liability (AAL) 7/1/2015	Certified	Non-Certified	Town	Police & Fire	Grand Total
Actives	\$6,179,000	\$18,582,000	\$7,454,000	\$36,596,000	\$68,811,000
Retirees	<u>14,191,000</u>	<u>14,916,000</u>	<u>13,751,000</u>	<u>22,374,000</u>	<u>65,232,000</u>
Total	20,370,000	33,498,000	21,205,000	58,970,000	134,043,000
Assets 7/1/2015	<u>372,000</u>	<u>612,000</u>	<u>387,000</u>	<u>1,077,000</u>	<u>2,448,000</u>
Unfunded Actuarial Accrued Liability (UAAL) 7/1/2015	19,998,000	32,886,000	20,818,000	57,893,000	131,595,000



Annual Required Contribution

GASB 45 Annual Required Contribution (ARC)					
Annual Required Contribution (ARC) 2015 / 2016 Fiscal Year	Certified	Non-Certified	Town	Police & Fire	Grand Total
Normal Cost	\$490,000	\$1,168,000	\$334,000	\$2,532,000	\$4,524,000
Employee Contributions	0	0	(41,000)	(26,000)	(67,000)
21 Year Amortization of UAAL	1,371,000	2,254,000	1,427,000	3,968,000	9,020,000
Interest - Mid Year Payments	<u>37,000</u>	<u>68,000</u>	<u>35,000</u>	<u>130,000</u>	<u>270,000</u>
Total ARC 2015 / 2016	1,898,000	3,490,000	1,755,000	6,604,000	13,747,000
Annual Required Contribution (ARC) 2016 / 2017 Fiscal Year	Certified	Non-Certified	Town	Police & Fire	Grand Total
Normal Cost	\$507,000	\$1,209,000	\$346,000	\$2,621,000	\$4,683,000
Employee Contributions	0	0	(42,000)	(26,000)	(68,000)
21 Year Amortization of UAAL	1,371,000	2,254,000	1,427,000	3,968,000	9,020,000
Interest - Mid Year Payments	<u>38,000</u>	<u>69,000</u>	<u>35,000</u>	<u>132,000</u>	<u>274,000</u>
Total ARC 2016 / 2017	1,916,000	3,532,000	1,766,000	6,695,000	13,909,000
Annual Required Contribution (ARC) 2017 / 2018 Fiscal Year	Certified	Non-Certified	Town	Police & Fire	Grand Total
Normal Cost	\$525,000	\$1,251,000	\$358,000	\$2,713,000	\$4,847,000
Employee Contributions	0	0	(43,000)	(26,000)	(69,000)
21 Year Amortization of UAAL	1,371,000	2,254,000	1,427,000	3,968,000	9,020,000
Interest - Mid Year Payments	<u>38,000</u>	<u>70,000</u>	<u>36,000</u>	<u>134,000</u>	<u>278,000</u>
Total ARC 2017 / 2018	1,934,000	3,575,000	1,778,000	6,789,000	14,076,000



Participant Counts and Average Age 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	<u>240</u>	<u>191</u>	<u>431</u>
Total	1,364	1,056	2,420

Average Age and Service			
Group	Active Average Age	Active Average Service	Retirees Average Age *
BOE Certified	41.4	10.2	74.6
BOE Non Certified	54.0	14.9	74.6
Town	48.8	12.5	71.9
Police & Fire	43.4	15.7	67.6

* Does not include spouses of retirees

Participant Counts and Average Age as of July 1, 2013

Participant Counts			
Group	Active Participants	Retirees *	Total
BOE	987	621	1,608
Town	<u>455</u>	<u>354</u>	<u>809</u>
Total	1,442	975	2,417

Average Age		
Group	Active Average Age	Retirees Average Age *
BOE	45.7	74.3
Town	46.4	69.5

* Does not include spouses of retirees



Projected Benefit Payments

Projected Benefit Payments			
Fiscal Year Beginning July 1st	Currently Active Employees	Currently Retired Employees	Total
2015	\$188,000	\$4,116,000	\$4,304,000
2016	437,000	4,158,000	4,595,000
2017	719,000	4,228,000	4,947,000
2018	1,039,000	4,312,000	5,351,000
2019	1,443,000	4,251,000	5,694,000
2020	2,058,000	4,351,000	6,409,000
2021	2,509,000	4,283,000	6,792,000
2022	3,006,000	4,075,000	7,081,000
2023	3,545,000	3,962,000	7,507,000
2024	4,142,000	3,914,000	8,056,000
2025	4,885,000	3,803,000	8,688,000
2026	5,513,000	3,715,000	9,228,000
2027	6,002,000	3,615,000	9,617,000
2028	6,605,000	3,559,000	10,164,000
2029	7,040,000	3,488,000	10,528,000
2030	7,470,000	3,377,000	10,847,000
2031	7,947,000	3,273,000	11,220,000
2032	8,192,000	3,221,000	11,413,000
2033	8,330,000	3,093,000	11,423,000
2034	8,452,000	2,978,000	11,430,000



Description of Actuarial Methods

Actuarial Cost Method: Entry Age Normal.

Normal Cost

The normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation. The normal cost accrual rate equals the present value of future benefits for the participant, determined as of the participant's entry age, divided by the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

Compensation Increases

Town		Police & Fire	
Age	Rate	Age	Rate
20	6.50%	20	22.00%
25	5.75	25	14.50
30	5.00	30	7.00
35	4.25	>=35	4.00
>=40	3.50		

Certified: 3.5% for all ages.

Accrued Liability

A participant's accrued liability equals the present value, at the participant's attained age, of future benefits, less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits

The entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Amortization Method

As of July 1, 2015, 21 years are left using closed level dollar amortization.

Asset Valuation Method

Market Value.

Contribution Policy

The plan sponsors' contribution policy is pay-as-you-go plus excess from the insurance reserve.

Data Collection Date

July 1, 2015.



Actuarial Assumptions – Teachers and School Administrators

Interest

4.00%.

Inflation/Salary Increase

3%.

This assumption is based on long-term historical inflation. While near-term averages have been lower, we do not believe this trend will continue indefinitely and expect that there will be a reversion to the long-term average.

Mortality

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 BB (generational mortality).

We have selected this mortality assumption and mortality improvement scale because it is commonly used by municipalities in both Connecticut and Massachusetts.

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

Age	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	.0336	.0160
59+	.0400	.0190

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
55	38.5	30.0	5.0	7.5
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 assumptions in regards to rates of decrement shown above are based on the rates used by the State of Connecticut Teachers' Retirement Plan actuaries.

Current Annual Premium

Pre 65:

HDHP \$8,635

Premiums were used as the basis for per capita costs.

Expected per Capita claims (without Medicare Coordination)

We assume that actual claims will be distributed according to the following morbidity table:

Sample Age	Expected Claim
45	\$7,720
50	8,950
55	10,527
60	12,564
65	15,433
70	17,891
75	20,242



The sample per capita claims for plans not integrated with Medicare were developed as follows: Using the total count of active employees and retired participants currently electing medical coverage, we calculate the total projected claims by multiplying the total count by the average annual premium or allocation rate. Using the cost increases derived from a study sponsored by the Society of Actuaries Section 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 plans integrated with Medicare, the premium is assumed to be unaffected by age.

Trend

Medical trend starts at 8.0% in 2015, decreases by 0.5% per year down to 5.0% in 2021 and beyond.

Health care trend rates reflect both the current and long-term outlook for increases in health care costs. The short term trend rate is based on recent industry surveys, plan experience and near-term expectations. The long term trend rate is based on our general inflation assumption plus 2% to reflect expectations for long-term medical inflation.

Medicare Eligibility

We assume that 15% of teachers hired prior to 1986 will continue coverage post 65, without Medicare coverage.

Utilization

We assume that 85% of teachers and their spouses will elect medical benefits at retirement.

Marriage Rates at Retirement

We assume 30% of active male employees and 30% of active female employees will be married at retirement and elect dual coverage and that husbands will be 3 years older than wives.

The actuarial assumptions in regards to utilization, marriage and Medicare eligibility shown above are based on standard assumptions modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

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 be 3.0% in all future years. The impact of this future excise tax has been reflected in plan liabilities.

Other Requirements of PPACA:

Extended coverage for adult children and 100% coverage of preventive care are assumed to be reflected in per capita costs.

Elimination of lifetime maximum benefits and removal of the limits on essential healthcare are assumed to have no impact on plan liabilities.



Actuarial Assumptions – BOE Non-Certified and Town

Interest

4.00%.

Inflation

3.00%.

This assumption is based on long term (1926-2013) historical inflation numbers. While near term averages have been lower, we do not believe this trend will continue indefinitely and expect that there will be a reversion to the long term average.

Mortality

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

Mortality Improvement

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

We have selected this mortality assumption and mortality improvement scale because it is commonly used by municipalities in both Connecticut and Massachusetts.

Rates of Withdrawals

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

The actuarial assumptions in regards to rates of decrement shown above are based on the Crocker-Sarason T-3 table.



Rates of Retirement

BOE Non-Certified and Town Others:

Age	Rate
55-59	2.00%
60	10.00
61	5.00
62	20.00
63	5.00
64	5.00
>=65	100.00

Dispatchers:

50% upon first becoming eligible for Normal Retirement, following by 20% for each of the next four years and then 100% in the fifth year.

The actuarial assumptions in regards to rates of decrement 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.

Current Annual Premium

Pre 65:

Century Preferred \$10,897

Post 65:

High Option Plan 82 \$2,034

MME Rx \$3,526

Dental \$601

Premiums were used as the basis for per capita costs.

Expected per Capita claims (without Medicare Coordination)

We assume that actual claims will be distributed according to the following morbidity table:

Current Town Actives:

Sample Age	Expected Claim
45	\$9,980
50	11,569
55	13,608
60	16,241
64	19,146



Current BOE Non-Certified Actives:

Sample Age	Expected Claim
45	\$6,132
50	7,108
55	8,361
60	9,978
64	11,763

Current Retirees:

Sample Age	Expected Claim
45	\$6,334
50	7,343
55	8,637
60	10,308
64	12,151

The sample per capita claims for plans not integrated with Medicare were developed as follows: Using the total count of active employees and retired participants currently electing medical coverage, we calculate the total projected claims by multiplying the total count by the average annual premium or allocation rate. Using the cost increases derived from a study sponsored by the Society of Actuaries Section 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 plans integrated with Medicare, the premium is assumed to be unaffected by age.

Trend

Medical trend starts at 8.0% in 2015, decreases by 0.5% per year down to 5.0% in 2021 and beyond.

Health care trend rates reflect both the current and long-term outlook for increases in health care costs. The short term trend rate is based on recent industry surveys, plan experience and near-term expectations. The long term trend rate is based on our general inflation assumption plus 2% to reflect expectations for long-term medical inflation.

Utilization Rate

We assume that 90% of actives and their spouses will elect medical benefits at retirement.

Marriage Rates at Retirement

We assume 50% of active males and 50% of active females will be married at retirement, and that husbands will be 3 years older than their wives.

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



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 be 3.0% in all future years. The impact of this future excise tax has been reflected in plan liabilities.

Other Requirements of PPACA:

Extended coverage for adult children and 100% coverage of preventive care are assumed to be reflected in per capita costs.

Elimination of lifetime maximum benefits and removal of the limits on essential healthcare are assumed to have no impact on plan liabilities.



Actuarial Assumptions – Police and Fire

Interest

4.00%.

Inflation

3.00%.

This assumption is based on long term (1926-2013) historical inflation numbers. While near term averages have been lower, we do not believe this trend will continue indefinitely and expect that there will be a reversion to the long term average.

Mortality

RP-2000 Mortality Table with separate male and female rates, with blue collar adjustment, combined tables for non-annuitants and annuitants, projected to the valuation date with Scale BB.

Mortality Improvement

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

We have selected this mortality assumption and mortality improvement scale because it is commonly used by municipalities in both Connecticut and Massachusetts.

Rates of Withdrawals

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 assumptions in regards to rates of decrement shown above are based on the Crocker-Sarason T-1 table.

Rates of Retirement

Police:

Service	Rate
25	35.00%
26	30.00
27-29	20.00
30-34	50.00
>=35	100.00



Fire:

Service	Rate
25	30.00%
26	25.00
27-29	15.00
30	30.00
31-34	40.00
>=35	100.00

Rates of Disability

Age	Rate
20	0.06%
30	0.11
40	0.22
50	0.60

The actuarial assumptions in regards to rates of decrement 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.

Current Annual Premium

Pre 65:

Century Preferred \$10,897

Post 65:

High Option Plan 82 \$2,034

MME Rx \$3,526

Dental \$601

Premiums were used as the basis for per capita costs.

Expected per Capita claims (without Medicare Coordination)

We assume that actual claims will be distributed according to the following morbidity table:

Current Actives:

Sample Age	Expected Claim
45	\$9,980
50	11,569
55	13,608
60	16,241
64	19,146



Current Retirees:

Sample Age	Expected Claim
45	\$6,334
50	7,343
55	8,637
60	10,308
64	12,151

The sample per capita claims for plans not integrated with Medicare were developed as follows: Using the total count of active employees and retired participants currently electing medical coverage, we calculate the total projected claims by multiplying the total count by the average annual premium or allocation rate. Using the cost increases derived from a study sponsored by the Society of Actuaries Section 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 plans integrated with Medicare, the premium is assumed to be unaffected by age

Trend

Medical trend starts at 8.0% in 2015, decreases by 0.5% per year down to 5.0% in 2021 and beyond.

Health care trend rates reflect both the current and long-term outlook for increases in health care costs. The short term trend rate is based on recent industry surveys, plan experience and near-term expectations. The long term trend rate is based on our general inflation assumption plus 2% to reflect expectations for long-term medical inflation.

Utilization Rate

We assume that 90% of actives and their spouses will elect medical benefits at retirement.

Marriage Rates at Retirement

We assume 50% of active employees and 50% of active female employees will be married at retirement and elect dual coverage and that husband will be 3 years older than wives.

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

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 be 3.0% in all future years. The impact of this future excise tax has been reflected in plan liabilities.



Other Requirements of PPACA:

Extended coverage for adult children and 100% coverage of preventive care are assumed to be reflected in per capita costs.

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

Eligibility

Teachers and Administrators

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 for Teachers and Administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

Town Local 818 and Local 1174

Hired prior to January 1, 2006: Local 818 employees must contribute annually 1% of Step 1 of their pay grade (Local 1174 - 1% of their base pay) to the Town's OPEB Trust in order to be eligible to receive medical benefits at retirement for self and spouse (effective December 12, 2013 for Local 818 and July 1, 2015 for Local 1174).

Hired on or after January 1, 2006: not eligible for OPEB benefits. (Local 818 and Local 1174)

Town and BOE (Others)

A retired Town employee shall be eligible to receive medical benefits for self and spouse.

Fire employees hired after September 1, 2013 and Police employees hired after 7/2/2014 must contribute \$1,700 annually to the Town's OPEB Trust to be eligible for benefits.

A retired BOE employee shall be eligible to receive medical and dental benefits for self and spouse.

Hired on or after January 1, 2006: not eligible for OPEB benefits. (Town CSEA Local 2001 and Non-Bargaining Unit)

General Employees hired on or after March 1, 1983, who terminate before retirement with 10 or more years of service (8 years of service for employees hired prior to March 1, 1983) are eligible for post-retirement health benefits upon the attainment of age 55 (age 52 for employees hired prior to March 1, 1983), provided they do not elect a refund of their pension deductions.

Paraprofessionals who terminate before retirement with 10 or more years of service are eligible for post-retirement health benefits upon Normal Retirement, provided they do not elect a refund of their pension deductions. (Hired on or after 7/1/2015 - not eligible for OPEB benefits)

Dispatchers who terminate before retirement with 5 or more years of service are eligible for post-retirement health benefits upon Normal Retirement, provided they do not elect a refund of their pension deductions.

Police who terminate before retirement with 15 or more years (**Fire** – 10 or more years) of service are eligible for post-retirement health benefits upon Normal Retirement, provided they do not elect a refund of their pension deductions.

Normal Retirement for **General Employees** hired prior to March 1, 1983, is the earlier of age 62 with 8 years of service, or Rule of 85. Early Retirement is age 52 with 8 years of service.



Eligibility (continued)

Normal Retirement for **General Employees** hired on or after March 1, 1983, is the earliest of 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.

Normal Retirement for **Paraprofessionals** is the earliest of age 65 with 10 years of service, age 62 with 25 years of service, or Rule of 85.

Normal Retirement for **Dispatchers** is the earliest of age 65 with 5 years of service, 25 years of service regardless of age, or Rule of 75. Early Retirement is age 55 with 5 years of service.

Normal Retirement for **Police and Fire** is the earliest of 25 years of service regardless of age, or mandatory retirement at age 65 with 15 years of service.

Cost Sharing

Dispatchers not eligible for retirement on or before December 31, 2019, Town NBU retiring after January 1, 2012, and CSEA Local 2001 who are not eligible to retire on or before January 31, 2013:

Retiring under age 55: Pay 50% (pay 100% for spouse)

Retiring at age 56 through 59: Pay 25% (Pay 75% for spouse)

Retiring at age 60 through 64: Free (Pay 50% for spouse)

Coverage is pre-65 only.

Town All Others

Pre 65: Retiree- 100% Town-paid.

Spouse - If retiree has attained age 60, then Town pays 50% of the premium. Otherwise, retiree pays 100% of the premium.

Post 65: Retiree/Spouse: Free High Option/Plan 82 Medicare Supplement Plan. (Retiree/spouse pays the difference in premiums if choose Plan F with BlueScript. Plan F is closed to new members as of 7/1/2014.)

Teachers and Administrators

Retiree/Spouse: Pay 100%

Coverage is pre-65 only. Post-65 non-Medicare eligible retirees can continue coverage at their own expense.

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

BOE Local 2727 (Office and Professional Employees)

Retiree: Free (if retired prior to 6/30/2006).

Retired between 7/1/2006 – 12/31/2014: Pay the same percentage as actives for PPO and Medicare Supplement.

Retired between 1/1/2015 – 6/30/2015: Pay the same percentage as actives for HDHP and Medicare Supplement.



Cost Sharing (continued)

Retired between 7/1/2015 – 6/30/2016: Pay 20% for HDHP and Medicare Supplement.

Retired after 7/1/2016: Pay 25% for HDHP and Medicare Supplement.

Spouse: 100% retiree-paid.

BOE Paraeducators

Retiree: Pay 15%

Spouse: 100% retiree-paid.

Coverage is post-65 only.

BOE Local 818 (Non-Certified Supervisors)

Retiree: Pay same percentage as active employees.

Spouse: 100% retiree-paid.

Medicare Supplement no longer offered.

BOE Local 1933 (Custodians) and BOE Nurses

Retired on or before 12/31/2014 (6/30/2017 for Nurses): Free

Retired on or after 1/1/2015 (7/1/2017 for Nurses): Pay the same percentage as actives for HDHP and Medicare Supplement.

Retiree Life Insurance

Police: \$15,000

Fire: \$15,000

Town (Local 818 and Non-Union): \$10,000

Town (Local 1174 and Local 2001): \$5,000

Town (Others) and BOE: \$3,000