



TOWN OF FAIRFIELD

GASB 45/74/75 VALUATION REPORT

AS OF JULY 1, 2016



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Actuarial Certification

This report presents the results of the July 1, 2016 Actuarial Valuation for the of Town of Fairfield post-retirement benefit other than pension (OPEB) for Town 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.

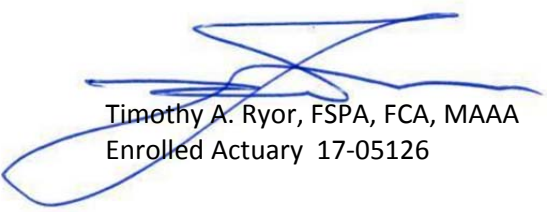
In preparing this valuation, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Town. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

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.

The signing actuary is independent of the Plan Sponsor. I am not aware of any relationship that would impact the objectivity of my work.

I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.



Timothy A. Ryor, FSPA, FCA, MAAA
Enrolled Actuary 17-05126

May 4, 2017



Executive Summary

Prior to changes in actuarial assumptions and plan provision, the Actuarial Accrued Liability (AAL) as of July 1, 2016 was lower than expected, primarily due to an expense gain in Medical claims costs which increased less than expected.

This valuation reflects all of the assumption changes that were incorporated in the valuation of the Pension Plan based on an experience study dated for the period 2011 through 2016. For Town, Police and Fire, plan provisions were updated to reflect cost-sharing and the new self-funded EGWP program for future retirees.

Historical valuation results are shown below:

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
7/1/2010	\$4,823,000	\$114,061,000	\$109,238,000	4%	N/A	N/A
7/1/2012	10,845,000	117,358,000	106,513,000	9%	N/A	N/A
7/1/2014	20,779,000	122,562,000	101,783,000	17%	N/A	N/A
7/1/2016	28,021,000	131,448,000	103,427,000	21%	35,038,000	295%

History of Actuarially Determined Employer Contribution (ADEC)	
Year Ended June 30	Actuarially Determined Employer Contribution (ADEC)
2014	\$8,978,000
2015	9,383,000
2016	8,831,000
2017	9,237,000
2018	9,550,000
2019	9,783,000



Unfunded Actuarial Accrued Liability and Annual Required Contribution

GASB 45/74/75 Unfunded Actuarial Accrued Liability (UAAL)

Actuarial Accrued Liability (AAL) 7/1/2016	Police & Fire	Town	Grand Total
Actives	\$27,486,000	\$26,736,000	\$54,222,000
Retirees	<u>\$41,627,000</u>	<u>\$35,599,000</u>	<u>77,226,000</u>
Total	69,113,000	62,335,000	131,448,000
Assets 7/1/2016	<u>13,424,000</u>	<u>14,597,000</u>	<u>28,021,000</u>
Unfunded Actuarial Accrued Liability (UAAL) 7/1/2016	55,689,000	47,738,000	103,427,000
Funded Ratio	19.4%	23.4%	21.3%

GASB 45/74/75 Actuarially Determined Employer Contribution (ADEC)

Actuarially Determined Employer Contribution (ADEC) 2017 / 2018 Fiscal Year	Police & Fire	Town	Grand Total
Normal Cost	\$1,502,000	\$1,347,000	\$2,849,000
Employee Contributions	(549,000)	0	(549,000)
25 Year Amortization of UAAL	3,730,000	3,197,000	6,927,000
Interest	<u>164,000</u>	<u>159,000</u>	<u>323,000</u>
Total ADEC 2017 / 2018	4,847,000	4,703,000	9,550,000

Actuarially Determined Employer Contribution (ADEC) 2018 / 2019 Fiscal Year	Police & Fire	Town	Grand Total
Normal Cost	\$1,558,000	\$1,398,000	\$2,956,000
Employee Contributions	(570,000)	0	(570,000)
24 Year Amortization of UAAL	3,805,000	3,261,000	7,066,000
Interest	<u>168,000</u>	<u>163,000</u>	<u>331,000</u>
Total ADEC 2018 / 2019	4,961,000	4,822,000	9,783,000



Participant Counts and Average Age As of July 1, 2016

Participant Counts			
Group	Active Participants	Retirees*	Total
Police & Fire	202	174	376
Town	268	201	469
Total	470	375	845

*Does not include spouses of existing retirees.

Average Age		
Group	Active Average Age	Retiree Average Age
Police & Fire	44.3	70.8
Town	51.3	74.2

As of July 1, 2014

Participant Counts			
Group	Active Participants	Retirees*	Total
Police & Fire	199	165	364
Town	258	187	445
Total	457	352	809

*Does not include spouses of existing retirees.

Average Age		
Group	Active Average Age	Retiree Average Age
Police & Fire	44.0	70.0
Town	52.0	74.0



Projected Benefit Payments

Fiscal Year Beginning July 1st	Currently Active Employees	Currently Retired Employees	Total
2017	\$466,000	\$5,848,000	\$6,314,000
2018	828,000	5,961,000	6,789,000
2019	1,161,000	6,140,000	7,301,000
2020	1,497,000	6,317,000	7,814,000
2021	1,883,000	6,295,000	8,178,000
2022	2,377,000	6,400,000	8,777,000
2023	2,872,000	6,366,000	9,238,000
2024	3,384,000	6,334,000	9,718,000
2025	3,929,000	6,291,000	10,220,000
2026	4,514,000	6,195,000	10,709,000
2027	5,111,000	6,192,000	11,303,000
2028	5,733,000	6,122,000	11,855,000
2029	6,387,000	6,092,000	12,479,000
2030	6,937,000	5,992,000	12,929,000
2031	7,499,000	5,943,000	13,442,000
2032	8,129,000	5,847,000	13,976,000
2033	8,744,000	5,729,000	14,473,000
2034	9,284,000	5,589,000	14,873,000
2035	9,696,000	5,395,000	15,091,000
2036	10,105,000	5,143,000	15,248,000



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.

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.

Prior: Cost Method: Projected Unit Credit.

Amortization Method

The Unfunded Accrued Liability is amortized over 25 years on a closed basis. A 2.0% Amortization Growth Rate was used.

Prior: The Unfunded Accrued Liability is amortized each year over a constant 30 year period, as a level percentage of payroll amount. A 3.0% payroll growth assumption was used.

Asset Valuation Method

Market Value.



Description of Actuarial Assumptions – Police and Fire

Changes in Actuarial Assumption

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.)

- Mortality
- Retirement
- Disability
- Discount Rate
- Rate of compensation increase
- Inflation

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

Discount Rate

7.00%. (Prior: 7.50%.)

The change to the discount rate is based on analysis completed for the 2011-2016 actuarial experience study of the Pension Plan.

Rate of compensation increase (including inflation)

Service	Police & Fire
<1	12.75%
1	7.75%
2	5.75%
3	5.25%
4	5.00%
5	4.75%
6	4.65%
7	4.55%
8	4.45%
9	4.35%
10	4.25%
11	4.15%
12	4.05%
13	3.95%
14	3.85%
15-20	3.75%
21	3.65%
22	3.55%
23	3.45%
24	3.35%
25	3.25%



Rate of compensation increase (including inflation) (continued)

Prior:

Age	Police & Fire
<25	6.50%
25-29	5.25%
30-34	4.50%
35-39	4.00%
40-44	4.00%
45-49	4.00%
50-54	3.50%
55-59	3.00%
60+	3.00%

The actuarial assumption in regards to rate of compensation increases shown above are based on the results of an actuarial experience study for the period 2011 through 2016 of the Pension Plan.

Inflation

2.75%. (Prior: 3.00%)

This assumption is based on long term 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-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2016.

Disabled: RP-2014 Disabled Retiree Mortality Table projected to the valuation date with MP-2016.

Prior: RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2014.

Disabled: RP-2014 Disabled Retiree Mortality Table projected to the valuation date with MP-2014.

Mortality Improvement

Projected to date of decrement using Scale MP-2016 (generational).

Projected to date of decrement using Scale MP-2014 (generational).

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

The mortality assumption was updated to better reflect anticipated experience. The change in assumption decreased liabilities.

Retirement age

Age	Years of Service	
	25-30	30+
50-54	10%	25%
55-69	10%	20%
70+	100%	100%



Retirement age (cont.)

Prior:

Age	Years of Service	
	25-30	30+
51-54	6%	25%
55-59	6%	20%
60-64	6%	15%
65-69	6%	25%
70+	100%	100%

Termination prior to retirement

Age	Rate
20-24	10.00%
25-29	5.80%
30-35	2.50%
36+	0.20%

Prior:

Age	Rate
<30	3.00%
30+	1.00%

Disability

Age	Police & Fire
20	0.12%
25	0.17%
30	0.22%
35	0.29%
40	0.44%
45	0.72%
50	1.21%
55	0.00%
60	0.00%

The actuarial assumptions in regards to rates of decrement shown above are based on the results of an actuarial experience study dated for the period 2011 through 2016 of the Pension Plan.

Spousal Coverage

60% of employees are assumed to be married, with wives 3 years younger than husbands (includes spousal participation assumption).



Participation

100% of eligible employees are assumed to elect coverage at retirement.

Medical Trend Rates

Current Valuation: 7.75% in 2016 grading 0.5%/yr. to ultimate rate of 4.75%/yr. in 2022 and later.

Prior: 9.0% in 2014 grading 0.5%/yr. to ultimate rate of 5.0%/yr. in 2022 and later.

Health care trend rates reflect both the current and long-term outlook for increases in health care 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 and better reflect actual experience. The change in assumption decreased liabilities.

Average Pre-65 Medical Costs, Including Prescription Drugs (blended active/retiree)

\$10,268

Average Post-65 Medical Costs, Including Prescription Drugs

Future retirees: \$5,539.08

Current retirees: \$6,913.08

Average Dental Costs

\$757

Expected per capita claims (prior to Medicare integration)

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

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$6,684	\$9,324
50	8,736	10,864
55	11,463	12,656
60	14,767	14,761
64	18,034	17,281

Expected per capita claims (with Medicare Coordination)

Future Retirees:

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	\$4,649	\$4,406
70	5,330	5,046
75	5,795	5,504
80	6,094	5,820
85	6,133	5,859



Expected per capita claims (with Medicare Coordination) (cont.)

Current Retirees:

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	\$5,802	\$5,499
70	6,652	6,298
75	7,232	6,869
80	7,606	7,264
85	7,654	7,313

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.

The per capita claims method was changed to reflect the most recent study (and better reflect actual experience). The change in assumption increased liabilities.

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.

The change in discount rate increased liabilities by about 6.6%, the change in all other assumptions increased liabilities by about 1%.



Description of Actuarial Assumptions - Town

Changes in Actuarial Assumptions as of July 1, 2016

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.)

- Mortality
- Retirement
- Turnover
- Disability
- Discount Rate
- Rate of compensation increase
- Inflation

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

Discount Rate

7.00%. (Prior: 7.50%)

The change to the discount rate is based on analysis completed for the 2011-2016 actuarial experience study of the Pension Plan.

Rate of compensation increase (including inflation)

Age	Town Non-DPW	Age	Town DPW
20-22	5.75%	20	7.25%
23-24	5.25%	21	7.15%
25	5.00%	22	7.05%
26-27	4.75%	23	6.95%
28	3.75%	24	6.85%
29-40	4.25%	25	6.75%
41	4.20%	26	6.65%
42	4.15%	27	6.55%
43	4.10%	28	6.45%
44	4.05%	29	6.35%
45	4.00%	30	6.25%
46	3.95%	31	6.15%
47	3.90%	32	6.05%
48	3.85%	33	5.95%
49	3.80%	34	5.85%
50	3.75%	35	5.75%
51	3.70%	36	5.55%
52	3.65%	37	5.35%
53	3.60%	38	5.15%
54	3.55%	39	4.95%
55	3.50%	40	4.75%
56	3.45%	41	4.25%
57	3.40%	42	3.75%
58	3.35%	43	3.50%
59	3.30%	44	3.25%
60+	3.25%	45-49	3.00%
		50+	2.75%



Rate of compensation increase (including inflation) (cont.)

Prior:

Age	Town
<25	10.00%
25-29	10.00%
30-34	5.50%
35-39	5.50%
40-44	4.50%
45-49	4.50%
50-54	3.50%
55-59	3.50%
60+	3.00%

The actuarial assumption in regards to rate of compensation increases shown above are based on the results of an actuarial experience study for the period 2011 through 2016 of the Pension Plan.

Inflation

2.75%. (Prior: 3.00%)

This assumption is based on long term 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-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016.

Disabled: RP-2014 Disabled Retiree Mortality Table projected to the valuation date with Scale MP-2016.

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

Disabled: RP-2014 Disabled Retiree Mortality Table projected to the valuation date with Scale MP-2014.

Mortality Improvement

Projected to date of decrement using Scale MP-2016 (generational).

Prior: Projected to date of decrement using Scale MP-2014 (generational).

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

The mortality assumption was updated to better reflect anticipated experience. The change in assumption decreased liabilities.



Retirement age

DPW:

Age	Town
55-58	2%
59	35%
60-69	20%
70+	100%

Non-DPW:

Age	Town
55-59	3.8%
60-61	7.0%
62	24.0%
63-64	17.4%
65	26.0%
66-74	24.0%
75-79	30.0%
80+	100.0%

Prior:

Age	Town
55-59	4%
60-61	5%
62	20%
63-64	10%
65	25%
66-74	10%
75+	100%

Termination prior to retirement

DPW:

Age	Town
20	10.0%
25	8.5%
30	7.0%
35	5.5%
40	4.0%
45	1.5%
50+	1.0%



Termination prior to retirement (cont.)

Non-DPW:

Age	Years of Service			
	0	5	10	>=15
20	60.0%	38.0%	15.0%	6.0%
25	52.0%	28.0%	10.0%	5.0%
30	30.0%	12.0%	7.0%	4.0%
35	26.0%	10.0%	7.0%	3.5%
40	26.0%	10.0%	7.0%	3.5%
45	26.0%	10.0%	7.0%	3.5%
50	20.0%	10.0%	6.0%	3.0%
55+	10.0%	6.0%	4.5%	3.0%

Prior:

Age	Years of Service					
	0	1	2	3	4	>=5
20-29	30%	29%	28%	27%	26%	25%
30-39	17%	15%	13%	9%	7%	5%
40-49	12%	10%	8%	7%	6%	5%
50-54	8%	7%	6%	5%	4%	3%
55+	8%	7%	6%	5%	4%	3%

Disability

Age	Town Non-DPW	Town DPW
20	0.01%	0.02%
25	0.01%	0.03%
30	0.02%	0.04%
35	0.02%	0.05%
40	0.04%	0.07%
45	0.06%	0.12%
50	0.10%	0.20%
55	0.17%	0.34%
60	0.27%	0.54%



Disability (cont.)

Prior:

Age	Town
20	0.02%
25	0.03%
30	0.04%
35	0.05%
40	0.07%
45	0.12%
50	0.20%
55	0.34%
60	0.54%

The actuarial assumptions in regards to rates of decrement shown above are based on the results of an actuarial experience study for the period 2011 through 2016 of the Pension Plan.

Spousal Coverage

85% of employees are assumed to be married, with wives 3 years younger than husbands (includes spousal participation assumption).

Participation

100% of eligible employees are assumed to elect coverage at retirement.

Medical Trend Rates

Current Valuation: 7.75% in 2016 grading 0.5%/yr. to ultimate rate of 4.75%/yr. in 2022 and later.

Prior: 9.0% in 2014 grading 0.5%/yr. to ultimate rate of 5.0%/yr. in 2022 and later.

Health care trend rates reflect both the current and long-term outlook for increases in health care 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 and better reflect actual experience. The change in assumption decreased liabilities.

Average Pre-65 Medical Costs, Including Prescription Drugs (blended active/retiree)

\$10,268

Average Post-65 Medical Costs, Including Prescription Drugs

Future retirees: \$5,539.08

Current retirees: \$6,913.08

Average Dental Costs

\$757



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 (Male)	Expected Claim (Female)
45	\$6,684	\$9,324
50	8,736	10,864
55	11,463	12,656
60	14,767	14,761
64	18,034	17,281

Expected per capita claims (with Medicare Coordination)

Future Retirees:

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	\$4,649	\$4,406
70	5,330	5,046
75	5,795	5,504
80	6,094	5,820
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Current Retirees:

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	\$5,802	\$5,499
70	6,652	6,298
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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.

The per capita claims method was changed to reflect the most recent study (and better reflect actual experience). The change in assumption increased liabilities.



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.

The change in the inflation assumption and the assumptions linked to inflation (such as trend rates and the Cadillac Tax indexed thresholds) decreased liabilities.

The change in discount rate increased liabilities by about 6.4%, the change in all other assumptions increased liabilities by about 4.7%.



Summary of Plan Provisions

This summary is being provided for valuation purposes only. This summary outlines the major features of the Plan. It does not give full details or cover all aspects of the Plan. The actual terms and conditions of the Plan are stated in the formal plan document.

Town including Police and Fire

Eligibility

Full time employees are eligible for retiree health benefits if they terminate after satisfying the following criteria for normal retirement:

Police – Age 51 with 25 years of service.

Fire – Age 51 with 25 years of service OR 30 years of service.

Town (except public works) – Age 62 with 10 years of service.

Public works – Age 59 ½ with 10 years of service.

For Police and Fire only, an employee can terminate before the required age and receive benefits once they reach the required age, as long as the service requirement was met at termination.

Benefits are also provided upon disability retirement.

Coverage is available to spouses for the spouse's lifetime.

Health Benefits

Pre-65, medical coverage continues under various medical plans offered through Anthem. Prescription drug, and dental coverage is also provided. All benefits are self-insured.

Post-65, participants eligible for Medicare benefits are required to participate in Medicare Part A and B. The Town provides supplementary coverage that includes prescription drugs. If the retiree is not eligible for Medicare, the Town will continue to provide benefits past age 65 under the pre-65 program. Prescription drug is now provided through the EGWP program with Express Scripts.

The cost of the Medicare Part B premium shall be borne by the retiree.

Life Insurance Benefits

A life insurance benefit is provided upon a retiree's death. Amount for new retirees varies by group, as follows:

Police, Fire, Public Works and Nurses - \$15,000

Professional & Technical - \$30,000

Town Hall - \$17,500

Communication Workers - \$0



Retiree Contributions

THEA Union:

Members hired after July 1, 2010 pay the same percentage contribution as active employees for pre-65 coverage.

Members retiring after July 1, 2016 shall contribute 12% for post-65 coverage.

Members hired after July 1, 2016 shall contribute 50% for pre and post-65 coverage.

Nurses:

Hired on or before June 30, 2010 shall contribute to the cost of post-retirement benefits as they contributed at the time of their retirement.

Hired after June 30, 2010 shall contribute the same percentage as active employees as those amounts change from time to time

Post-65: 100% Town-paid.

Tele:

Members shall pay the same percentage contribution as active employees for pre-65 coverage.

Post-65: 100% Town-paid.

Professional & Technical:

Members hired after July 1, 2006 shall pay the same as they did at time of retirement for pre-65 coverage.

Post-65: 100% Town-paid.

PW:

Members hired on or before June 24, 2013 shall pay the same percentage as they did at time of retirement for pre-65 coverage.

Members hired after June 24, 2013 shall contribute the same percentage as active employees as the percent may change from time to time for pre-65 coverage.

Post-65: 100% Town-paid.

Police:

Members hired after March 18, 2013 shall pay the same percentage as actives employees for pre-65 coverage.

Post-65: 100% Town-paid.

All Others:

100% Town-paid.

Employee Contributions

Contributions are to be made by actives as follows:

Police & Fire:

3.25% basic annual salary including longevity.

All Others

None