SD. 3

To: Board of Supervisors

From: David Twa, County Administrator

Date: March 12, 2010

Contra Costa County

Subject: Other Post Employment Benefits (OPEB) - 2010 Valuation Report

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RECOMMENDATION(S):

ACCEPT 2010 Other Post Employment Benefits (OPEB) Valuation Report as of January 1, 2010 and Annual Required Contributions for the Fiscal Year Ending June 30, 2010.

FISCAL IMPACT:

The attached 2010 Other Post Employment Benefit Plan (OPEB) Valuation Report is required per Governmental Accounting Standards Board (GASB) Statements 43 and 45 to be completed, by a County the size of Contra Costa, every two years. The report presents a calculation of liability and has no specific fiscal impact on its own. The County's ability to continue to reduce the liability has had and will have significant future impact on the County's overall fiscal stability and ability to deliver services.

☑ APPROVE ☐ OTHER

☑ RECOMMENDATION OF CNTY ADMINISTRATOR ☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **04/13/2010** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYES ______ NOES ______

ABSENT ______ ABSTAIN ______

RECUSE ______

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: April 13, 2010

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

Contact: Lisa Driscoll, County Finance Director

cc: Stephen Ybarra, County Auditor-Controller, William Pollacek, County Treasurer-Tax Collector, Lisa Driscoll, County Finance Director, Patrick Godley, Chief Financial Officer/Health Services

BACKGROUND:

In 2004, due to growing concern over the potential magnitude of government employer obligations for post-employment benefits, the Government Accounting Standards Board enacted Statement 45. The main reason for the Statement was to establish uniform accrual accounting and reporting of these governmental liabilities much like under the Financial Accounting Standards Board (FASB) rules that already applied to the private sector for OPEBs (and GASB 25 and 27 statements that already applied to governmental pension liabilities). Accrual accounting was needed to report the cost of providing government services over the working lifetime of employees providing the services rather than just the "pay-as-you-go" (paygo) cost that was not realized until after those employees retired.

Additionally, an intended audience of these GASB 45 results was the bond markets to better assess levels of government solvency in issuing debt. Although plan solvency was not the main impetus behind Statement 45, GASB 45 is considered 'funding friendly' because it adds some security for those receiving the benefits, if those benefits are actually pre-funded. Because Statement 45 requires the public sector to account for total long term OPEB costs over the active service life of benefit-earning employees, rather than reporting current year OPEB costs only for existing retirees, it is thought that shining the light on these long term liabilities will force the public sector to address, and hopefully avoid, the collapses in benefit plans that have occurred in the private sector.

Pursuant to GASB 45 requirements, Contra Costa County ordered its initial actuarial report in 2006. The 2006 report valued the County's unfunded liability for retiree medical costs at $2.6 billion based upon a cash discount rate. This outstanding liability, if fully amortized over the following 30 years, would have necessitated an Annual Required Contribution (ARC) of $216 million. At that point in time, $216 million would have been six times the amount that the County was paying toward retiree health care costs on a paygo basis.

As is described in the attached 2010 report and in the table below, the County has taken significant actions to address GASB 45 and to reduce its OPEB liability since the initial report of 2006. Interim valuation results have been presented to the Board of Supervisors, pursuant to California Government Code 7507, since the 2008 report. However, for comparison purposes, the table below compares bi-annual GASB 45 valuation results at fiscal year end (FYE).

	FYE 2006	**FYE 2008**	**FYE 2010**
	4.5% Discount Rate	4.5% Discount Rate	6.32% Discount Rate
Total Accrued Actuarial Liability	$2,571,650,000	$2,367,274,000	$1,047,028,000
Assets	-0-	-0-	25,048,000
Unfunded Accrued Act Liability	$2,571,650,000	$2,367,274,000	$1,021,980,000
Normal Cost	$130,604,000	$116,102,000	$29,232,000
30 Year Amortization of UAAL	85,721,000	78,909,000	34,066,000
Annually Required Contribution	$216,325,000	$195,011,000	$63,298,000
Active Employees	8,438	8,563	8,013
Retirees and Survivors	5,216	5,813	5,251

Total Actives, Retirees, Survivors	13,654	14,376	13,264

Beginning in the 2008/09 fiscal year, all results have reflected a 6.32% discount rate to reflect the County's adopted discount rate assumption based on $20 million in partial pre-pay into an OPEB trust fund, plus paygo funding. Both the 2006 and 2008 valuation reports used a 4.5% discount rate, reflecting the County's funding policy at that time. It follows that should the contribution to the trust be eliminated, the discount rate would drop back to the cash rate of 4.5%, the liability would increase to $1.3 billion, and the ARC would increase to $89 million. The attached report includes a Schedule of Funding Progress. As of January 1, 2010, the actuarial value of assets was $25,048,000. Although the County has made great strides towards reducing the liability, the current funded ratio is only 2%. Additionally, the UAAL as a percentage of covered payroll, is still high at 163%.

Throughout the last two years through labor negotiations, the County has worked with employees to adopt and implement the County's OPEB goals. Through the efforts of the majority of our employees the County has adopted an OPEB financing plan that begins to balance our requirement to provide public services with our desire to provide competitive health care benefits to our employees; fully complies with GASB 45; and pursues legislative change. It is important to note that the significant improvement in the County's OPEB liability could not have been achieved without the support of our employees. These efforts will not only help to ensure the County's overall fiscal stability and ability to deliver services, but will also help to ensure that health care benefits are available to our employees in the future.

A reconciliation of the County's valuation changes breaks out in the following way:

<u>2006 to 2008</u>

- Updated Contra Costa County Employees' Retirement Association (CCCERA) pension valuation assumptions where applicable (valuation assumption)
- Better overall medical and dental plan trend and renewals over the two years than originally assumed (demographic gain)
- Fewer new retirements than originally assumed, which delayed the onset of benefits (demographic gain)
- Overall cleaner and more complete data than was available in 2006
- Effective 2008, the County contribution for non-represented retirees was set at the 2009 level for future years

<u>2008 to 2010</u>

- Reduced liability due to the negotiated plan change savings over time. See Appendix B of attached report (Summary of Plan Provisions), for details regarding plan changes made for the majority of County employees. The impact from this change was more than expected due to conservative plan change assumptions and up to date bargaining unit coding.
- Migration to lower cost plans as a result of the plan changes and a resulting lower subsidy amount (active rates subsidizing retiree rates).
- Demographic gains:
    - This was due to both active and retiree counts being lower than in the 2008 valuation,
    - Fewer new retirements than expected,
    - Fewer continuing retirees than expected, and

- Fewer active employees than in 2008.

Summary

Over the last four years, the County has reduced its OPEB UAAL by 60%, Normal Cost by 78%, 30 year amortization of UAAL by 60%, and annually required contribution by 71%. None of these reductions could have been achieved without the support and cooperation of our employees. Continued negotiations toward Countywide health care cost containment strategies and the redirection of designated future resources remain key to resolving the OPEB dilemma. The Board of Supervisors continues to make significant progress toward a solution for one of the biggest fiscal challenges the County has faced to date.

Detailed information on the Board's actions, including all of the County's OPEB reports, is available on the County's web-site at www.cccouny.us.

Other Post Employment Benefit Plan (OPEB)

Contra Costa County

GASB 43 & 45 Valuation Report as of January 1, 2010 and Annual Required Contribution for the Fiscal Year Ending June 30, 2010

April 5, 2010

buckconsultants A Xerox Company

Table of Contents

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April 5, 2010

Ms. Lisa Driscoll
County Finance Director
Contra Costa County Administrator's Office
651 Pine Street, 10th Floor
Martinez, CA, 94553

Re: Actuarial Valuation of Other Post Employment Benefits (OPEB)

Dear Ms. Driscoll:

The County requested that Buck Consultants, LLC calculate the Actuarial Accrued Liability and Annual Required Contribution for Other Post Employment Benefits (OPEB) provided by the County. Actuarial valuations are completed biennially as of January 1. The date of this actuarial valuation is January 1, 2010.

The Actuarial Accrued Liability and Annual Required Contribution shown in this report were calculated according to the Governmental Accounting Standards Board (GASB) Statement Nos. 43 and 45 for the fiscal year ending June 30, 2010. GASB Statement No. 43 (GASB 43) provides guidance on financial reporting for postemployment benefit plans other than pension plans (OPEB plans) primarily for trust funds. GASB Statement No. 45 (GASB 45) provides guidance on accounting and financial reporting by employers for postemployment benefits other than pensions (OPEB plans).

The valuation is based on participant and financial data provided by the County. The data was not reviewed for consistency or completeness beyond that necessary to develop the analysis. Such a detailed review of the data and its sources is beyond the scope of this analysis. To the extent that the data is incomplete or incorrect, the results of the analysis are also incomplete or incorrect.

Our firm has prepared all of the schedules presented in the actuarial report. The non-economic assumptions were selected to be in conformity with prior OPEB valuation assumptions. The discount rate was adopted by the County and is the same rate as was used in the previous valuation. We believe that these assumptions, in the aggregate, reasonably approximate the anticipated future experience of the Plan.

1455 Frazee Road, Suite 805
San Diego, CA 92108

We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, the assumptions and methods used for funding purposes meet the parameters of the Governmental Accounting Standards Board Statements 43 and 45. The report was prepared under the supervision of Michael Schionning and James Summers, both are Fellows of the Society of Actuaries and Members of the American Academy of Actuaries, who have met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,

Michael W. Schionning, FSA, MAAA
Principal and Consulting Actuary

James A. Summers, FSA, MAAA
Director and Consulting Actuary

Background

The Other Post Employment Benefits Plan (OPEB) is a single-employer, defined benefit plan provided by the County.

According to GASB 45, postretirement medical benefits are to be accrued as a liability as the benefits are earned by active employees. A Normal Cost representing the sum of benefits accrued for the current plan year by active employees and a not greater than 30 year amortization of the Unfunded Actuarial Accrued Liability for active employees and retirees under the plan are the two components of the Annual Required Contribution.

We have calculated the Actuarial Accrued Liability and Annual Required Contribution according to the guidelines in the GASB Statements No. 43 and 45. We are using similar methodology to the methods used in the previous valuation.

In preparing this report, we have conformed to generally recognized and accepted actuarial principles and practices consistent with principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Summary of Actuarial Methods and Assumptions	
Valuation Date	01/01/2010
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Discount Rate	6.32%
Investment Rate of Return	7.75%
Projected Salary Increases	N/A

Data

The County provided Buck with detailed census data for all active employees and retirees as of January 1, 2010. The active employee data provided included date of birth, hire date, gender, medical/dental coverage tiers and plan coding, an employee ID, and other information. For retirees, we were provided the same detail as well as the date of retirement. Detailed plan descriptions, premium history, open enrollment materials, and draft trust balance information were also provided by the County. We reviewed all data for reasonableness.

For each employee, we calculated their actuarial accrued liability as of the valuation date based on their current age and years of service. For retirees the actuarial accrued liability is the present value of all future benefits under the plan as of the valuation date. The valuation result is the sum of these individual calculations based on the provisions of the plan. The demographic assumptions used for the valuation are summarized in Appendix A. These assumptions are intended to be consistent with the assumptions used in the prior OPEB valuation.

The census data is summarized below:

Census Data	**General**	**Safety**	**Total**
Actives	6,873	1,140	8,013
Retirees and Survivors	4,240	1,011	5,251
Total Counts	11,113	2,151	13,264

Additional information regarding the data can be found in Appendix C.

Valuation Results

This report has been prepared by Buck Consultants to present the Actuarial Accrued Liability, Normal Cost, and Annual Required Contribution for the County OPEB Plan. The Actuarial Accrued Liability is as of January 1, 2010 based on the plan year. The Annual Required Contribution is for the 2009-2010 fiscal year.

Based on the data provided and the assumptions outlined in Appendix A, the Actuarial Accrued Liability for the OPEB Plan as of January 1, 2010 is $1.047 billion. The end of fiscal year Normal Cost is $29.2 million. The following tables summarize the Actuarial Accrued Liability, Normal Cost, and Annual Required Contribution results of the current valuation and compare them to the prior valuation result using a 6.32% discount rate.

Table 1
CCC Postemployment Health Benefits Plan
Actuarial Accrued Liability (AAL) and Normal Cost

	AAL @ 6.32% 01/01/2010	NC @ 6.32% 01/01/2010	AAL @ 6.32% 01/01/2008	NC @ 6.32% 01/01/2008
Actives	$483,190,000	$29,232,000	$1,093,050,000	$76,274,000
Retirees	563,838,000	0	786,192,000	0
Total	$1,047,028,000	$29,232,000	$1,879,242,000	$76,274,000

Although interim valuation results since the January 1, 2008 valuation date reflecting plan changes made through collective bargaining under California Government Code 7507 have been reported, for comparison purposes in Tables 1 and 2 (on the following page) we are comparing the current valuation results to the original prior GASB 45 valuation results. Both plan change and demographic changes over the two year period are reflected rather than interim plan change results using prior demographics as reported under Government Code 7507 interim reporting.

Table 2
CCC Postemployment Health Benefits Plan
Annual Required Contribution

	6.32% Discount Rate FYE 2010	6.32% Discount Rate FYE 2009
Total Accrued Actuarial Liability	$1,047,028,000	$1,879,242,000
Assets	25,048,000	20,038,000
UAAL	$1,021,980,000	$1,859,204,000
Annual Required Contribution		
Normal Cost	$29,232,000	$76,274,000
30 Year Amortization of UAAL	34,066,000	62,641,000
ARC	$63,298,000	$138,915,000

The County's current funding policy is to partially pre-fund the plan with annual trust contributions of $20 million and future planned increases to this amount while also funding the pay-as-you-go cost of benefits. This partial pre-funding strategy leads to the current 6.32% discount rate which interpolates the lower pay-as-you-go discount rate with a higher full-funding discount rate.

The previous tables show large reductions in the valuation liability and calculated annual required contribution compared to the prior valuation based primarily on proactive plan changes adopted jointly by the County and many of the bargaining units. A summary of the current plan provision is provided in Appendix B.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b – a) / c)
01/01/2008	**$20,038,000**	**$1,879,242,000**	**$1,859,204,000**	**1%**	**$625,273,000**	**297%**
01/01/2010	**$25,048,000**	**$1,047,028,000**	**$1,021,980,000**	**2%**	**$625,273,000**	**163%**

The following table shows the breakdown of Accrued Actuarial Liability (AAL), Normal Cost, and Annual Required Contribution (ARC) by various entities within The County. Note that for the ARC calculations by entity, valuation assets have not been considered. The net result reflecting the UAAL after subtracting valuation assets from the AAL provides the bottom line result which ties to Table 2 above.

Table 3
CCC Postemployment Health Benefits Plan
By Reporting Entity
AAL, NC, and ARC at a **6.32%** discount rate for Fiscal Year 2009-2010

Entity	AAL	Normal Cost	ARC
Safety Non-Fire	210,902,000	$6,671,000	$13,702,000
CCC Fire	116,031,000	2,758,000	6,626,000
East County Fire	7,739,000	479,000	737,000
Hospital	193,945,000	7,223,000	13,688,000
CCHP	7,880,000	334,000	597,000
Airport	1,547,000	21,000	73,000
First Five	915,000	12,000	43,000
CCC Retirement System	2,492,000	78,000	161,000
All Other CCC	505,577,000	11,656,000	28,508,000
Totals Before Subtracting Assets	$1,047,028,000	$29,232,000	$64,135,000
Valuation Assets	25,048,000		
Totals Net of Assets	$1,021,980,000	$29,232,000	$63,298,000

Appendix A – Actuarial Assumptions and Methods

Assumptions

1. Economic Assumptions

a.	Discount rate	6.32%
b.	Investment rate of return	7.75%
c.	Valuation date	January 1, 2010

2. Demographic Assumptions

a. Retirement — Based on age for General and Safety employees. Rates shown below:

General		Safety	
Age	Rates	Age	Rates
50	3%	50	25%
51	3%	51	20%
52	3%	52	20%
53	3%	53	20%
54	5%	54	25%
55	10%	55	30%
56	10%	56	30%
57	10%	57	40%
58	10%	58	40%
59	10%	59	40%
60	15%	60	100%
61	20%	61	100%
62	25%	62	100%
63	25%	63	100%
64	30%	64	100%
65	35%	65	100%
66	35%	66	100%
67	35%	67	100%
68	35%	68	100%
69	35%	69	100%
70	100%	70	100%

b. Termination

General and Safety: Service-related rates for first five years of employment and age-related rates after first five years of employment. Sample rates are shown below:

Year	**General** Withdrawals per 1,000 Lives for employees with less than 5 years of Service	**Safety** Withdrawals per 1,000 Lives for employees with less than 5 years of Service
1	140.00	110.00
2	90.00	70.00
3	80.00	50.00
4	60.00	40.00
5	50.00	30.00
	General Withdrawals per 1,000 Lives for employees with more than 5 years of Service	**Safety** Withdrawals per 1,000 Lives for employees with more than 5 years Of Service
Age		
30	50.00	30.00
35	49.20	22.00
40	42.30	16.10
45	35.40	10.50
50	16.80	0.00
55	3.70	0.00
60	0.00	0.00

c. Mortality

RP 2000 Combined Healthy Mortality tables set back two years (same assumption as the most recent CCCERA valuation)

d. Plan Participation

98% active participation assumed upon retirement.

e. Marital Characteristics

Retirees: actual data
Active Employees:
- Wives are three years younger than their husbands.
- 80% of males and 55% of females are assumed married at retirement.

3. Premium Rates and Increases

The following Premium Rates and Increases vary by bargaining unit. For illustrative purposes the following R-1A rates for 2010 cover over 75% of the current retiree population.

		Total Monthly Premium	County Monthly Premium
Early Retirees (under 65)			
Kaiser	EE	$572.41	$444.39
	EF	$1,333.72	$1,035.42
Health Net HMO	EE	$781.71	$611.22
	EF	$1,917.59	$1,499.36
Health Net PPO	EE	$946.32	$544.25
	EF	$2,248.05	$1,292.88
CCHP - A			
	EE	$536.75	$499.18
	EF	$1,278.84	$1,189.32
CCHP - B	EE	$592.15	$515.17
	EF	$1,407.05	$1,224.13

Retirees (over65)		Total Monthly Premium	County Monthly Premium
Kaiser Cost	EE	$662.20	$618.26
Retiree	EF	$1,505.64	$1,379.35
Kaiser Senior	EE	$274.12	$261.26
Advantage	EE+1	$740.29	$705.57
Health Net Cost	EE	$436.65	$430.28
Retiree	EF	$873.30	$860.58
Health Net	EE	$408.88	$390.88
Seniority Plus	EE+1	$817.76	$781.76

Retirees (over65 continued)		**Total Monthly Premium**	**County Monthly Premium**
Health Net Flex	EE	$730.55	$516.58
Net PPO	EE+1	$1,461.11	$1,033.06
CCHP - A	EE	$440.35	$409.53
Retiree	EE+1	$1,086.04	$1,010.02
CCHP - B	EE	$495.75	$431.30
Retiree	EE+1	$1,214.25	$1,056.40

CalPERS Participating Retirees:

For those retirees participating in CalPERS, the County pays the lesser of the actual rate or the following amounts:

Single	-	$463.33
Employee +1 Dependent	-	$926.65
Employee + Family	-	$1,204.65

Trend Rates:*

Year	Rate
2010	10%
2011	9%
2012	8%
2013	7%
2014	6%
2015+	5%

*Note that these are the trend rates for the aggregate medical cost. The employer portion of said medical costs may not increase by as much as trend, as described in the Plan Change section below.

4. Actuarial Cost Method

The actuarial accrued liability (AAL) and normal cost under the entry age normal actuarial method are used to determine the GASB expense. Under this method, medical benefits are estimated for each active plan participant on the basis of the assumptions described in this table and the plan provisions described in Appendix B. The total present value is the present value of these benefits. The AAL is the portion of the total present value attributed to each participant's service before the valuation date. The attribution period for postretirement benefits begins on date of employment. Normal cost is the total actuarial present value of the expected increase in AAL during the plan year for all active participants under the assumed retirement age.

The AAL for retired participants is determined as the actuarial present value of the benefits expected to be paid; no normal cost is determined for these participants.

Appendix B – Summary of Plan Provisions

1. Plans Available

The following medical providers are currently available to General employees: Kaiser, Health Net, and the Contra Costa Health Plan. These plans are all available to both Medicare and Non-Medicare eligible retirees in varying forms. Safety employees are covered under various CalPERS health plans.

2. Covered Groups

All current active employees other than new tiers as established through bargaining are eligible, as are retirees currently receiving pension benefits. A retiree must be receiving pension benefits to receive health benefits.

3. Eligibility for Retirement

General employees can retire once they satisfy any of the following requirements: 50 years old with 10 years of service, 70 years old, or 30 years of service.

Safety employees can retire once they satisfy any of the following requirements: 50 years old with 10 years of service, 70 years old, or 20 years of service.

4. Dependents

Participating retirees may cover dependents at the rates given above.

5. Plan Changes as of 1/1/2010

For Employees Represented by Professional & Technical Engineers Association (AFL-CIO) Local 21:

Future County premium contributions are assumed to remain at their January 1, 2010 levels. That is, all future increases in premium cost are to be borne by the retirees within these units.

For Unrepresented County Employees, In Home Supportive Services, and First Five as well as Employees Represented by AFSCME Local 512, AFSCME Local 2700, Public Employees Union Local One, SEIU Local 1021 and Western Council of Engineers:

- County Premium Subsidy- Non CalPERS plans:
    - Kaiser and Health Net HMO and Dental Plans:
        - January 1, 2010 - medical inflation will be shared 50%/50% between the Participant and Employer, up to 11%.
        - January 1, 2011 - medical inflation will be shared 50%/50% between the Participant and Employer, up to 11%.

        - January 1, 2012 and forward – the County's monthly subsidy will be fixed at the May 2011 dollar amount
    - CCHP A, B, and Coordinated Dental Plans:
        - January 1, 2010 - total premium of CCHP-A will be shared 7%/93% between the Participant and Employer
        - January 1, 2010 - total premium of CCHP-B will be shared 13%/87% between the Participant and Employer
        - January 1, 2011 - medical inflation will be shared 50%/50% between the Participant and Employer, up to 11% (both CCHP-A & CCHP-B)
        - January 1, 2012 and forward – the County's monthly subsidy will be fixed at the May 2011 dollar amount
    - Health Net PPO
        - Commencing January 1, 2010, medical inflation will be shared between the County and the Participant 50%/50%.
        - January 1, 2012 and forward, the County's monthly subsidy will be fixed at the May 2011 dollar amount.

- County Premium Subsidy- CalPERS Plans
    - Based on Bay Area Kaiser premium rate, January 1, 2010, medical inflation will be shared 50%/50% between the Participant and the Employer, up to 11%.
    - Based on Bay Area Kaiser premium rate, January 1, 2011, medical inflation will be shared 50%/50% between the Participant and the Employer, up to 11%.
    - January 1, 2012 and forward, the County's monthly subsidy will be fixed at the May 2011 dollar amount paid by the County for the Bay Area Kaiser premium rate.
    - For Dental, County premium same as non-CalPERS plans.

<u>For Employees Represented by Public Defender's Association, Probation Peace Officers Association, Deputy District Attorney's Association, Physician's and Dentist's Association, Deputy Sheriff's Association District, Attorney Investigators' Association, United Chief Officers Association, and United Professional Firefighters, IAFF, Local 1230:</u>

County contributions are assumed to increase with trend as specified in Appendix A.

<u>For Employees Represented by California Nurses Association:</u>

County contributions are assumed to increase with trend as specified in the governing Memoranda of Understanding.

Appendix C – Summary of Employee Data

All Actives

Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
0-19	0	0	0	0	0	0	0	0	0	0
20-24	50	1	0	0	0	0	0	0	0	51
25-29	381	76	1	0	0	0	0	0	0	458
30-34	421	344	72	3	1	5	1	1	1	849
35-39	342	368	231	36	3	0	0	0	0	980
40-44	274	359	292	176	80	2	0	0	0	1,183
45-49	218	341	242	190	218	64	10	0	0	1,283
50-54	204	274	217	172	182	125	64	11	0	1,249
55-59	162	225	203	160	150	89	80	42	3	1,114
60-64	75	148	133	96	89	43	32	22	6	644
65-69	13	65	37	19	22	6	3	0	3	168
70-74	0	7	9	5	4	4	1	0	0	30
75+	0	1	0	1	1	1	0	0	0	4
Total	2,140	2,209	1,437	858	750	339	191	76	13	8,013

Total Count	8,013
Average Age	46.53
Average Service	11.35

General Actives

Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
0-19	0	0	0	0	0	0	0	0	0	0
20-24	28	1	0	0	0	0	0	0	0	29
25-29	286	61	1	0	0	0	0	0	0	348
30-34	334	250	62	3	1	5	1	1	1	658
35-39	285	270	170	29	3	0	0	0	0	757
40-44	248	297	234	123	56	2	0	0	0	960
45-49	204	292	227	156	143	46	9	0	0	1,077
50-54	196	256	211	152	169	97	56	11	0	1,148
55-59	154	210	201	155	142	86	78	39	3	1,068
60-64	73	144	131	94	89	42	32	21	5	631
65-69	13	65	36	19	21	6	3	0	2	165
70-74	0	5	9	5	4	4	1	0	0	28
75+	0	1	0	1	1	1	0	0	0	4
Total	1,821	1,852	1,282	737	629	289	180	72	11	6,873

Total Count	6,873
Average Age	47.48
Average Service	11.44

Safety Actives

Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
0-19	0	0	0	0	0	0	0	0	0	0
20-24	22	0	0	0	0	0	0	0	0	22
25-29	95	15	0	0	0	0	0	0	0	110
30-34	87	94	10	0	0	0	0	0	0	191
35-39	57	98	61	7	0	0	0	0	0	223
40-44	26	62	58	53	24	0	0	0	0	223
45-49	14	49	15	34	75	18	1	0	0	206
50-54	8	18	6	20	13	28	8	0	0	101
55-59	8	15	2	5	8	3	2	3	0	46
60-64	2	4	2	2	0	1	0	1	1	13
65-69	0	0	1	0	1	0	0	0	1	3
70-74	0	2	0	0	0	0	0	0	0	2
75+	0	0	0	0	0	0	0	0	0	0
Total	319	357	155	121	121	50	11	4	2	1,140

Total Count	1,140
Average Age	40.80
Average Service	10.82

All Retirees

Under 50	106	Total Count	5,251
50-54	210	Average Age	69.80
55-59	561		
60-64	1,038		
65-69	977		
70-74	731		
75-79	620		
80-84	462		
85-89	374		
90+	172		
Total	5,251		

General Retirees

Under 50	35	Total Count	4,240
50-54	110	Average Age	71.16
55-59	376		
60-64	791		
65-69	845		
70-74	629		
75-79	532		
80-84	406		
85-89	351		
90+	165		
Total	4,240		

Safety Retirees

Under 50	71	Total Count	1,011
50-54	100	Average Age	64.09
55-59	185		
60-64	247		
65-69	132		
70-74	102		
75-79	88		
80-84	56		
85-89	23		
90+	7		
Total	1,011		

Appendix D – Glossary of Terminology

Actuarial Accrued Liability (AAL) - The actuarial present value of benefits attributed to employee service rendered to a particular date.

Active Plan Participant - Any active employee who has rendered service during the credited service period and is expected to receive benefits, including benefits to or for any beneficiaries and covered dependents, under the postretirement benefit plan.

Actuarial Present Value - The value, as of a specified date, of a future benefit cost or a series of benefit costs, with each amount adjusted to reflect (a) the time value of money (through discounts for interest and (b) the probability of payment (for example, by means of decrements for events such as death, disability, withdrawal or retirement) between the specified date and the expected date of payment.

Amortization - Systematic reduction of the principal portion (only) of an asset or liability.

Annual Required Contribution – Consists of the normal cost and a portion of the total unfunded actuarial accrued liability (UAAL). The normal cost and UAAL are derived from the actuarial present value of benefits, the actuarial cost method and the plan assets.

Attribution Period - The period of an employee's service to which the expected postretirement benefit obligation for that employee is assigned.

Discount Rate - The interest rate used in developing present values to reflect the time value of money.

Health Care Cost Trend Rate - An assumption about the annual rate(s) of change in the cost of health care benefits currently provided by the postretirement benefit plan, due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. The Health Care Cost Trend Rate implicitly considers estimates of health care inflation, changes in health care utilization or delivery patterns, technological advances, and changes in the health status of plan participants. Differing types of service, such as hospital care and dental care, may have different trends.

Normal Cost - The portion of the present value of future benefits attributed to employee service during a period.

Substantive Plan - The terms of a postretirement benefit plan as understood by an employer that provides postretirement benefits and the employees who render services in exchange for those benefits. The substantive plan is the basis for the accounting for that exchange transaction. In some situations an employer's cost-sharing policy, as evidenced by past practice or by communication of intended changes to a plan's cost-sharing provisions, or a past practice of regular increases in certain monetary benefits may indicate that the substantive plan differs from the extant written plan.