



**BLOOMFIELD TOWNSHIP
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**Actuarial Valuation as of April 1, 2022
To Determine Funding for Fiscal Year 2023-24**

Prepared by

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Certification

We have performed an actuarial valuation of the Plan as of April 1, 2022 to determine funding for fiscal year 2023-24. This report presents the results of our valuation.

The ultimate cost of an Other Post-Employment Benefits (OPEB) plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. OPEB costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable actuarial standards of practice. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Review of plan experience since the previous valuation to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of Bloomfield Township ("Township"). To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Township may provide a copy of Milliman's work, in its entirety, to the Township's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Township; and (b) the Township may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Township. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of the plan provisions. Additional determinations may be needed for purposes other than determining funding amounts, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

The valuation results were developed using models employing standard actuarial techniques. In addition to the models described previously, Milliman has developed certain models to develop the expected long term rate of return on assets and estimate the claim costs and trend used in this analysis. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice. The models, including all input, calculations, and output may not be appropriate for any other purpose.

We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: 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 the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Jack Chmielewski, FSA
Principal and Consulting Actuary

Section I - Executive Summary Changes Since the Prior Valuation

Demographic Changes and Plan Experience

From April 1, 2020 to April 1, 2022, the overall membership decreased from 506 to 505. The number of active members decreased from 144 to 123, and the total number of members and spouses/dependents receiving benefits increased from 362 to 382.

The average age of active members increased from 47.2 to 47.4, and the average age of members receiving benefits increased from 69.4 to 69.8.

We updated expected claims costs based on our analysis of the claims experience and premium information that was provided to us for this valuation. Per capita healthcare costs did not increase as much as expected, which decreased liabilities by about \$1.9 million.

Plan Changes

None.

Changes in Actuarial Methods and Assumptions

We updated the mortality assumption projection scale to MP-2021 from MP-2019. The effect of this change was an increase in the Unfunded Accrued Liability of about \$38,000.

Other Significant Changes

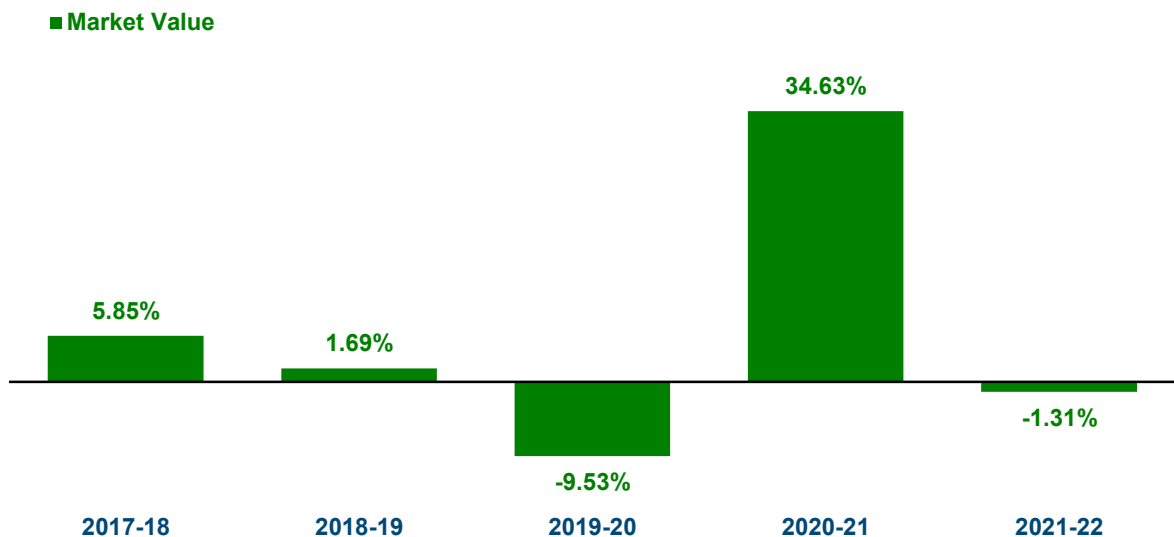
Although it is possible that the COVID-19 pandemic could have a material impact on the projected mortality, liabilities, and contribution requirements, we have chosen not to make an adjustment in the projections at this time, given the substantial current uncertainty regarding the impact of COVID-19 on mortality and plan costs, including whether the pandemic will increase or decrease mortality during the term of our projections. We will be monitoring this development closely and may adjust future projections to reflect the impact of COVID-19, if and when it becomes appropriate.

Section I - Executive Summary Assets

The Market Value is a snapshot of the plan's investments as of the valuation date.

Value as of April 1, 2020	\$13,540,092
Township Contributions	7,016,893
Investment Income	5,158,993
Benefit Payments and Administrative Expenses	(4,297,982)
Value as of April 1, 2021	21,417,996
Township Contributions	6,012,048
Investment Income	(290,117)
Benefit Payments and Administrative Expenses	(4,546,443)
Value as of April 1, 2022	22,593,484

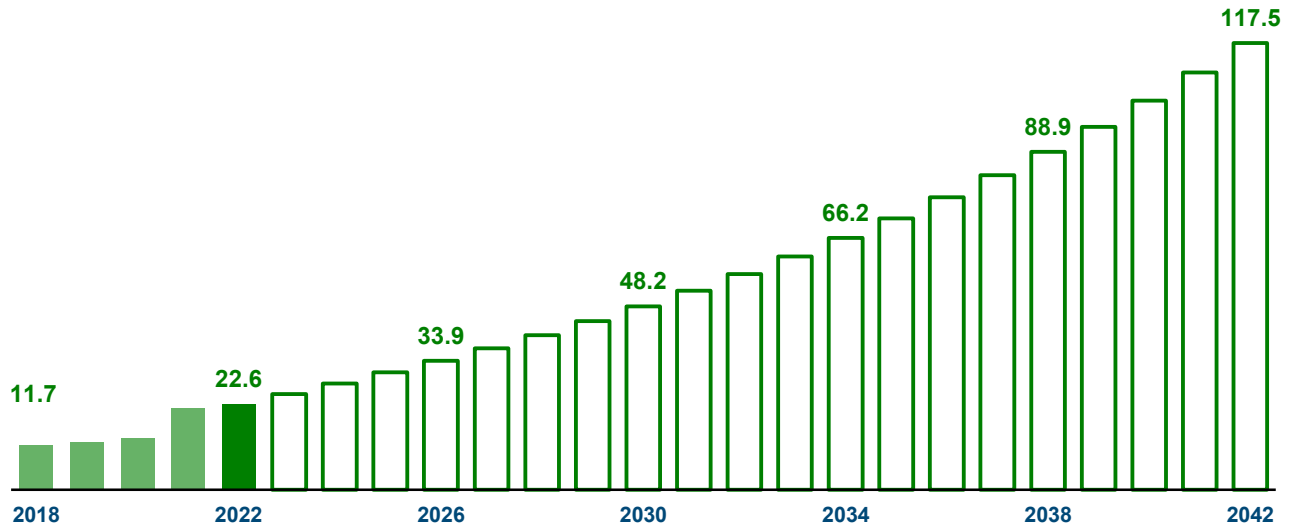
For fiscal year 2020-21, the plan's assets earned 34.63%, which is an asset gain of about \$4.3 million. For fiscal year 2021-22, the plan's assets earned -1.31%, which is an asset loss of about \$1.6 million. Historical rates of return are shown in the graph below.



Section I - Executive Summary Assets (continued)

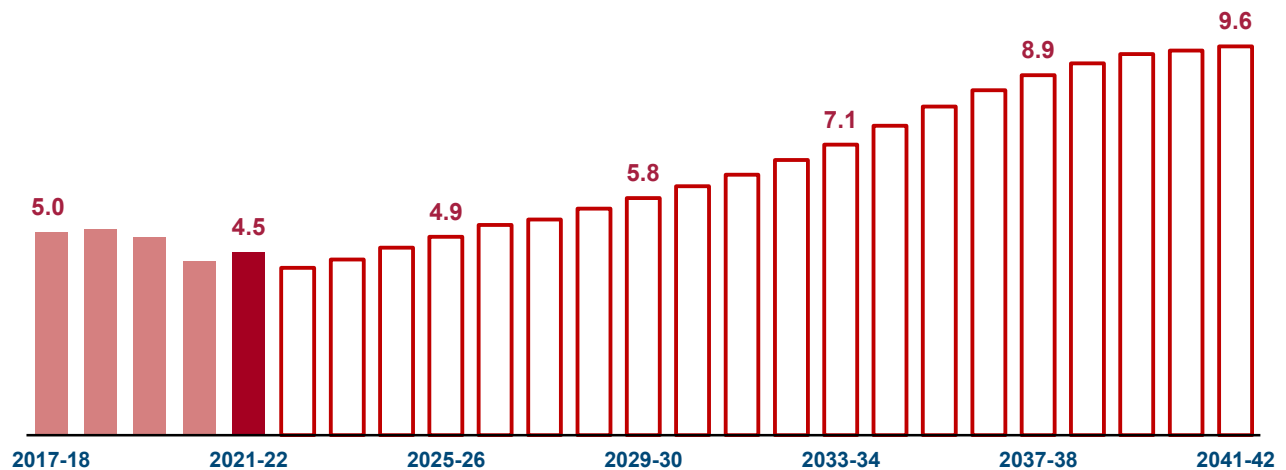
The graph below shows how this year's asset values compare to where the plan's assets have been over the past several years and how they are projected to change over the next 20 years. For purposes of this projection, we have assumed that the Township always contributes \$1.25 million in excess of the benefit payments, in accordance with the funding policy, and the investments always earn the assumed interest rate each year.

Market Value (\$ millions)



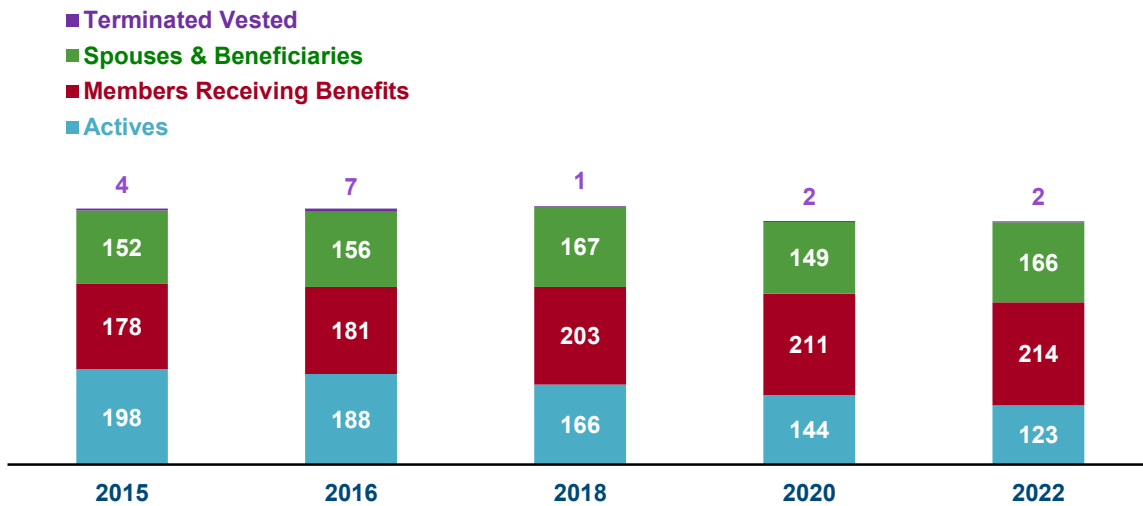
In 2021-22, the plan paid out \$4.5 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$137 million in benefits to members.

Benefit Payments (\$ millions)



Section I - Executive Summary Membership

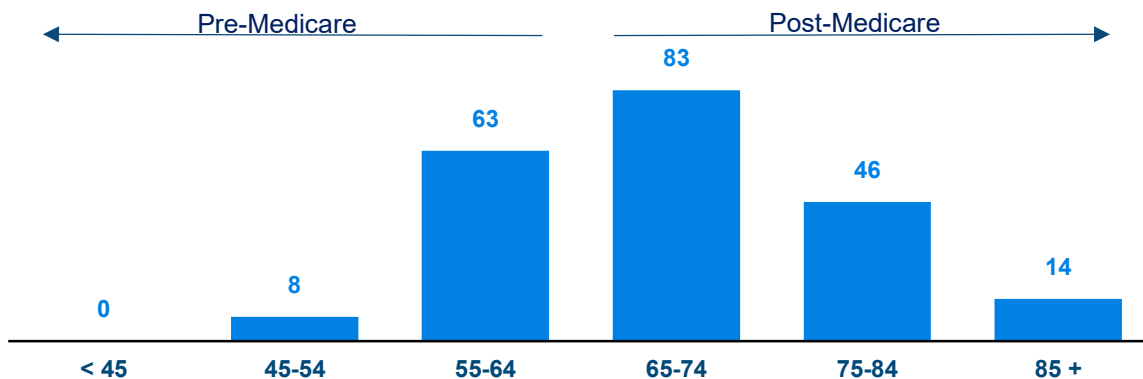
There are four basic categories of plan members included in the valuation: (1) terminated members who are no longer active, but have satisfied the service requirements to receive benefits in the future, (2) spouses and beneficiaries of members who are receiving benefits, (3) members who are receiving benefits and (4) active employees who have met the eligibility requirements for membership.



Members Receiving Benefits on April 1, 2022

Fire	63	Average Age	69.8
Police	68		
Town	60		
Cable Studio	4		
Building Inspection Fund	5		
Water & Sewer	14		
Total	214		

As of April 1, 2022, there were 214 members receiving benefits and 166 spouses/dependents receiving benefits. The members receiving benefits fall across a wide distribution of ages:



Section I - Executive Summary Membership (continued)

Active Members on April 1, 2022

Fire	31	Average Age	47.4
Police	49	Average Service	20.3
Town	31	Payroll	\$10,699,594
Cable Studio	1	Average Payroll	86,989
Building Inspection Fund	3		
Water & Sewer	<u>8</u>		
Total	123		

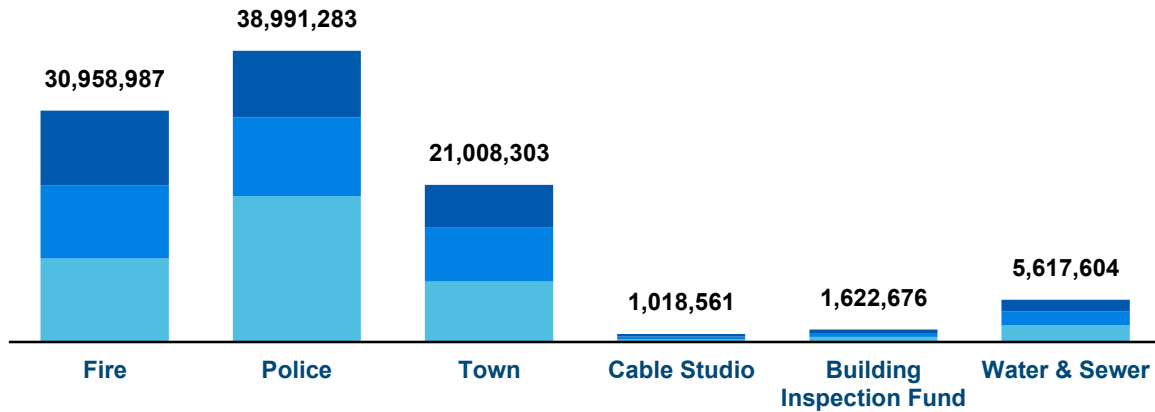
The table below illustrates the age and years of service of the active membership:

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34			1					1
35-39			5	7	1			13
40-44			7	22	10			39
45-49			1	2	22	9	1	35
50-54				1	5	6	1	13
55-59				4	5	3	2	14
60-64			1	2	2	1		6
65+				1	1			2
Total	0	0	15	39	46	19	4	123

Section I - Executive Summary Accrued Liability

The Accrued Liability as of April 1, 2022 is \$99,217,414, which consists of the following pieces:

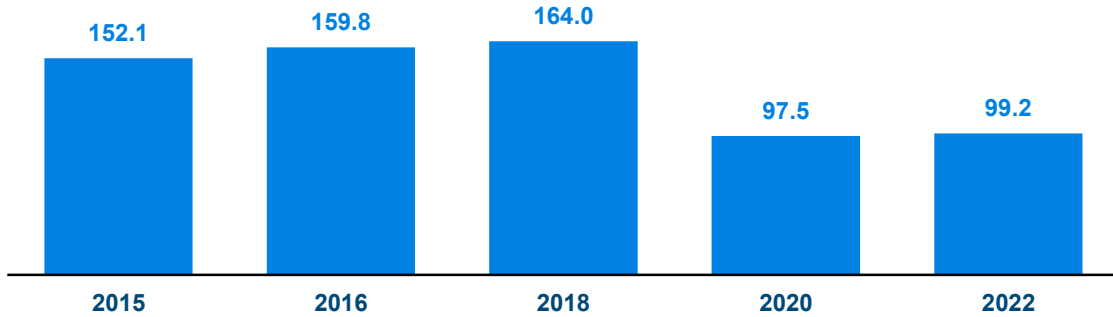
- Spouses/Dependents Receiving Benefits
- Members Receiving Benefits
- Active Members



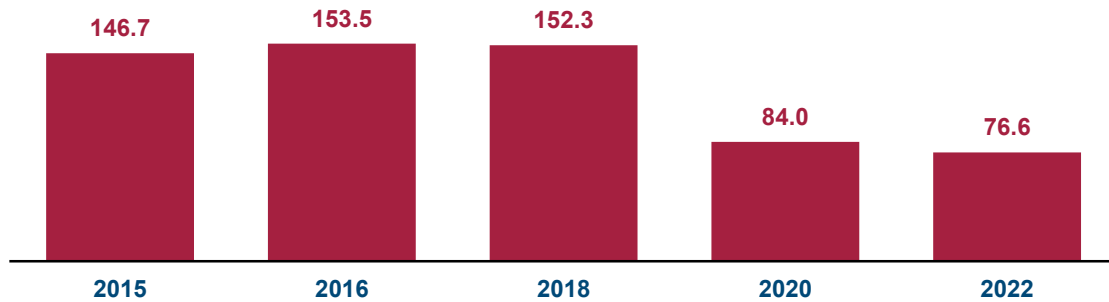
Section I - Executive Summary Funded Status

The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as members receive benefits; it may also change when there are changes to the plan provisions or changes in the actuarial assumptions. The Unfunded Accrued Liability is the dollar difference between the Accrued Liability and the Actuarial Value of Assets; the Funded Ratio is the ratio of the two.

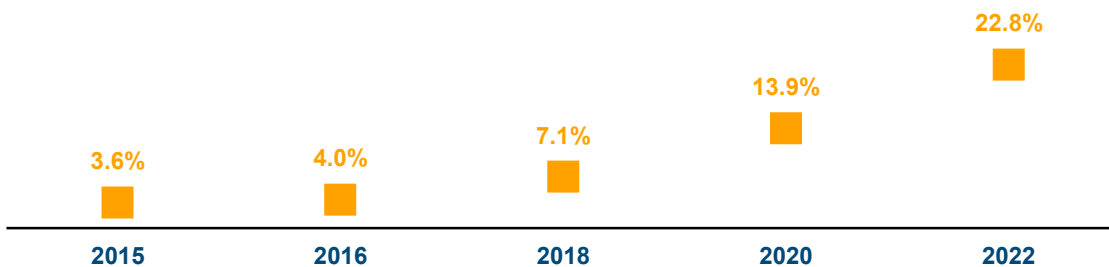
Accrued Liability (\$ millions)



Unfunded Accrued Liability (\$ millions)



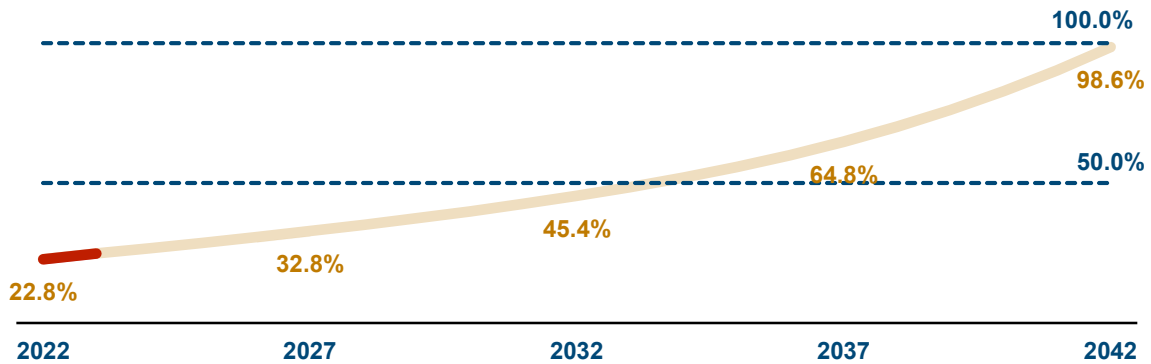
Funded Ratio



Section I - Executive Summary Long-Range Forecast

If the Township contributes \$1.25 million in excess of the benefit payments in accordance with the funding policy each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following changes in the plan's funded status and the long-range contribution levels:

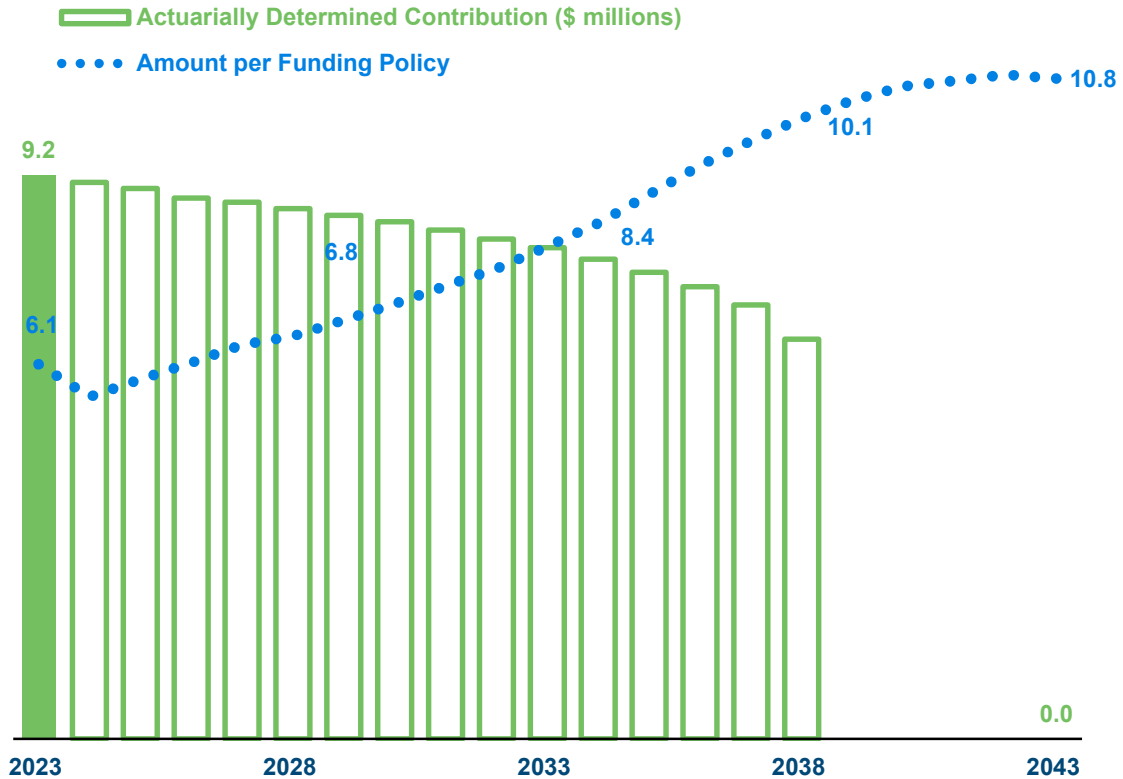
Funded Ratio



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary Long-Range Forecast (continued)

Benefits are paid for through a combination of contributions from the Township and from employees, and from investment income. If the Township pays less than the Actuarially Determined Contribution each year, or if the investments persistently earn less than the assumed interest rate, then the plan's funded status would suffer, and to compensate, the Township's contribution levels would be pushed higher. The risks of underfunding and underearning are illustrated in the hypothetical scenarios below:



The scenarios illustrated above are based on deterministic projections that assume emerging plan experience always exactly matches the actuarial assumptions; in particular that actual asset returns will be constant in every year of the projection period. Variation in asset returns, contribution amounts, and many other factors may have a significant impact on the long-term financial health of the plan, the liquidity constraints on plan assets, and the Township's future contribution levels. Stochastic projections could be prepared that would enable the Township to understand the potential range of future results based on the expected variability in asset returns and other factors. Such analysis was beyond the scope of this engagement.

Section I - Executive Summary Summary of Principal Results

Membership as of	April 1, 2020	April 1, 2022
Active Members	144	123
Members Receiving Benefits	<u>211</u>	<u>214</u>
Total Count	355	337
 Payroll	 \$11,397,160	 \$10,699,594
 Assets and Liabilities as of	 April 1, 2020	 April 1, 2022
Market Value of Assets	\$13,540,092	\$22,593,484
Accrued Liability for Active Members	39,277,994	41,916,119
Accrued Liability for Members Receiving Benefits	<u>58,264,660</u>	<u>57,301,295</u>
Total Accrued Liability	97,542,654	99,217,414
 Unfunded Accrued Liability	 84,002,562	 76,623,930
 Funded Ratio	 13.9%	 22.8%
 Actuarially Determined Contribution for Fiscal Year	 2021-22	 2023-24
Normal Cost	\$1,531,428	\$1,498,961
Past Service Cost	7,319,043	7,152,927
Interest	<u>531,028</u>	<u>519,114</u>
Actuarially Determined Contribution	9,381,499	9,171,002
 Allocated to Fire	 \$3,078,820	 \$3,206,317
Allocated to Police	3,637,691	4,219,640
Allocated to Town	2,387,538	1,807,020
Allocated to Cable Studio	(22,858)	(64,053)
Allocated to Building Inspection Fund	55,940	(47,787)
Allocated to Water & Sewer	<u>244,368</u>	<u>49,865</u>
Total	9,381,499	9,171,002

Section II - Plan Assets

A. Summary of Fund Transactions

	Public Safety	Town	Cable Studio	Building Inspection Fund	Water & Sewer	Total
Market Value on April 1, 2020	\$0	\$6,468,951	\$1,288,034	\$1,786,304	\$3,996,803	\$13,540,092
Township Contributions	0	6,400,569	21,916	64,159	530,249	7,016,893
Transfers	0	0	0	0	0	0
Net Investment Income	0	2,458,583	493,238	681,491	1,525,681	5,158,993
Benefit Payments	0	(3,900,569)	(21,916)	(64,159)	(285,881)	(4,272,525)
Administrative Expenses	0	(11,234)	(2,676)	(3,708)	(7,839)	(25,457)
Market Value on March 31, 2021	0	11,416,300	1,778,596	2,464,087	5,759,013	21,417,996
Market Value (Gain)/Loss, 2020-21	0	(1,995,718)	(416,029)	(574,423)	(1,278,807)	(4,264,977)
Approximate Rate of Return, 2020-21*	0.00%	31.87%	38.33%	38.19%	37.08%	34.63%
Market Value on April 1, 2021	0	11,416,300	1,778,596	2,464,087	5,759,013	21,417,996
Township Contributions	3,703,494	1,645,223	25,106	73,209	565,016	6,012,048
Transfers	6,286,377	(6,286,377)	0	0	0	0
Net Investment Income	(293,993)	127,403	(20,291)	(28,747)	(74,489)	(290,117)
Benefit Payments	(2,953,494)	(1,145,223)	(25,106)	(73,209)	(301,691)	(4,498,723)
Administrative Expenses	(3,693)	(17,452)	(5,009)	(6,939)	(14,627)	(47,720)
Market Value on March 31, 2022	6,738,691	5,739,874	1,753,296	2,428,401	5,933,222	22,593,484
Market Value (Gain)/Loss, 2021-22	504,993	382,209	127,086	176,168	426,406	1,616,862
Approximate Rate of Return, 2021-22*	-8.36%	1.50%	-1.14%	-1.17%	-1.27%	-1.31%

The rates shown here are not the dollar or time weighted investment yield rate which measures investment performance. They are an approximate net return assuming all activity occurred on average midway through the fiscal year.

Section III - Development of Contribution

A. Summary of Liabilities

We have calculated the Accrued Liability separately for 6 groups, who are eligible for different OPEB benefits. We have broken the accrued liability into several pieces: benefits that are expected to be paid prior to age 65 (i.e. prior to Medicare) and after age 65 (i.e. after Medicare) to current active members and their covered dependents after retirement, and the same figures for members who have already retired and are currently receiving benefits. In all cases, the Accrued Liability only reflects benefits that are paid for by the Township, taking into account any implicit rate subsidies.

	Fire	Police	Town	Cable Studio	Building Inspection Fund	Water & Sewer	Total
Current active members							
Members Under Age 65	\$2,829,126	\$5,502,595	\$1,934,969	\$79,397	\$18,988	\$576,177	\$10,941,252
Members Over Age 65	2,736,611	4,606,346	2,919,824	89,569	381,925	714,802	11,449,077
Spouses/Dependents Under Age 65	3,155,023	5,297,731	1,341,200	59,934	15,698	448,398	10,317,984
Spouses/Dependents Over Age 65	<u>2,434,428</u>	<u>4,091,296</u>	<u>1,882,673</u>	<u>67,099</u>	<u>248,699</u>	<u>483,611</u>	<u>9,207,806</u>
Total	11,155,188	19,497,968	8,078,666	295,999	665,310	2,222,988	41,916,119
Current members receiving benefits							
Members Under Age 65	2,001,934	2,649,109	1,168,135	161,949	162,289	241,873	6,385,289
Members Over Age 65	7,752,332	7,901,670	6,117,019	242,707	330,734	1,553,654	23,898,116
Spouses/Dependents Under Age 65	2,471,513	2,572,555	1,434,893	189,446	189,446	336,384	7,194,237
Spouses/Dependents Over Age 65	<u>7,578,020</u>	<u>6,369,981</u>	<u>4,209,590</u>	<u>128,460</u>	<u>274,897</u>	<u>1,262,705</u>	<u>19,823,653</u>
Total	19,803,799	19,493,315	12,929,637	722,562	957,366	3,394,616	57,301,295
Total Accrued Liability	30,958,987	38,991,283	21,008,303	1,018,561	1,622,676	5,617,604	99,217,414
Accrued Liability Sensitivity at April 1, 2022							
		1% Decrease		Baseline		1% Increase	
Discount Rate		114,154,878		99,217,414		87,121,071	
Trend Rate		86,912,363		99,217,414		114,618,706	

Section III - Development of Contribution

B. Actuarially Determined Contribution

The Actuarially Determined Contribution (ADC) for the OPEB program consists of three pieces: a **Normal Cost** (the cost of benefits earned each year should be accrued in that year) plus a **Past Service Cost** (a catch-up accrual to amortize the Unfunded Accrued Liability) plus **Interest** to reflect the timing lag between the valuation date and the fiscal year.

The amortization period is 20 years starting in 2018. The amortization method produces level annual payments. The ADC is assumed to be paid at the beginning of the Fiscal Year. On this basis, the ADC is determined as follows:

	Fire	Police	Town	Cable Studio	Building Inspection Fund	Water & Sewer	Total
Accrued Liability	\$30,958,987	\$38,991,283	\$21,008,303	\$1,018,561	\$1,622,676	\$5,617,604	\$99,217,414
Market Value of Assets*	2,982,448	3,756,243	5,739,874	1,753,296	2,428,401	5,933,222	22,593,484
Unfunded Accrued Liability	27,976,539	35,235,040	15,268,429	(734,735)	(805,725)	(315,618)	76,623,930
Funded Ratio	9.6%	9.6%	27.3%	172.1%	149.7%	105.6%	22.8%
Amortization Period	16	16	16	16	16	16	16
Amortization Growth Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Past Service Cost	2,611,640	3,289,229	1,425,324	(68,588)	(75,215)	(29,463)	7,152,927
Normal Cost	413,187	691,563	279,412	8,161	30,133	76,505	1,498,961
Interest	181,490	238,848	102,284	(3,626)	(2,705)	2,823	519,114
ADC for FY 2023-24	3,206,317	4,219,640	1,807,020	(64,053)	(47,787)	49,865	9,171,002
Expected Benefit Payouts	(1,465,913)	(1,456,819)	(992,631)	(41,413)	(86,544)	(276,404)	(4,319,725)

*The Public Safety trust fund contains funds for Fire and Police. This trust's assets are allocated to the individual groups based on their respective Accrued Liability in order to calculate the Actuarially Determined Contribution.

Section III - Development of Contribution

C. Valuation Results Using Uniform Actuarial Assumptions

The state of Michigan released Uniform Actuarial Assumptions that must be used in reporting liabilities for public Retiree Health Care plans. The below results were determined using the Pub-2010 Mortality Table with generational mortality improvement in accordance with Scale MP-2020. Separate medical trend tables are assumed for Pre/Post Medicare, beginning with 7.50% for Pre-Medicare and 5.75% for Post-Medicare. Both trend rates are assumed to decrease by 0.25% per year, until the ultimate rate of 4.50%. All other assumptions match those disclosed in Appendix B.

The amortization period is 20 years starting in 2018. The amortization method produces level annual payments. The ADC is assumed to be paid at the beginning of the Fiscal Year. On this basis, the ADC is determined as follows:

	Fire	Police	Town	Cable Studio	Building Inspection Fund	Water & Sewer	Total
Accrued Liability	\$30,421,410	\$38,604,131	\$20,520,453	\$1,011,266	\$1,589,333	\$5,490,663	\$97,637,256
Market Value of Assets*	2,969,922	3,768,769	5,739,874	1,753,296	2,428,401	5,933,222	22,593,484
Unfunded Accrued Liability	27,451,488	34,835,362	14,780,579	(742,030)	(839,068)	(442,559)	75,043,772
Funded Ratio	9.8%	9.8%	28.0%	173.4%	152.8%	108.1%	23.1%
Amortization Period	16	16	16	16	16	16	16
Amortization Growth Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Past Service Cost	2,562,626	3,251,919	1,379,783	(69,269)	(78,328)	(41,313)	7,005,418
Normal Cost	406,628	687,282	272,499	7,983	29,049	74,812	1,478,253
Interest	178,155	236,352	99,137	(3,677)	(2,957)	2,010	509,020
ADC for FY 2023-24	3,147,409	4,175,553	1,751,419	(64,963)	(52,236)	35,509	8,992,691
Expected Benefit Payouts	(1,483,428)	(1,474,036)	(1,003,418)	(42,060)	(87,489)	(279,424)	(4,369,855)

*The Public Safety trust fund contains funds for Fire and Police. This trust's assets are allocated to the individual groups based on their respective Accrued Liability in order to calculate the Actuarially Determined Contribution.

Section III - Development of Contribution C. Long Range Forecast

This forecast is based on the results of the April 1, 2022 actuarial valuation and assumes that the Township contributes \$1.25 million in excess of the benefit payments, in accordance with the funding policy, each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Values as of the Valuation Date				Fiscal Year	Cash Flows Projected to the Following Fiscal Year			
	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio		Township Contributions	Member Contributions	Benefit Payments	Net Cash Flows
4/1/2022	\$99,217,414	\$22,593,484	\$76,623,930	22.8%	2023-24	\$5,569,000	\$0	(\$4,319,000)	\$1,250,000
4/1/2023	101,502,000	25,186,000	76,316,000	24.8%	2024-25	5,856,000	0	(4,606,000)	1,250,000
4/1/2024	104,711,000	27,932,000	76,779,000	26.7%	2025-26	6,126,000	0	(4,876,000)	1,250,000
4/1/2025	107,768,000	30,842,000	76,926,000	28.6%	2026-27	6,418,000	0	(5,168,000)	1,250,000
4/1/2026	110,674,000	33,925,000	76,749,000	30.7%	2027-28	6,555,000	0	(5,305,000)	1,250,000
4/1/2027	113,394,000	37,191,000	76,203,000	32.8%	2028-29	6,818,000	0	(5,568,000)	1,250,000
4/1/2028	116,065,000	40,651,000	75,414,000	35.0%	2029-30	7,084,000	0	(5,834,000)	1,250,000
4/1/2029	118,562,000	44,317,000	74,245,000	37.4%	2030-31	7,374,000	0	(6,124,000)	1,250,000
4/1/2030	120,909,000	48,202,000	72,707,000	39.9%	2031-32	7,658,000	0	(6,408,000)	1,250,000
4/1/2031	123,013,000	52,317,000	70,696,000	42.5%	2032-33	8,017,000	0	(6,767,000)	1,250,000
4/1/2032	124,867,000	56,678,000	68,189,000	45.4%	2033-34	8,395,000	0	(7,145,000)	1,250,000
4/1/2033	126,391,000	61,298,000	65,093,000	48.5%	2034-35	8,863,000	0	(7,613,000)	1,250,000
4/1/2034	127,507,000	66,193,000	61,314,000	51.9%	2035-36	9,336,000	0	(8,086,000)	1,250,000
4/1/2035	128,100,000	71,380,000	56,720,000	55.7%	2036-37	9,737,000	0	(8,487,000)	1,250,000
4/1/2036	128,150,000	76,876,000	51,274,000	60.0%	2037-38	10,106,000	0	(8,856,000)	1,250,000
4/1/2037	127,675,000	82,699,000	44,976,000	64.8%	2038-39	10,399,000	0	(9,149,000)	1,250,000
4/1/2038	126,708,000	88,870,000	37,838,000	70.1%	2039-40	10,627,000	0	(9,377,000)	1,250,000
4/1/2039	125,310,000	95,408,000	29,902,000	76.1%	2040-41	10,715,000	0	(9,465,000)	1,250,000
4/1/2040	123,513,000	102,337,000	21,176,000	82.9%	2041-42	10,815,000	0	(9,565,000)	1,250,000
4/1/2041	121,468,000	109,678,000	11,790,000	90.3%	2042-43	10,752,000	0	(9,502,000)	1,250,000

Section III - Development of Contribution

E. Allocation of Contribution by Department

Contributions for the three enterprise funds (Cable Studio, Building Inspection Fund, and Water & Sewer) are shown on the preceding pages. Contributions for all other Township groups are allocated to each department on the basis of the Accrued Liability for members of the department relative to the total Accrued Liability. These percentages are shown below.

Department	Members	Vested	Pay Status	Total
Accounting	0.23%	0.00%	0.64%	0.87%
Assessing	0.95%	0.00%	1.12%	2.07%
Building Inspection	0.67%	0.00%	0.96%	1.64%
Buildings & Grounds	0.83%	0.00%	1.03%	1.86%
Cable Studio	0.30%	0.00%	0.73%	1.03%
Clerk	0.22%	0.00%	1.63%	1.85%
Dispatch	1.27%	0.00%	1.81%	3.07%
Fire	11.24%	0.54%	19.42%	31.20%
Information Technology	0.92%	0.00%	0.00%	0.92%
Motor Pool	1.16%	0.00%	2.10%	3.26%
Ordinance	0.00%	0.00%	0.13%	0.13%
Planning	0.19%	0.00%	0.45%	0.64%
Police	18.39%	0.39%	19.20%	37.98%
Road	2.90%	0.00%	3.71%	6.61%
Senior Services	0.34%	0.00%	0.01%	0.35%
Supervisor	0.20%	0.00%	0.12%	0.31%
Treasurer	0.21%	0.00%	0.33%	0.54%
Village Police	0.00%	0.00%	0.00%	0.00%
Water & Sewer	<u>2.24%</u>	<u>0.00%</u>	<u>3.42%</u>	<u>5.66%</u>
Total	42.25%	0.93%	56.82%	100.00%

Section III - Development of Contribution

D. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2013	\$1,608,647	\$145,072,520	\$143,463,873	1.1%
July 1, 2015	5,437,023	152,132,955	146,695,932	3.6%
July 1, 2016	6,339,197	159,793,469	153,454,272	4.0%
April 1, 2018	11,719,780	164,001,224	152,281,444	7.1%
April 1, 2020	13,540,092	97,542,654	84,002,562	13.9%
April 1, 2022	22,593,484	99,217,414	76,623,930	22.8%

Section III - Development of Contribution

E. History of Township Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Township Contribution	Contribution Deficiency (Excess)
2017-18	14,694,136	5,202,228	9,491,908
2018-19	14,979,038	5,796,653	9,182,385
2019-20	15,335,501	7,107,238	8,228,263
2020-21	15,335,501	7,016,893	8,318,608
2021-22	9,381,499	6,012,048	3,369,451
2022-23	9,381,499	TBD	TBD
2023-24	9,171,002	TBD	TBD

Section IV - Membership Data

A. Statistics of Active Membership

		As of April 1, 2020	As of April 1, 2022
Number of Active Members	Fire	35	31
	Police	45	49
	Town	47	31
	Cable Studio	3	1
	Building Inspection Fund	5	3
	Water & Sewer	<u>9</u>	<u>8</u>
	Total	144	123
Average Age	Fire	44.6	45.0
	Police	45.1	46.6
	Town	50.1	49.5
	Cable Studio	55.6	45.6
	Building Inspection Fund	57.6	64.5
	Water & Sewer	<u>44.0</u>	<u>47.0</u>
	Total	47.2	47.4
Average Service	Fire	18.4	19.3
	Police	19.4	20.7
	Town	18.7	21.0
	Cable Studio	21.8	24.2
	Building Inspection Fund	16.1	17.5
	Water & Sewer	<u>18.3</u>	<u>20.3</u>
	Total	18.8	20.3

Section IV - Membership Data

B. Distribution of Active Members as of April 1, 2022

Fire

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34			1					1
35-39			5		1			6
40-44			2	3	2			7
45-49			1	1	7	2		11
50-54					1	3		4
55-59					2			2
60-64								0
65+								0
Total	0	0	9	4	13	5	0	31

Police

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34								0
35-39				3				3
40-44			3	14	4			21
45-49					11	2		13
50-54				1	2	2	1	6
55-59					1	3	1	5
60-64					1			1
65+								0
Total	0	0	3	18	19	7	2	49

Town

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34								0
35-39				3				3
40-44			2	3	3			8
45-49				1	3	4	1	9
50-54					1			1
55-59				4	1		1	6
60-64			1		1	1		3
65+					1			1
Total	0	0	3	11	10	5	2	31

Section IV - Membership Data

B. Distribution of Active Members as of April 1, 2022

Cable Studio

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34								0
35-39								0
40-44								0
45-49					1			1
50-54								0
55-59								0
60-64								0
65+								0
Total	0	0	0	0	1	0	0	1

Building Inspection Fund

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34								0
35-39								0
40-44								0
45-49								0
50-54								0
55-59								0
60-64				2				2
65+				1				1
Total	0	0	0	3	0	0	0	3

Water & Sewer

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34								0
35-39				1				1
40-44				2	1			3
45-49						1		1
50-54					1	1		2
55-59					1			1
60-64								0
65+								0
Total	0	0	0	3	3	2	0	8

Section IV - Membership Data

C. Information on Members Receiving Benefits

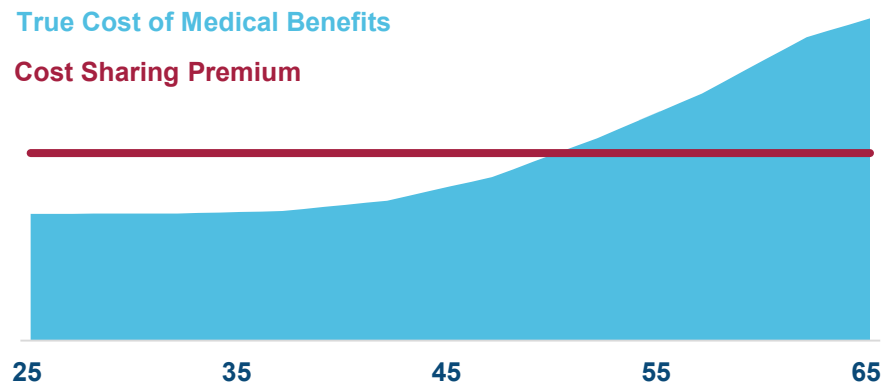
	As of April 1, 2020	As of April 1, 2022
Members Receiving Benefits		
Number		
Fire	63	63
Police	67	68
Town	59	60
Cable Studio	2	4
Building Inspection Fund	6	5
Water & Sewer	<u>14</u>	<u>14</u>
Total	211	214
Average Age		
Fire	68.3	69.4
Police	69.6	69.0
Town	69.4	70.3
Cable Studio	72.3	68.8
Building Inspection Fund	74.5	71.7
Water & Sewer	<u>71.5</u>	<u>73.5</u>
Total	69.4	69.8
Spouses/Dependents Receiving Benefits		
Number		
Fire	50	62
Police	51	54
Town	33	36
Cable Studio	0	1
Building Inspection Fund	2	3
Water & Sewer	<u>13</u>	<u>10</u>
Total	149	166
Average Age		
Fire	64.2	67.0
Police	64.9	66.1
Town	64.1	67.1
Cable Studio	N/A	52.0
Building Inspection Fund	58.0	71.9
Water & Sewer	<u>69.1</u>	<u>68.0</u>
Total	64.8	65.8

Section V - Healthcare Information

A. Introduction

In many cases, the cost sharing premium is lower than the true cost of providing the medical benefits, for two reasons:

- The cost sharing premium is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:



- The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit rate subsidy." GASB 74 and 75 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by Milliman's health actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed in this report. We term this amount the "gross liability."

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the Other Post-Employment Benefits Program – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors. We term this amount the "offset liability."

Finally, the net liability for the Township is calculated as the difference between the gross liability and the offset liability.

Section V - Healthcare Information

B. Current Premiums

The annual medical premiums are shown below.

	Employee	Spouse	Effective Date
Pre-65 Medical Plan			
HRA/HSA	\$8,248.32	\$16,991.76	4/1/2022
Post-65 Medical Plan			
HRA	7,042.20	14,507.04	4/1/2022
PPO	6,978.96	7,386.24	4/1/2022
Dental Plan			
Dental	519.24	867.48	4/1/2022

Section V - Healthcare Information

C. Expected Healthcare Costs

Milliman's Health Cost Guidelines were used to develop the expected true cost of healthcare benefits by age and gender, separately for employees and spouses. Representative healthcare cost factors were developed with the April 1, 2020 actuarial valuation and are shown in the table below. These factors were then applied to the plan's healthcare rates for the year beginning April 1, 2022 to arrive at the expected annual per capita claims costs for a 65-year-old, which are also shown below.

HRA

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.5754	0.9390	0.5273	0.6703
55	0.6852	0.8229	0.6829	0.8140
65	1.0000	1.0000	1.0000	1.0000
75	1.2167	1.1298	1.2167	1.1298
85	1.2363	1.1025	1.2363	1.1025

Age 65 per capita claims cost

Pre-Medicare	\$20,654.59	\$18,388.10	\$18,350.49	\$17,022.64
Medicare	6,266.77	6,019.26	6,382.74	6,130.65

PPO

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.5754	0.9390	0.4703	0.6268
55	0.6852	0.8229	0.6449	0.7896
65	1.0000	1.0000	1.0000	1.0000
75	1.2167	1.1298	1.2167	1.1298
85	1.2363	1.1025	1.2363	1.1025

Age 65 per capita claims cost

Medicare	\$6,144.72	\$5,902.04	\$5,933.72	\$5,699.36
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Dental

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.6001	0.6932	0.6348	0.7198
55	0.7579	0.8363	0.7791	0.8505
65	1.0000	1.0000	1.0000	1.0000
75	1.1241	1.0629	1.1125	1.0572

Age 65 per capita claims cost

Dental	\$637.41	\$642.15	\$706.50	\$711.19
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Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the Entry Age Normal Method. The Actuarially Determined Contribution consists of three pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus Interest to reflect the timing of the contribution relative to the valuation date.

The Normal Cost is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The Unfunded Accrued Liability is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level dollar amount over a closed 20 year period starting April 1, 2018. The amortization period will not be less than 10 years in order to shield the Township from contribution volatility.

The long-range forecasts included in this report have been developed by assuming that members will terminate, retire, become disabled, and die according to the actuarial assumptions with respect to these causes of decrement, and that pay increases, cost of living adjustments, and so forth will likewise occur according to the actuarial assumptions.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest Rate 6.00%

Inflation 2.50%

Amortization Growth Rate 0.00%

Medical Trend The medical trend assumption used in this valuation is based on long-term healthcare trend rates generated by the Society of Actuaries' Getzen Trend Model and was developed with the April 1, 2020 actuarial valuation. Inputs to the model are consistent with other assumptions used in the valuation.

Year Beginning	Rate
2020 to 2021	6.30%
2021 to 2022	5.60%
2022 to 2027	5.00%
2027 to 2030	4.90%
2030 to 2039	5.00%
2039 to 2048	5.10%
2048 to 2049	5.20%
2049 to 2051	5.10%
2051 to 2059	5.00%
2059 to 2065	4.90%
2065 to 2066	4.80%
2066 to 2067	4.70%
2067 to 2069	4.60%
2069 to 2070	4.50%
2070 to 2072	4.40%
2072 to 2074	4.30%
2074 +	4.20%

Dental Trend 3.00%

Appendix B - Actuarial Assumptions

Mortality

Police and Fire:

PubS-2010 Mortality Table with generational projection per the MP-2021(Prior: MP-2019) scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.

Others:

PubG-2010 Mortality Table with generational projection per the MP-2021(Prior: MP-2019) scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.

Turnover

50% of Prudential Scale ½ A

Age	Male	Female
20	2.500%	3.750%
25	2.500%	3.750%
30	1.875%	2.500%
35	1.250%	1.875%
40	0.750%	1.250%
45	0.375%	0.625%
50 & Over	0.000%	0.000%

Disability

Table C-4 of TSA Volume XXXIX, 100% of the 6-month rates:

Age	Male	Female
20	0.080%	0.100%
30	0.099%	0.140%
40	0.176%	0.276%
50	0.540%	0.622%
60	1.477%	1.179%

All disabilities are assumed to be Service-Connected.

The turnover and disability assumptions are based on the January 1, 2020 Actuarial Valuation Report of the Township of Bloomfield Retirement Income Plan.

Appendix B - Actuarial Assumptions

Retirement

Fire:

For members hired after March 31, 1999 who retire with less than 25 Years of Service:

Age	Rate
52-64	5%
65	100%

Otherwise:

Age	Rate
52	20%
53-54	10%
55-56	30%
57-64	50%
65	100%

Police:

For members hired after March 31, 1999 who retire with less than 25 Years of Service:

Age	Rate
50-62	5%
63	100%

Otherwise:

Age	Rate
50-51	35%
52-54	10%
55-56	30%
57-62	50%
63	100%

Appendix B - Actuarial Assumptions

Retirement

Others: 25% at the earlier of age 52 with 25 years of service or 30 years of service; at all other ages (with at least 15 years of service):

Age	Rate
< 53	5%
54	7%
55	10%
56-59	15%
60-61	25%
62	30%
63-64	15%
65-69	50%
70	100%

Future Retiree Coverage

All active and former vested members are assumed to elect coverage at retirement.

Future Dependent Coverage

Current active members are assumed to elect dependent coverage at retirement as follows. All female spouses are assumed to be 3 years younger than males.

	Male	Female
Fire	95%	95%
Police	90%	90%
Town	80%	50%

Future Post-65 Coverage

All current actives and pre-65 retirees are assumed to continue coverage at age 65.

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility

Fire

Members who retire from active service at age 52 or older, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before age 52 with 15 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Normal Retirement for pension purposes is age 52 with 8 years of service.

Effective with hire date after May 1, 2011, employees shall have their retiree healthcare provided through a Retirement Health Savings Plan.

Police / Police Command

Hire date prior to April 1, 1999:

Members who retire from active service on or after Normal Retirement, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before Normal Retirement with 25 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of Normal Retirement Date (age 50).

Members who terminate before Normal Retirement with between 15 and 25 years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Effective for retirement from active service on or after June 7, 2006, eligibility for retiree health insurance is the earlier of age 50 with 25 years of service, or age 52 with 10 years of service, as long as the member has satisfied the minimum requirements to retire as defined in the Township defined benefit pension plan.

Appendix C - Summary of Plan Provisions

Eligibility

Police / Police Command

Hire date after March 31, 1999:

Members who retire from active service at age 50 or older and with 25 or more years of service, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before age 50, but who have 25 years of service, are eligible for post-retirement medical and dental benefits upon the attainment of age 50.

Members who terminate with between 15 and 25 years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Effective with hire date after May 1, 2011, employees shall have their retiree healthcare provided through a Retirement Health Savings Plan.

Town

Hire date prior to April 1, 1999:

Members who retire from active service at age 55 or older, can elect to continue medical and dental coverage for self and spouse, as long as the member has satisfied the minimum requirements to retire as defined in the Township defined benefit pension plan.

Members who retire from active service at age 52 with 15 years of service, or 30 years of service regardless of age, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before normal retirement with 15 or more years of service, are eligible for post-retirement medical and dental benefits upon the attainment of normal retirement date.

Normal Retirement for Library is age 55 with 8 years of service.

Normal Retirement for Town Others is the earlier of age 52 with 8 years of service, or completion of 30 years of service regardless of age.

Appendix C - Summary of Plan Provisions

Eligibility

Town

Hire date after March 31, 1999:

Members who retire on or after normal retirement with 15 or more years of service, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before normal retirement with 15 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of normal retirement date.

Effective with hire date after May 1, 2011, employees shall have their retiree healthcare provided through a Retirement Health Savings Plan.

Cost Sharing

Fire

Hire date prior to April 1, 1999:

An employee who retires from active service at age 52 or older who has satisfied the minimum requirements to retire as defined in the Township pension plan qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions

Cost Sharing

Fire

Hire date after March 31, 1999:

An employee who retires on or after Normal Retirement with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement with 25 years of Service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who retires on or after Normal Retirement or terminates prior to Normal Retirement and has between 15 and 25 Years of Service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions

Cost Sharing

Police / Police Command

Hire date prior to April 1, 1999:

An employee who retires from active service on or after Normal Retirement and who has satisfied the minimum requirements to retire as defined in the Township pension plan qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement (age 50) at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at age 52. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Retiree's contributions for employees who retire on or after July 1, 2009 are the greater of:

- \$100 per year for single (\$200 per year for family), or
- The above schedule

Appendix C - Summary of Plan Provisions

Cost Sharing

Police / Police Command

Hire date after March 31, 1999:

An employee who retires directly from the Township at age 50 or older with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to age 50 with 25 years of service qualifies for post-retirement health insurance at age 50 at no cost.

An employee who retires at age 52 or terminates prior to age 52, and who has between 15 and 25 years of service, qualifies for post-retirement health insurance at age 52. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Retiree's contributions for employees who retire on or after July 1, 2009 are the greater of:

- \$100 per year for single (\$200 per year for family), or
- The above schedule

Appendix C - Summary of Plan Provisions

Cost Sharing

Town

Hire date prior to April 1, 1999:

An employee who retires from active service at the earlier of age 55 or 30 years of service regardless of age, and who has satisfied the minimum requirements to retire as defined in the Township pension plan, qualifies for post-retirement health insurance at no cost.

An employee who retires from active service between age 52 and 55 with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who retires between age 52 and 55 and has between 15 and 25 years of service qualifies for post-retirement health insurance. Retiree's contributions are based on the following schedule (contribution will stop when retiree reaches age 55):

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions

Cost Sharing

Town

Hire date prior to April 1, 1999:

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions

Cost Sharing

Town

Hire date after March 31, 1999:

An employee who retires from active service on or after Normal Retirement with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who retires on or after Normal Retirement, or terminates prior to Normal Retirement, and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions

Disability

Fire

An employee who is eligible for early retirement and suffers a service-connected disability shall receive the same post-retirement health and dental insurance benefits that are available to an employee who retires on or after their Normal Retirement Date. An employee who is not eligible for early retirement and suffers a service-connected disability shall receive post-retirement health and dental insurance benefits for 54 months only.

Police / Police Command

An employee who suffers a service-connected disability shall receive post-retirement health benefits for 54 months only. An employee who suffers a non service-connected disability shall receive post-retirement health benefits for 30 months only.

Life Insurance

Fire / Police: \$6,000

Police Command: \$8,000

Town: \$8,000

Appendix D - Glossary

Actuarial Cost Method - This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Actuarial Accrued Liability and the Normal Cost.

Accrued Liability - This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).

Actuarial Assumptions - With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the interest rate, salary scale, and rates of mortality, turnover and retirement.

Actuarial Present Value of Benefits - This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.

Actuarial Value of Assets - This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.

Actuarially Determined Contribution (“ADC”) - This is the employer’s periodic contributions to a defined benefit plan, calculated in accordance with actuarial standards of practice.

Attribution Period - The period of an employee’s service to which the expected benefit obligation for that employee is assigned. The beginning of the attribution period is the employee’s date of hire and costs are spread across all employment.

Interest Rate - This is the long-term expected rate of return on any investments set aside to pay for the benefits. In a financial reporting context (e.g., GASB 68) this is termed the Discount Rate.

Normal Cost - This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.

Past Service Cost - This is a catch-up payment to fund the Unfunded Accrued Liability over time (generally 10 to 30 years). A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each valuation date. Also known as the Amortization Payment.

Return on Plan Assets - This is the actual investment return on plan assets during the fiscal year.

Unfunded Accrued Liability - This is the excess of the Accrued Liability over the Actuarial Value of Assets.