



CITY OF STAMFORD OPEB PLAN

ACTUARIAL VALUATION REPORT

JULY 1, 2017



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Certification

This report presents the results of the July 1, 2017 Actuarial Valuation for post-retirement benefits other than pension (OPEB) for City 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 year ending 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 City. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the Plan Provisions section of this report and the actuarial assumptions and methods detailed in the Description of Actuarial Methods and Assumptions section of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of this report, an analysis of the potential range of such future measurements has not been performed.

I have no relationship with the employer or the Plan that would impair, or appear to impair, my objectivity in performing the work presented in this report. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Evan W. Woollacott, Jr. FCA, MAAA,
Enrolled Actuary 17-04513

April 5, 2018



Executive Summary

The July 1, 2017 accrued liability of \$306,365,000 is slightly higher than anticipated. The additional liability is primarily due to the change in discount rate from 7.5% to 7.2% and the inclusion of the Custodian Liabilities. In addition, we made some other assumption changes including Inflation and Medical Trend.

Schedule of Funding Status and Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll	UAL as a Percentage of Covered Payroll
7/1/2014	\$38,031,000	\$233,041,000	\$195,010,000	16%	\$85,979,000	227%
7/1/2015	46,738,000	242,622,000	195,884,000	19%	88,129,000	222%
7/1/2016	54,664,000	279,009,000	224,345,000	20%	84,862,000	264%
7/1/2017*	79,181,000	306,365,000	227,184,000	26%	94,374,000	241%

History of Actuarially Determined Employer Contribution (ADEC)	
Year Ended June 30	Actuarially Determined Employer Contribution (ADEC)
2014	\$22,605,000
2015	23,304,000
2016	22,047,000
2017	21,891,000
2018	25,097,000
2019*	26,418,000

**Includes Custodians*



Unfunded Accrued Liability and Actuarially Determined Employer Contribution

Unfunded Accrued Liability (UAL)							
Actuarial Accrued Liability 7/1/2017	CERF City	CERF BoE	CERF WPCA	Police	Fire	Custodians	Grand Total
Actives	\$45,772,000	\$7,041,000	\$2,693,000	\$51,008,000	\$34,960,000	\$5,557,000	\$147,031,000
Retirees	<u>41,850,000</u>	<u>5,702,000</u>	<u>1,973,000</u>	<u>57,959,000</u>	<u>47,345,000</u>	<u>4,505,000</u>	<u>159,334,000</u>
Total	87,622,000	12,743,000	4,666,000	108,967,000	82,305,000	10,062,000	306,365,000
Assets 7/1/2017	<u>22,631,000</u>	<u>3,291,000</u>	<u>1,259,000</u>	<u>28,144,000</u>	<u>21,257,000</u>	<u>2,599,000</u>	<u>79,181,000</u>
Unfunded Accrued Liability (UAL) 7/1/2017	64,991,000	9,452,000	3,407,000	80,823,000	61,048,000	7,463,000	227,184,000
Funded Ratio	25.8%	25.8%	27.0%	25.8%	25.8%	25.8%	25.8%

Actuarially Determined Employer Contribution (ADEC)							
2018 / 2019 Fiscal Year ADEC	CERF City	CERF BoE	CERF WPCA	Police	Fire	Custodians	Grand Total
Normal Cost	\$2,577,000	\$486,000	\$192,000	\$2,987,000	\$2,026,000	\$348,000	\$8,616,000
Employee Contributions	0	0	0	(196,000)	0	0	(196,000)
Amortization of UAL	5,103,000	742,000	268,000	6,347,000	4,794,000	586,000	17,840,000
Interest	<u>46,000</u>	<u>7,000</u>	<u>3,000</u>	<u>55,000</u>	<u>41,000</u>	<u>6,000</u>	<u>158,000</u>
Total ADEC 2018 / 2019	7,726,000	1,235,000	463,000	9,193,000	6,861,000	940,000	26,418,000



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

Participant Counts			
Group	Active Participants	Retirees*	Total
CERF City	480	339	819
CERF BoE	78	59	137
CERF WPCA	32	13	45
Police	264	229	493
Fire	257	207	464
Custodians	132	55	187
Total	1,243	902	2,145

*Does not include spouses of existing retirees or 172 individuals without medical coverage.

Average Age		
Group	Active Average Age	Retiree Average Age
CERF City	51.7	76.3
CERF BoE	53.6	77.6
CERF WPCA	54.7	69.2
Police	45.6	69.7
Fire	45.9	73.5
Custodians	55.5	79.4



Participant Counts and Average Attained Age As of July 1, 2016

Participant Counts			
Group	Active Participants	Retirees*	Total
CERF City	490	361	851
CERF BoE	68	64	132
CERF WPCA	33	14	47
Police	272	224	496
Fire	274	198	472
Custodians	134	62	196
Total	1,271	923	2,194

*Does not include spouses of existing retirees or 167 individuals without medical coverage.

Average Age		
Group	Active Average Age	Retiree Average Age
CERF City	51.6	74.7
CERF BoE	54.5	78.5
CERF WPCA	53.4	66.0
Police	44.9	68.5
Fire	45.8	73.3
Custodians	55.0	78.5



Projected Benefit Payments

Fiscal Year Beginning July 1st	Currently Active Employees	Currently Retired Employees	Total
2018	\$3,169,000	\$11,879,000	\$15,048,000
2019	4,352,000	12,036,000	16,388,000
2020	5,934,000	12,713,000	18,647,000
2021	7,325,000	12,739,000	20,064,000
2022	8,629,000	12,949,000	21,578,000
2023	9,957,000	12,912,000	22,869,000
2024	11,091,000	12,944,000	24,035,000
2025	12,417,000	12,982,000	25,399,000
2026	13,732,000	13,058,000	26,790,000
2027	14,995,000	13,031,000	28,026,000
2028	16,258,000	12,851,000	29,109,000
2029	17,242,000	12,666,000	29,908,000
2030	18,142,000	12,538,000	30,680,000
2031	19,000,000	12,473,000	31,473,000
2032	20,644,000	12,427,000	33,071,000
2033	21,719,000	12,209,000	33,928,000
2034	22,614,000	12,064,000	34,678,000
2035	23,282,000	11,900,000	35,182,000
2036	24,477,000	11,700,000	36,177,000
2037	25,464,000	11,413,000	36,877,000



Target Allocation and Expected Rates of Return

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
Core Fixed Income	16.70%	1.65%	0.28%
High Yield Fixed Income	5.50%	3.05%	0.17%
Global Fixed Income	5.50%	1.85%	0.10%
Domestic Large Cap	32.60%	5.55%	1.81%
Domestic Small Cap	5.20%	6.00%	0.31%
Intl Developed Equity	27.50%	5.55%	1.53%
Intl Emerging Markets Equity	<u>7.00%</u>	6.50%	<u>0.46%</u>
	100.00%		4.66%
Long-Term Inflation Expectation			<u>2.25%</u>
Long-Term Expected Nominal Return			6.91%

**Long-Term Returns are provided by FIA. The returns are geometric means.*

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the OPEB plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 6.75% and 7.25%. An expected rate of return of 7.2% was used.



Description of Actuarial Methods

Asset Valuation Method

Plan Assets equal the Market Value of assets.

Actuarial Cost Method

Changes in Actuarial Cost Method: None.

Description of Current Actuarial Cost Method: Projected Unit Credit

Normal Cost: The normal cost is derived for each active participant as the actuarial present value of the projected benefits that are attributed to the expected service in the current year. The normal cost for plan benefits is the total of the individual normal costs for active participants.

Unfunded Accrued Liability: The actuarial accrued liability equals the present value of future benefits that is allocated to years of service before the valuation date. The actuarial accrued liability is reduced by plan assets to develop the unfunded accrued liability.

The Unfunded Accrued Liability is amortized each year over 20 years on an open basis, as a level percentage. A 2% amortization growth assumption was used.



Description of Actuarial Assumptions

Changes in Actuarial Assumptions as of July 1, 2017

The valuation reflects changes in the actuarial assumptions listed below (the assumptions used before and after these changes are more fully described in the next section).

- Interest
- Inflation
- Healthcare Cost Trend Rate

Discount Rate

7.2% per annum. (Prior: 7.5%)

The discount rate is based on the expected long-term return of plan assets for OPEB plans that are funding.

Inflation

2.6%. (Prior: 2.75%)

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.

The assumption was changed to better reflect expected experience.

Mortality

CERF & WPCA: RP-2000 Mortality Table with separate male and female rates, with 50% blue collar adjustment and 50% no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale BB.

Custodians, Police & Fire: RP-2000 Mortality Table with separate male and female rates, with blue collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale BB.

Mortality Improvement

CERF & WPCA: Projected to date of decrement using Scale BB (generational mortality).

Custodians, Police & Fire: Projected to date of decrement using Scale BB (generational mortality).

We have selected a mortality assumption commonly used by public pension systems (such as the State of Massachusetts). The plan does not have sufficiently credible data on which to perform a mortality experience study.



Actuarial Assumptions (continued)

Separation from Employment

Annual rates of withdrawal and disability are as follows:

Withdrawal			
Age	Classified and WPCA Employees	Custodians and Firefighters**	Disability (all but Police)
20	.1060	.0544	.0005
25	.0790	.0489	.0005
30	.0580	.0370	.0005
35	.0420	.0235	.0006
40	.0310	.0113	.0009
45	.0210	-	.0018
50	.0130	-	.0040
55	.0050	-	.0085
60	-	-	-*

* .0174 for Firefighters only.

** No turnover for Firefighters after age 35.

Police		
Age	Withdrawal	Disability
20	.018133	.0030
25	.016300	.0030
30	.012333	.0030
35	.007833	.0036
40	-	.0054
45	-	.0108
50	-	.0240
55	-	.0510
60	-	.1044

Retirement

CERF & WPCA: Annual rates of retirement for CERF and WPCA, after reaching retirement eligibility, are as follows:

CERF and WPCA	
Age	Retirement
50-61	.05
62-65	1.00



Actuarial Assumptions (continued)

Retirement (continued)

Police:

Service	Rate
20	13%
21	11%
22	8%
23	7%
24	7%
25	7%
26	7%
27	8%
28	8%
29	8%
30	11%
31	13%
32	14%
33	13%
34	19%
35	20%
36	21%
37	17%
38	16%
39	18%
40	24%
41	24%
42	27%
43	21%
44	25%
45	22%
46	35%
47	50%

100% are assumed to retire at age 65.



Retirement (continued)

Prior below:

Police	
Age	Retirement
55	.50
56	.50
57	.50
58	.50
59	.50

An additional 50% probability of retirement is added upon attainment of 20 years of service and 100% of those members remaining beyond the earlier of age 60 with 25 years of service or age 65 are assumed to retire.

Firefighters:

Retirement Rates by Years of Service*	
Years	Rate
25	0.040
26	0.000
27	0.040
28	0.040
29	0.040
30	0.040
31	0.040
32	0.180
33	0.110
34	0.380
35	0.100
36	0.220
37	0.000
38	0.290
39	0.200
40	1.000

* Retirement rate at age 65 is 1.00



Actuarial Assumptions (continued)

Retirement (continued)

Custodians:

Retirement	
Years	Rate*
60	0.20
61	0.05
62	0.20
63	0.20
64	0.20
65	0.20
66	0.20
67	0.20
68	0.20
69	0.20
>=70	1.00

* Custodians receive a one-time rate of 50% at 25 years of service.

The actuarial assumptions in regards to rates of decrement shown above are based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The assumptions for Police are based on the results of an actuarial experience study for the period 2008-2014.

Unit Costs

The 2017 assumed annual average per-capita incurred medical unit costs are as follows:

Current Retirees:

Plan	CIGNA & Medco		IPI & Medco	
	Single	Dual	Single	Dual
Pre-Medicare	\$17,926	\$35,852	\$7,858	\$15,716
Post-Medicare	9,909	19,819	7,858	15,716

Future Retirees:

Plan	CIGNA & Medco		Police & Fire HDHP	
	Single	Dual	Single	Dual
Pre-Medicare	\$14,164	\$28,327	\$12,184	\$24,362
Post-Medicare	7,738	15,475	8,034	16,067

Allocation rates were used as the basis for per capita costs. The average allocation rates were derived by reflecting participation among the various plans offered by the employer.



Actuarial Assumptions (continued)

Sample per capita claims

Active Pre-65

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$9,060	\$12,628
50	11,831	14,714
55	15,525	17,141
60	20,000	19,992
64	24,424	23,404

Retiree Pre-65

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$8,456	\$11,786
50	11,042	13,733
55	14,490	15,998
60	18,667	18,659
64	22,796	21,844

Retiree Post-65 (IPI)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	6,195	5,871
70	7,102	6,724
75	7,721	7,334
80	8,121	7,756
85	8,172	7,807

Retiree Post-65 (Cigna)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	8,473	8,029
70	9,714	9,196
75	10,560	10,030
80	11,107	10,607
85	11,176	10,678



Actuarial Assumptions (continued)

The sample per capita claim for plans not integrated with Medicare was developed as follows: Using the total count of active participants eligible for post-retirement medical benefits and retirees currently electing medical coverage in a non-medicare supplement plan, we calculate the total projected claims by multiplying the total count by the average annual premium. Using the cost increases derived from a study sponsored by the Society of Actuaries prepared by Dale H. Yamamoto from May 2013: "Health Care Costs from Birth to Death", we allocate the total projected claims by age and gender.

Health Care Cost Trend Rates

Medical: 7.1% in 2017, decreasing 0.5% per year to an ultimate rate of 4.6% in 2022.

(Prior: 7.5% in 2016, decreasing 0.5% per year to an ultimate rate of 4.5% in 2022.)

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

Retiree Contribution

Some current retirees have flat amounts with no future increases assumed. Other retirees and future retirees have percentage contributions, which are assumed to increase periodically with the Health Care Cost Trend.

Effective July 1, 2016, all active police employees shall contribute one percent of the Top Step Patrol Rate.

Medicare Coordination

For those participants who are eligible for Medicare, Medicare is assumed to remain the primary payor of medical benefits for retirees and spouses over age 65.

Medical Plan Enrollment and Dependent Assumption

Reported data was used to identify current covered retirees, spouses and surviving spouses. All active employees were assumed to elect coverage under the CIGNA Plans and be eligible for Medicare upon attainment of age 65. We assumed 60% of active members are married. Husbands are assumed to be four years older than their wives. Married participants were assumed to elect dual coverage.

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



Actuarial Assumptions (continued)

Patient Protection and Affordable Care Act (PPACA)

High Cost Plan Excise Tax (“Cadillac Tax”): Effective in 2022, there will be a 40% excise tax on per capita medical benefit costs in excess of certain thresholds, which (in 2018) are \$10,200 for single coverage and \$27,500 for family coverage for Medicare eligible retirees. Thresholds (in 2018) for retirees who are between ages 55 and 65 are \$11,850 and \$30,950 for single and family coverage respectively. After 2018, the thresholds are indexed by CPI (CPI +1% in 2018 only). CPI is assumed to equal the inflation assumption.

The impact of this future excise tax has been reflected in plan liabilities.

Other Requirements of PPACA:

For purposes of this valuation, extended coverage for adult children and 100% coverage of preventive care are assumed to be reflected in per capita costs.

For purposes of this valuation, elimination of lifetime maximum benefits and removal of the limits on essential healthcare are assumed to have no impact on plan liabilities.

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



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. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Retirement Eligibility

Police: 20 years of service.

Firefighters: 20 years of service, or;
Age 48 with 20 years of service if hired after January 1, 1981.

CERF: Age 50 and 25 years of service, or;
Age 58 and 15 years of service (except for UE hired after 7/1/2012 and non-grandfathered UAW after 1/1/2015), or;
Age 60 and 10 years of service, or;
25 years of service for MAA only.

Custodians: Age 60 and 10 years of service, or;
25 years of service.

Medical

Existing Retirees: Various cost shares as provided by the City via the retiree census data.

Future Retirees: Cost shares as detailed in **Appendix A**.

Life Insurance

Firefighters: The City shall provide and pay for a life insurance policy in the face amount of \$4,000.00 for each retired employee.

Police: For current and future retirees, the liability for life insurance has been transferred to the Police pension plan.

Custodians: The City shall provide and pay for a life insurance policy in the face amount of \$6,000 for each retired employee.

CERF: In general, for those current and future retirees still eligible for retiree life insurance, the liability is being transferred to the CERF pension plan.

Medicare Part B

For current and future retirees, the liability for Medicare Part B reimbursement has been transferred to the respective pension plans.



Appendix A – Plan Details by Union

Union	Contract Dates	Component Category	Section	Language
DEN	7/1/2014 - 6/30/2020	Retiree Healthcare Plan Changes (New Comp Mix Plan)	Article VIII	The Union shall accept the City's revised health and prescription plan as further described in Exhibit A, attached hereto. Said plan will be effective no earlier than July 1, 2012. Any employee eligible for normal retirement on or before December 31, 2012, may retire on or before that date under the terms of the former health and prescription plan. Effective January 1, 2020 the HDHP-HSA shall replace the current POS plan;
DEN	7/1/2014 - 6/30/2020	Retiree Healthcare Cost Share Pre-65	Article VIII	Employees eligible for normal retirement on or before June 30, 2014, shall pay 33% of the cost of the pre-age-65 retiree health plan. Employees eligible for normal retirement after June 30, 2014, shall pay 50% of the cost of the pre-age-65 retiree health plan. Once on the HDHP plan, the City shall fund 55% of the deductible for the 2018, 2019 and 2020 plan years;
DEN	7/1/2014 - 6/30/2020	Retiree Healthcare Cost Share Post-65	Article VIII	Employees eligible for normal retirement on or before June 30, 2014, shall pay 33% of the cost of the post-age-65 Medicare supplement plan. Employees eligible for normal retirement after June 30, 2014, shall pay 50% of the cost of the post-age-65 Medicare supplement plan;
DEN	7/1/2014 - 6/30/2020	Retiree Healthcare Post-65 eligibility	Article VIII	New hires after July 1, 2002 shall not be entitled to retiree medical benefits;



Appendix A – Plan Changes
continued

Union	Contract Dates	Component Category	Section	Language
MAA	7/1/2014 - 6/30-2018	Retiree Healthcare Plan Changes (New Comp Mix Plan)	Section 10.3	The Union shall accept the City’s revised health and prescription plan as further described in Exhibit A, attached hereto. Said plan will be effective no earlier than July 1, 2012. Any employee eligible for normal retirement on or before December 31, 2012, may retire on or before that date under the terms of the former health and prescription plan. Effective January 1, 2017, an HDHP-HSA plan will be offered as an option;
MAA	7/1/2014 - 6/30-2018	Retiree Healthcare Cost Share Pre-65	Section 10.3	Employees eligible for normal retirement on or before June 30, 2014, shall pay 33% of the cost of the pre-age-65 retiree health plan. Employees eligible for normal retirement after June 30, 2014, shall pay 50% of the cost of the pre-age-65 retiree health plan. On the HDHP plan, the City shall fund 60% of the deductible effective January 1, 2017 and 55% effective January 1, 2018. Employees shall contribute 12% of the self-insured premium equivalent rate annually for the HDHP plan effective January 1, 2017;
MAA	7/1/2014 - 6/30-2018	Retiree Healthcare Cost Share Post-65	Section 10.3	Employees eligible for normal retirement on or before June 30, 2014, shall pay 33% of the cost of the post-age-65 Medicare supplement plan. Employees eligible for normal retirement after June 30, 2014, shall pay 50% of the cost of the post-age-65 Medicare supplement plan;
MAA	7/1/2014 - 6/30-2018	Retiree Healthcare Post-65 eligibility	Section 10.3	New hires after April 3, 2012 shall not be entitled to retiree medical benefits;



Appendix A – Plan Changes
continued

Union	Contract Dates	Component Category	Section	Language
NUR	7/1/2014 - 6/30/2019	Retiree Healthcare Plan Changes (New Comp Mix Plan)	Article VIII	The Union shall accept the City's revised health and prescription plan as further described in Exhibit A attached hereto and hereby made a part hereof as if fully set forth herein. Said plan will become effective no earlier than July 1, 2012. Any employee eligible for normal retirement on or before December 31, 2012 may retire on or before that date under the terms of the former health plan. Effective July 1, 2017, an HDHP-HSA plan will be offered as an option;
NUR	7/1/2014 - 6/30/2019	Retiree Healthcare Cost Share Post-65	Article VIII	Employees eligible for normal retirement on or before June 30, 2014 shall contribute 33% of the cost of the post-65 Medicare supplemental health insurance. Employees eligible for normal retirement after June 30, 2014 shall contribute 50% of the post-65 Medicare supplement. On the HDHP plan, the City shall fund 55% of the deductible for the 2018 plan year and 50% thereafter. Employees shall contribute 12% of the self-insured premium equivalent rate annually for the HDHP plan effective July 1, 2017;
NUR	7/1/2014 - 6/30/2019	Retiree Healthcare Cost Share Pre-65	Article VIII	Employees eligible for normal retirement on or before June 30, 2014 shall contribute 33% of the pre-age-65 retiree health plan. Employees eligible for normal retirement after June 30, 2014 shall contribute 50% to the pre-age 65 retiree health plan;
NUR	7/1/2014 - 6/30/2019	Retiree Healthcare Post-65 eligibility	Article VIII	Employees hired after June 30, 2012 shall not be entitled to retiree medical benefits;



Appendix A – Plan Changes
Continued

Union	Contract Dates	Component Category	Section	Language
TEA (IUOE - WPCA)	7/1/2014 - 6/30/2017	Retiree Healthcare Plan Changes (New Comp Mix Plan)	Section 13.3	The Union shall accept the City's revised health and prescription plan as further described in Exhibit A., attached hereto;
TEA (IUOE - WPCA)	7/1/2014 - 6/30/2017	Retiree Healthcare Cost Share Pre-65	Section 13.3	All employees eligible to retire on or before June 30, 2014, shall pay 33% of the cost of the pre-age-65 retiree health plan. Employees not eligible for normal retirement on or before June 30, 2014 shall pay a percentage of the retiree healthcare premium for the pre-65 plan as follows: 50% at age 64, and 2% more for each year under age 64. However this group shall pay 50% regardless of age if they retire as a result of an involuntary layoff.
TEA (IUOE - WPCA)	7/1/2014 - 6/30/2017	Retiree Healthcare Post- 65 eligibility	Section 13.3	Effective July 1, 2011, new hires shall not be entitled to post-65 retiree Medicare supplemental coverage;



Appendix A – Plan Changes
continued

Union	Contract Dates	Component Category	Section	Language
UE (IUOE Operations)	7/1/2010 - 6/30/2015	Retiree Healthcare Plan Changes (New Comp Mix Plan)	Section 13.3	The revised health and prescription plan shall be as set forth in the Summary of Benefits attached hereto as Exhibit A. Said plan shall become effective no earlier than July 1, 2012. Any employee eligible for normal retirement on or before December 31, 2012 may retire on or before that date under the terms of the former health plan;
UE (IUOE Operations)	7/1/2010 - 6/30/2015	Retiree Healthcare Cost Share Pre-65	Section 13.3	Employees who are eligible for normal retirement on or before June 30, 2015 shall contribute one-third (33.33%) for the City's pre-65 retiree health plan. Employees not eligible for normal retirement on or before June 30, 2015 shall pay fifty 50% percent for the City's pre-65 retiree health plan;
UE (IUOE Operations)	7/1/2010 - 6/30/2015	Retiree Healthcare Post- 65 eligibility	Section 13.3	Post age 65 retirees hired after July 1, 2012 shall not be entitled to supplementary Medicare coverage;



Appendix A – Plan Changes
continued

Union	Contract Dates	Component Category	Section	Language
LAW	7/1/2010 - 6/30/2014	Retiree Healthcare Plan Changes (New Comp Mix Plan)	3 TA; Exhibit 1 of CBA	1. The Union shall accept the City's revised health and prescription plan as further described in Exhibit A, attached hereto. Said plan will be effective January 1, 2014;
LAW	7/1/2010 - 6/30/2014	Retiree Healthcare Cost Share Pre-65	6 TA; Pgs 10-11 of CBA	Employees who retire prior to July 1, 2014 must pay one-third (33.33%) and the City will pay two-thirds (66.66%) of the cost of such plan. Effective July 1, 2014, (the employee shall pay fifty (50%) percent and the City will pay fifty (50%) percent.
LAW	7/1/2010 - 6/30/2014	Retiree Healthcare Post-65 eligibility	7 TA; Pgs 10-11 of CBA	Employees eligible for normal retirement on or before June 30, 2014, shall pay 33% of the cost of the post-age-65 Medicare supplement plan. Employees eligible for normal retirement after June 30, 2014, shall pay 50% of the cost of the post-age-65 Medicare supplement plan. Employees hired after June 30, 2012 are not eligible for Post-65 health care benefits.
LAW	7/1/2010 - 6/30/2014	Retiree Healthcare Post-65 eligibility	8 TA; Pg 10 of CBA	New hires after 8/5/2013 are not eligible for Pre or post 65 retiree medical.



Appendix A – Plan Changes
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Union	Contract Dates	Component Category	Section	Language
UAW	7/1/2010 - 6/30/2017	Retiree Healthcare Cost Share Pre-65	13 TA	<p>1. Employees who are eligible for normal retirement on or before December 31, 2014 shall contribute one-third (33.33%) for the City's pre-65 retiree health plan. Employees not eligible for normal retirement on or before December 31, 2014 shall pay fifty 50% percent for the City's pre-65 retiree health plan, provided they retire on or before June 30, 2015. Employees not eligible for normal retirement on or before December 31, 2014 who retire on or after July 1, 2015 shall pay a percentage of the retiree healthcare premium for the pre-65 plan as follows: 50% at age 64, and 2% more for each year under age 64. However this group shall pay 50% regardless of age if they retire as a result of an involuntary layoff.</p>



Appendix A – Plan Changes
Continued

Union	Contract Dates	Component Category	Section	Language
FIR	7/1/2011 - 6/30/2019	Retiree Healthcare Plan Changes (New Comp Mix Plan)		<p>Employees who retire prior to age 55 must pay one-third (33.33%) and the City will pay two-thirds (66.66%) of the cost of such plan. Employees who retire at or after age 55 must pay \$21.66 per month if retired prior to December 1, 2016, \$85.00 per month if retired after December 1, 2016. Effective January 1 2017, only HDHP offered to active employees and new retirees. Employees not eligible for an HSA will have an HRA. The City will fund 75% of the deductible until age 65. The following cost share shall apply to employees hired after July 1, 2016:</p> <p>Pre-Age 55: 50% Age 55: 50% Age 56: 48% Age 57: 46% Age 58: 44% Age 59: 42% Age 60: 40% Age 61: 39% Age 62: 38% Age 63: 37% Age 64: 36% Age 65: retiree pays for Medicare Part B and City pays for supplemental plan</p>
FIR	7/1/2011 - 6/30/2019	Disability Retiree Healthcare Cost Share		<p>Effective July 1, 2016, current or new employees who retire on a disability pension must pay \$85.00 per month for health insurance.</p>



Appendix A – Plan Changes
Continued

Union	Contract Dates	Component Category	Section	Language
POL	7/1/2011 - 6/30/2019	Retiree Healthcare Cost Share		Employees hired on or before April 11, 2016 must pay one-third (33.33%) and the City will pay two-thirds (66.66%) of the cost of such plan if retired prior to age 55. The City will pay 100% of the cost of such plan for employees hired on or before April 11, 2016 who retire at or after age 55. Effective January 1 2017, only HDHP offered to active employees and new retirees. Employees not eligible for an HSA will have an HRA;
POL	7/1/2011 - 6/30/2019	Retiree Healthcare Cost Share Pre-65		Employees hired after April 11, 2016 must pay 45% and the City will pay 55% of the cost of such plan if retired prior to age 60. Employees hired after April 11, 2016 must pay 40% and the City will pay 60% of the cost of such plan if retired at or after age 60 but prior to age 65. The City will fund 75% of the deductible until age 65.
POL	7/1/2011 - 6/30/2019	Retiree Healthcare Cost Share Post-65		The City will pay 100% of the cost of the post-age-65 Medicare supplement plan for employees hired after April 11, 2016 who retire at or after age 55.
POL	7/1/2011 - 6/30/2019	Retiree Healthcare Active Employee Contribution		Effective July 1, 2016, all active employees shall contribute 1% of the Top Step Patrol Rate into an OPEB Trust each payroll period. Employees shall not be required to contribute after 30 years of service.



Appendix A – Plan Changes
Continued

Union	Contract Dates	Component Category	Section	Language
Custodians	7/1/2013 - 6/30/2025	Retiree Healthcare Cost Share Pre-65		Retired before July 1, 2011: must pay one-third (33.33%) and the City will pay two-thirds (66.66%) of the cost of such plan. Retired after July 1, 2011: must pay one-half (50.00%) and the City will pay one-half (50.00%) of the cost of such plan
Custodians	7/1/2013 - 6/30/2025	Retiree Healthcare Cost Share Post-65		Retired before July 1, 2011: must pay two-thirds (66.66%) of the cost for the supplemental coverage. Retired after July 1, 2011: must pay 100% of the cost for the supplemental coverage.
Custodians	7/1/2013 - 6/30/2025	Retiree Healthcare Eligibility		New hires after July 1, 2011 shall not be entitled to retiree medical benefits;