



**TOWN OF NORTH BRANFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

JULY 1, 2010 VALUATION



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December 13, 2011

PERSONAL & CONFIDENTIAL

Mr. Anthony P. Esposito Jr.
Treasurer/Finance Director
Town Hall
909 Foxon Road
PO Box 287
North Branford, CT 06471-0287

Re: Town of North Branford Other Post-Employment Benefits Program
July 1, 2010 Valuation

Dear Anthony:

We are pleased to enclose the July 1, 2010 valuation of the Town of North Branford Other Post-Employment Benefits Program, which we have prepared in accordance with GASB #43 and GASB #45.

Please let us know if you have any questions or need any further information.

Sincerely,

A handwritten signature in blue ink that reads "Becky".

Rebecca A. Sielman, FSA
Consulting Actuary

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CERTIFICATION

We have performed an actuarial valuation of the Town of North Branford Other Post-Employment Benefits Program as of July 1, 2010. The results of this valuation, along with supporting data, are set forth in the following report.

Milliman has prepared this report in compliance with Government Accounting Standard No. 45. No attempt is being made to offer any accounting opinion or advice. 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 meeting accounting requirements.

In preparing this report, we relied on employee census data, asset information and claims and premium information as of the valuation date, furnished by the Town of North Branford. We performed a limited review of the information 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 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.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate, all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices, and the methods and assumptions produced results which are reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as 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 our assignment, we did not perform an analysis of the potential range of future measurements.

The actuarial method and assumptions used in this valuation are discussed on pages 18-22 of this report. A summary of the plan provisions starts on page 23 of this report.

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CERTIFICATION

Milliman's work is prepared solely for the internal business use of the Town of North Branford. 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 (a) The Town of North Branford may provide a copy of Milliman's work, in its entirety, to the Town of North Branford'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 Town of North Branford; and (b) The Town of North Branford 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.

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.

MILLIMAN INC.

December 13, 2011



Rebecca A. Sielman, FSA
Consulting Actuary



Steve A. Lemanski, FSA, FCA
Consulting Actuary

TOWN OF NORTH BRANFORD
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OVERVIEW OF GASB 43 AND GASB 45

GASB 43 requires OPEB plans to disclose information about asset and liability levels and show historical contribution information. GASB 43 only applies in situations where a separate trust is established to prefund these benefits. GASB 45 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded. GASB 43 was effective starting in FY 2006-07 for a Phase I government, FY 2007-08 for a Phase II government, and FY 2008-09 for a Phase III government. GASB 45 was effective for the fiscal year following implementation of GASB 43.

GASB 43 and 45 apply to just about any benefit that is provided after retirement except for pension benefits: medical insurance, dental, vision, and hearing benefits plus life insurance and long term care insurance. The benefits provided by the Town to retirees include medical, dental and life insurance. The philosophy driving the accounting standard is that these post-employment benefits are part of the compensation that is paid to employees in return for their services, and the cost of these benefits should be recognized while the employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 43 and 45 extend the same thinking to all other post-employment benefits.

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THE VALUATION PROCESS

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates: How likely is it that an employee will qualify for post-employment benefits and when will they start?

Medical inflation and claims costs assumptions: When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption: How long is a retiree likely to receive the benefits?

Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Town, the present value is divided into three pieces: the part that is attributed to past years (the "Accrued Liability" or "Past Service Liability"), the part that is being earned this year (the "Normal Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Normal Cost have been calculated, the next step is to determine an annual contribution. This consists of two pieces:

- Normal Cost – because the benefits earned each year should be paid for each year
- Past Service Cost – a catch-up payment to fund the Accrued Liability over time.

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IMPLICIT RATE SUBSIDIES

As part of the Other Post-Employment Benefits Program, there are situations where the cost is borne partly or entirely by retirees. In most cases, the premium that is used to split the cost 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 43 and 45 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 on the prior page. 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 retiree medical 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 Town is calculated as the difference between the gross liability and the offset liability.

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DISCUSSION OF EXPERIENCE

This valuation reflects a number of changes relative to the January 1, 2009 valuation:

Demographic Changes from 2009 to 2010

From January 1, 2009 to July 1, 2010, the overall membership decreased from 399 to 366. The number of active members decreased from 314 to 299 and the number of retirees and spouses of retirees decreased from 85 to 67.

The average age of active members increased slightly from 46.0 to 46.4, and the average age of retired members increased from 66.1 to 66.6.

Assumption Changes

Medical inflation: We revised this assumption to an initial inflation rate of 6.7%, grading down to an ultimate inflation rate of 4.7% over a period of 71 years. The previous valuation used an initial inflation rate of 6.8% graded down to an ultimate inflation rate of 4.7% over a period of 87 years.

Medical and dental age curves: We updated the age curves with respect to expected claims costs, based on our analysis of the claims experience and premium information provided to us for this valuation.

Valuation of post-65 benefits for non-Medicare eligibles: For this valuation, we refined our methodology to reflect the benefits for this group.

The combined effect of the above changes was to reduce the Accrued Liability by roughly \$440,000 and the Annual Required Contribution by about \$10,000.

Changes in Plan Provisions

There have been no changes in plan provisions.

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KEY ASSUMPTIONS

Our results are highly dependent on two key assumptions: the rate at which we assume medical costs will increase over time, and the discount rate we use to translate future payments into current dollars.

Medical inflation rate	Medical Benefits	
	Pre-65	Post-65
Initial inflation rate	6.70%	6.70%
Ultimate inflation rate	4.70%	4.70%
Years until ultimate inflation rate	71	71
 Discount rate	 7.50%	

The 7.50% discount rate reflects that the Town has established an OPEB trust and is prefunding its OPEB benefits.

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SUMMARY OF PRINCIPAL RESULTS

The following is a comparison of the principal results for the current and prior valuations.

	January 1, 2009	July 1, 2010
Membership		
Active Members	314	299
Retired Members	62	59
Spouses of Retirees	<u>23</u>	<u>8</u>
Total	399	366
 Assets and Liabilities		
Assets		
Market Value	\$282,000	\$485,000
Accrued Liability		
Active Members	4,391,000	4,485,000
Retired Members	<u>3,940,000</u>	<u>2,815,000</u>
Total Accrued Liability	8,331,000	7,300,000
Unfunded Accrued Liability	8,049,000	6,815,000
 Annual Required Contribution and Net Budget Impact		
	FYE 2011	FYE 2012
Annual Required Contribution	657,000	631,000
Implicit Rate Subsidy	315,000	263,000
Net Contribution to Trust	342,000	368,000

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SUMMARY OF LIABILITIES AS OF JULY 1, 2010

We have calculated the Accrued Liability separately for four groups of Town employees, who are eligible for different OPEB benefits. We have broken the accrued liability for each group 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 Town, taking into account any implicit rate subsidies.

	Town	Police	Teachers	Other BOE	Total
Current active members					
Employees under age 65	\$109,000	\$1,679,000	\$462,000	\$136,000	\$2,386,000
Employees over age 65	0	0	304,000	42,000	346,000
Dependents under age 65	112,000	1,280,000	172,000	23,000	1,587,000
Dependents over age 65	<u>0</u>	<u>0</u>	<u>154,000</u>	<u>12,000</u>	<u>166,000</u>
Total	221,000	2,959,000	1,092,000	213,000	4,485,000
Current retired members					
Employees under age 65	0	422,000	306,000	160,000	888,000
Employees over age 65	0	0	960,000	333,000	1,293,000
Dependents under age 65	0	330,000	(2,000)	0	328,000
Dependents over age 65	<u>0</u>	<u>0</u>	<u>306,000</u>	<u>0</u>	<u>306,000</u>
Total	0	752,000	1,570,000	493,000	2,815,000
Total Accrued Liability	221,000	3,711,000	2,662,000	706,000	7,300,000

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ANNUAL REQUIRED CONTRIBUTION

The Annual Required Contribution (ARC) for the OPEB program consists of two 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). The amortization period is 25 years starting FY 2007. The amortization method produces annual payments that will increase over time as payroll grows. On this basis, the ARC is determined as follows:

	Town	Police	Teachers	Other BOE	Total
Accrued Liability	\$221,000	\$3,711,000	\$2,662,000	\$706,000	\$7,300,000
Assets	14,000	247,000	177,000	47,000	485,000
Unfunded Accrued Liability	207,000	3,464,000	2,485,000	659,000	6,815,000
Amortization Period	22	22	22	22	22
Payroll Growth Rate	5.0%	5.0%	5.0%	5.0%	5.0%
Past Service Cost	12,000	199,000	143,000	38,000	392,000
Normal Cost	11,000	116,000	57,000	10,000	194,000
Interest	2,000	24,000	15,000	4,000	45,000
ARC for FY 2012	25,000	339,000	215,000	52,000	631,000
Implicit Rate Subsidy	3,000	52,000	175,000	33,000	263,000
Net Contribution to Trust	22,000	287,000	40,000	19,000	368,000

The ARC is assumed to be paid at the beginning of the Fiscal Year.

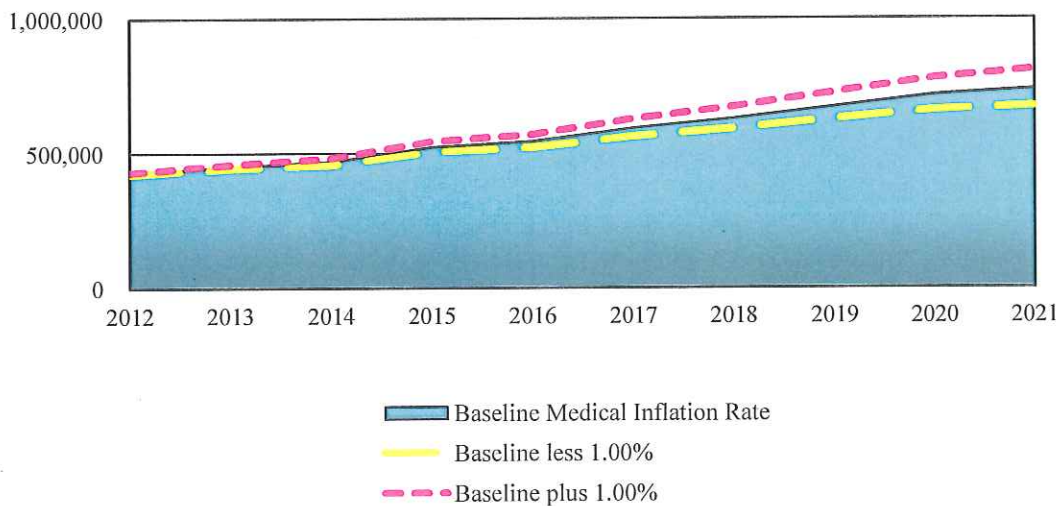
The July 1, 2010 assets were allocated to the groups in proportion to their respective Accrued Liability.

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PROJECTED PAYOUTS

The annual Town payments for OPEB benefits are expected to rise in coming years, both because medical costs are expected to rise over time and because more employees will retire and start to receive Town-paid OPEB benefits. The table and graph below show the expected annual payments for OPEB benefits for the next 10 years.

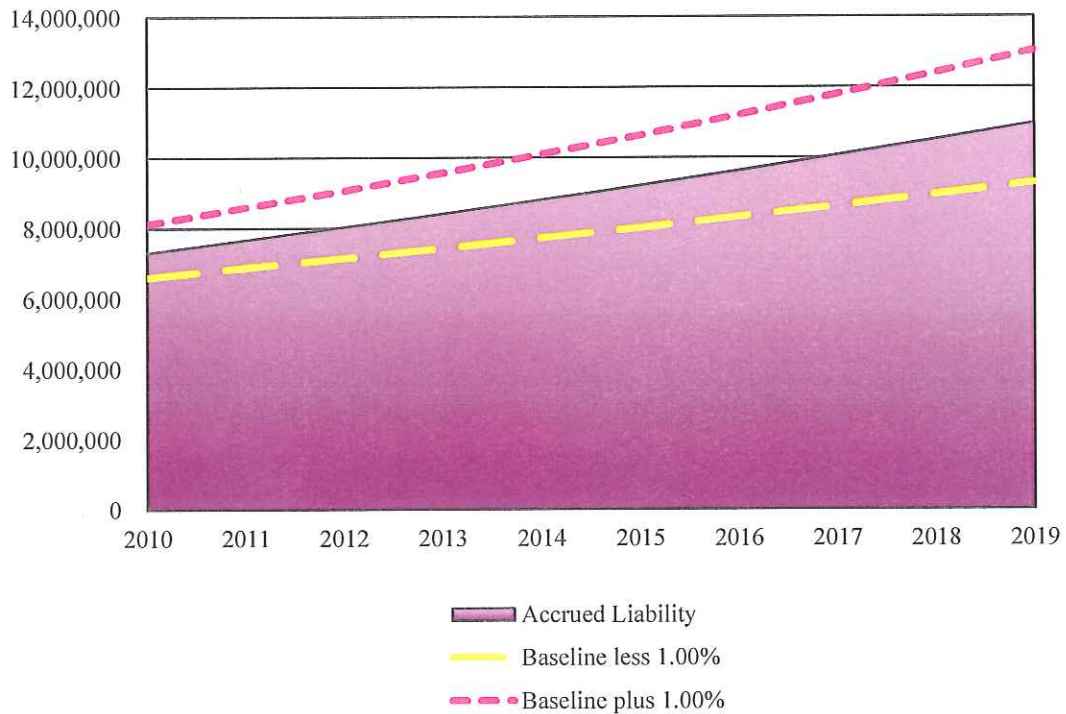
Fiscal Year	Baseline less 1.00%	Baseline Medical Inflation Rate	Baseline plus 1.00%
2012	\$422,000	\$427,000	\$430,000
2013	443,000	451,000	459,000
2014	457,000	470,000	483,000
2015	505,000	524,000	544,000
2016	520,000	545,000	570,000
2017	561,000	593,000	627,000
2018	590,000	629,000	671,000
2019	625,000	673,000	725,000
2020	658,000	716,000	778,000
2021	672,000	738,000	810,000



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PROJECTED LIABILITIES

The graph below shows how the Town's accrued liability for OPEB benefits is expected to grow over the next 10 years.



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GASB 45 SCHEDULE OF FUNDING PROGRESS

The following information is required to be disclosed in the Town's financial statement.

(\$ 000s)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b - a) / c)
1/1/2007	\$0	\$5,749	\$5,749	0.00%	N/A	N/A
1/1/2009	282	8,331	8,049	3.38%	N/A	N/A
7/1/2010	485	7,300	6,815	6.64%	N/A	N/A

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GASB 45 SCHEDULE OF EMPLOYER CONTRIBUTIONS

The following information is required to be disclosed in the Town's financial statement.

(\$ 000s)

Year Ended June 30	Annual Required Contribution	Actual Contribution Made	Percentage Contributed
2009	\$433	\$506	116.9%
2010	472	458	97.0%
2011	657	466	70.9%
2012	631	N/A	N/A

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SUMMARY OF CENSUS DATA

The following were included in our analysis as of July 1, 2010 based on information provided by the Town.

	Town	Police	Teachers	Other BOE	Total
Number of members					
Active	51	23	183	42	299
Retired	0	5	28	26	59
Spouses of retirees	0	5	3	0	8
Total	51	33	214	68	366
Average age					
Active	52.4	42.1	43.7	53.3	46.4
Retired	0.0	58.2	64.3	70.7	66.6
Average retirement age					
Active	64.6	52.3	59.5	64.1	60.5
Retired	0.0	51.0	64.3	71.4	66.3
Expected lifetime					
Active [to retirement]	12.3	10.2	15.8	10.7	14.1
Retired [lifetime]	0.0	25.7	22.9	15.5	19.9

The retiree census data excludes post 65 Medicare eligible retired members who are paying 100% of the premium.

Where complete census data was not available, we have made assumptions which we believe to be reasonable.

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CURRENT PREMIUMS

Based on information provided by the Town regarding current retirees' plan elections, the following weighted average blended actual premiums were used:

2010 -2011 Monthly Premiums		Employee	Spouse
Medical - Town	Pre 65	692.74	727.71
	Post 65	N/A	N/A
Medical - BOE	Pre 65	667.05	667.08
	Post 65	667.05 *	667.08 *
Dental - Town		38.87	62.86
Dental - BOE		38.05	62.05

* Applicable for non-Medicare eligibles.

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MEDICAL COST ADJUSTMENT FACTORS

Milliman's Health Cost Guidelines were used to develop the expected relationship of the true cost of medical benefits across age and gender. Representative factors are shown below.

Age	Town - Medical		Town - Dental	
	Employee	Spouse	Employee	Spouse
40	2.81%	1.70%	1.57%	1.40%
45	4.11%	3.21%	1.36%	1.12%
50	4.87%	4.26%	0.72%	0.60%
55	5.02%	4.08%	0.24%	0.09%
60	4.52%	4.09%	0.15%	0.13%
65	2.11%	1.98%	-0.18%	-0.11%
70	2.24%	2.12%	0.00%	0.00%
75	1.58%	1.36%	0.00%	0.00%
80	1.07%	1.29%	0.00%	0.00%

Age	BOE - Medical		BOE - Dental	
	Employee	Spouse	Employee	Spouse
40	1.49%	3.11%	1.36%	1.61%
45	3.03%	4.43%	1.06%	1.43%
50	4.13%	5.01%	0.57%	0.75%
55	3.87%	5.23%	0.05%	0.29%
60	3.99%	4.61%	0.12%	0.15%
65	1.95%	2.14%	-0.09%	-0.19%
70	2.09%	2.26%	0.00%	0.00%
75	1.31%	1.62%	0.00%	0.00%
80	1.34%	1.03%	0.00%	0.00%

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ACTUARIAL METHOD

The actuarial funding method used is the **Projected Unit Credit Cost Method**. Recommended annual contributions consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Accrued Liability** is determined directly as the present value of benefits accrued to date, where the accrued benefit for each Member is the pro-rata portion (based on service to date) of the **projected** benefit payable at death, disability, retirement or termination.

The **Normal Cost** is similarly determined as the present value of the portion of the **projected** benefit attributable to the current year.

The **Unfunded Accrued Liability** is the Accrued Liability less the value of any plan assets.

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ACTUARIAL ASSUMPTIONS

Payroll Growth Rate 5.0%

Healthy Mortality

Teachers and BOE Administrators* RP-2000 projected forward 19 years using Scale AA, with a two-year age setback.

All Others Municipal: RP-2000 Generational Mortality projected by Scale AA.
Police: Applicable Mortality Table per Revenue Ruling 2007-67.

Disabled Mortality

Teachers and BOE Administrators* RP-2000 projected forward 19 years using Scale AA, with an eight-year age set forward for males and females.

All Others Municipal: RP-2000 Generational Mortality projected by Scale AA.
Police: Applicable Mortality Table per Revenue Ruling 2007-67.

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ACTUARIAL ASSUMPTIONS

Turnover

Police None.

Teachers and BOE Administrators* Rates based on gender and length of service for the first ten years and gender and age thereafter:

Service	Male	Female
0-1	14.00%	12.00%
1-2	8.50	9.00
2-3	5.50	7.00
3-4	4.50	6.00
4-5	3.50	5.50
5-6	2.50	5.00
6-7	2.40	4.50
7-8	2.30	3.50
8-9	2.20	3.00
9-10	2.10	2.50

Age	Male	Female
25	1.20%	3.50%
35	1.20	3.50
45	1.26	1.30
55	3.36	1.60

All Others Rates based on age:

Age	Rate
20	11.80%
25	9.40
30	7.00
35	5.40
40	3.80
45	2.20
50	0.60
55	0.00
60	0.00

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ACTUARIAL ASSUMPTIONS

Retirement Rates based on age, eligibility for pension benefits, and group:
Police 50% will retire after 20 years of service. The remainder will retire at age 55 with 10 years of service; or if earlier, the completion of 27 years of service.

All Others	Age	Rate
	55 – 58	1%
	59 – 61	5%
	62	20%
	63 - 64	10%
	65	40%
	66 - 69	30%
	70	100%

Teachers and BOE Administrators*	Age	Unreduced		Proratable		Reduced	
		Male	Female	Male	Female	Male	Female
	50 - 51	27.5%	15.0%			2.0%	2.0%
	52	27.5%	15.0%			3.0%	4.0%
	53	27.5%	15.0%			3.0%	4.5%
	54	27.5%	15.0%			5.0%	5.5%
	55	38.5%	30.0%			5.0%	7.5%
	56	38.5%	30.0%			7.0%	8.5%
	57	38.5%	30.0%			10.0%	9.5%
	58	38.5%	30.0%			11.0%	10.0%
	59	38.5%	30.0%			12.0%	10.0%
	60	22.0%	22.0%	6.0%	5.4%		
	61	25.3%	22.5%	6.0%	7.2%		
	62	25.3%	22.5%	15.0%	9.9%		
	63 - 64	27.5%	22.5%	10.0%	7.2%		
	65	36.3%	30.0%	20.0%	13.5%		
	66	27.5%	30.0%	20.0%	10.8%		
	67	27.5%	30.0%	20.0%	13.5%		
	68	27.5%	30.0%	20.0%	10.8%		
	69	27.5%	30.0%	35.0%	10.8%		
	70 - 73	100.0%	40.0%	35.0%	10.8%		
	74	100.0%	40.0%	35.0%	18.0%		
	75 - 79	100.0%	40.0%	40.0%	18.0%		
	80	100.0%	100.0%	40.0%	18.0%		

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ACTUARIAL ASSUMPTIONS

Disability

Rates based on age, gender, and group:

Teachers and BOE Administrators*	Age	Male	Female
	20	0.0455%	0.0500%
	30	0.0455	0.0410
	40	0.0715	0.0720
	50	0.3250	0.2630
	60	1.2805	0.5000
All Others	Age	Male	Female
	20	0.0500%	0.0500%
	30	0.0500	0.0500
	40	0.0900	0.0900
	50	0.4000	0.4000
	60	1.7400	1.7400

Future Retiree Coverage 50% of Teachers and Town employees, 100% of Police, Town and BOE Administrators, and 10% of BOE Secretaries are assumed to elect coverage at retirement.

Future Dependent Coverage 100% of Police and Town Administrators and 50% of all other active members are assumed to elect dependent coverage at retirement. All female spouses are assumed to be 3 years younger than males.

Post-65 Coverage **Teachers and Administrators:** 60% of current actives and pre-65 retirees are assumed to enroll in retiree health coverage through the Connecticut State Teachers Retirement System at age 65. 84% of current actives and pre-65 retirees are assumed to be Medicare-eligible.

* Certain actuarial demographic assumptions for Teachers and Administrators are based on the assumptions used in the 2006 valuation of the Connecticut State Teachers Retirement System by Gabriel, Roeder, Smith and Company.

**TOWN OF NORTH BRANFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

SUMMARY OF PLAN PROVISIONS

Police	Eligibility - Retire with 25 years of service. Benefit - <ul style="list-style-type: none">• Hired prior to July 1, 1994: Town pays 100% of the premium for medical and dental coverage for the employee and 75% of the premium for the employee's spouse. Coverage stops at the employee's death. Spouse can continue coverage if pay 100% of the cost. Coverage is pre-65 only.• Hired on or after July 1, 1994: Town pays 100% of the premium for medical and dental coverage for the employee. Coverage is pre-65 only.
Town Administrators	Eligibility - Retire with 25 years of service. Benefit - Town pays 100% of the premium for medical and dental coverage for the employee and 50% of the premium for the employee's spouse. Coverage stops at the employee's death. Spouse can continue coverage if pay 100% of the cost. Coverage is pre-65 only.
Library	Eligibility - Retire with 20 years of service. Benefit - Can purchase medical coverage for the employee and spouse at the employee's expense. Coverage is pre-65 only.
Public Works	Eligibility - Retire with 20 years of service. Benefit - Can purchase medical coverage for the employee and spouse at the employee's expense. Coverage is pre-65 only.
Clerical, Technical and Custodial Employees	Eligibility - Retire with 20 years of service. Benefit - Can purchase medical coverage for the employee and spouse at the employee's expense. Coverage is pre-65 only.

**TOWN OF NORTH BRANFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

SUMMARY OF PLAN PROVISIONS

BOE Custodians	Eligibility – Retire at age 55 with 15 years of service. Benefit - Not eligible for retiree medical benefits. Life insurance - \$10,000.
BOE Administrators	Eligibility - An Administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse. Normal Retirement for Administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service. Benefit - <ul style="list-style-type: none">• Hired prior to July 1, 2003: Board will continue to pay the same rate as current actives (90% as of July 1, 2010) of the premium for medical and dental coverage for the employee up to age 65. Spouse can continue coverage if pay 100% of the cost. Coverage is pre-65 only.• Hired on or after July 1, 2003: Not eligible for retiree medical or dental coverage. Life insurance - \$100,000 until age 70.
BOE Nurses	Eligibility - Retire at age 55 with 15 years of service. Benefit - Not eligible for retiree medical benefits. Life insurance - \$7,500.
BOE Secretaries	Eligibility - Retire at age 55 with 15 years of service. Benefit - Can purchase medical coverage for the employee and spouse at the employee's expense. Coverage is pre-65 only. Life insurance - \$7,500.

TOWN OF NORTH BRANFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM

SUMMARY OF PLAN PROVISIONS

Teachers

Eligibility - A Teacher retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse.

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

Benefit - Can purchase medical coverage for the employee and spouse at the employee's expense; benefits are available until the employee reaches age 65. Teachers who are not covered under Medicare may opt to continue to be covered beyond 65 but must pay 100% of the premium for medical coverage.

This exhibit summarizes our understanding of the major provisions of the Retiree Medical Program. 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 applicable collective bargaining agreements and other written materials. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.