



TOWN OF GRANBY OTHER POST-EMPLOYMENT BENEFITS PROGRAM

**Actuarial Valuation as of July 1, 2023
To Determine Funding for Fiscal Year 2024-25**

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2023 to determine funding for fiscal year 2024-25. 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.

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In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town. 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 (ASOP). The models, including all input, calculations, and output may not be appropriate for any other purpose.

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.

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.



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Section I - Executive Summary Changes Since the Prior Valuation

Demographic Changes and Plan Experience

From July 1, 2021 to July 1, 2023, the overall membership decreased from 326 to 320. The number of active members decreased from 268 to 266, and the total number of members and spouses/dependents receiving benefits decreased from 58 to 54.

The average age of active members decreased slightly from 48.3 to 48.1, and the average age of members receiving benefits stayed the same at 72.7.

Plan Changes

There were no substantive plan changes since the July 1, 2021 OPEB valuation.

Changes in Actuarial Methods and Assumptions

We updated the mortality assumptions for all employees to reflect Scale MP-2021, which is the most recent mortality improvement projection scale published by the Society of Actuaries.

We updated the medical trend so that it decreases from 6.60% to 3.90% over 49 years (prior: 5.60% to 4.00% over 52 years).

We updated the future marriage assumption for Town employees from 70% for male employees and 50% for female employees to 60% regardless of gender.

These changes in combination caused the Unfunded Accrued Liability to increase by about \$278,100 and the Actuarially Determined Contribution to increase by about \$29,000.

Other Significant Changes

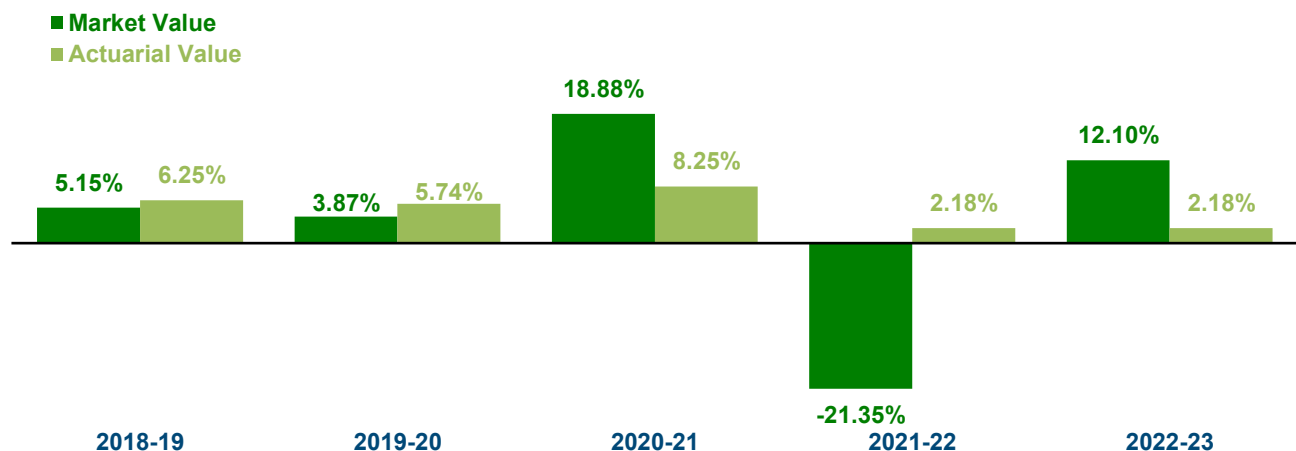
There were no other significant changes since the July 1, 2021 OPEB valuation.

Section I - Executive Summary Assets

There are two different measures of the plan's assets that are used throughout this report. The Market Value is a snapshot of the plan's investments as of the valuation date. The Actuarial Value is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses non-asymptotically over five years. Note that the Actuarial Value does not include the Prefunding Account established in FY 2021-22 (see page 14 for more details).

	Market	Actuarial
Value as of July 1, 2021	\$3,472,711	\$3,233,466
Town Contributions	2,936,441	1,025,172
Investment Income	(991,511)	75,213
Benefit Payments	(594,218)	(594,218)
Value as of July 1, 2022	4,823,423	3,739,633
Town Contributions	650,205	745,772
Investment Income	583,685	82,434
Benefit Payments	(652,625)	(652,625)
Value as of July 1, 2023	5,404,688	3,915,214

For fiscal year 2021-22, the plan's assets earned -21.35% on a Market Value basis and 2.18% on an Actuarial Value basis. The actuarial assumption for this period was 6.00%; the result is an asset loss of about \$1,270,000 on a Market Value basis and a loss of about \$132,000 on an Actuarial Value basis. For fiscal year 2022-23, the plan's assets earned 12.10% on a Market Value basis and 2.18% on an Actuarial Value basis. The actuarial assumption for this period was 6.00%; the result is an asset gain of about \$294,000 on a Market Value basis and a loss of about \$144,000 on an Actuarial Value basis. Historical rates of return are shown in the graph below.

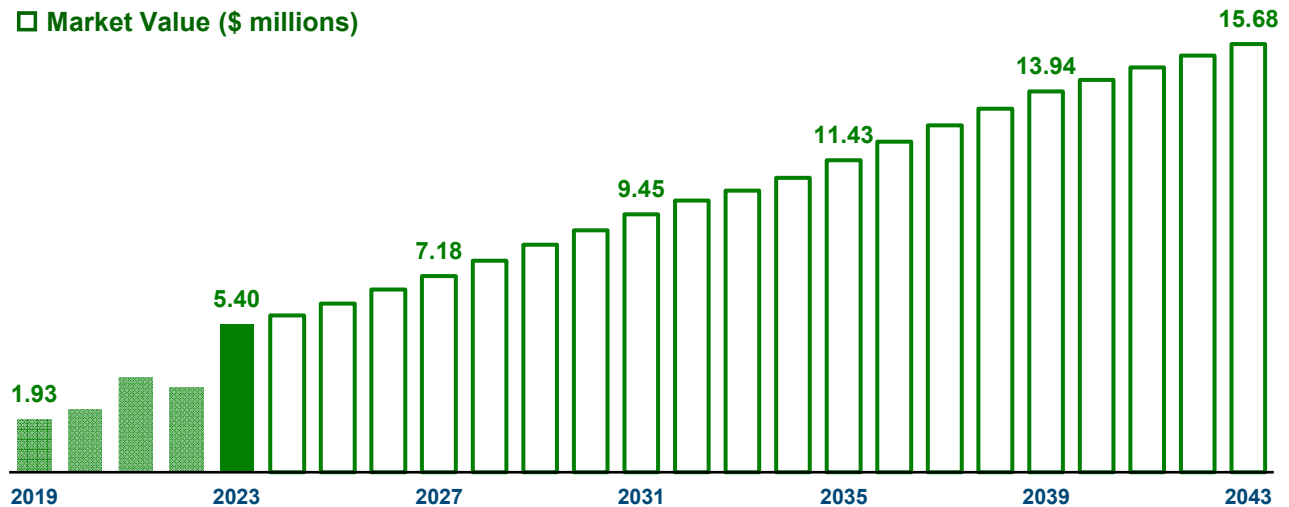


Section I - Executive Summary

Assets (continued)

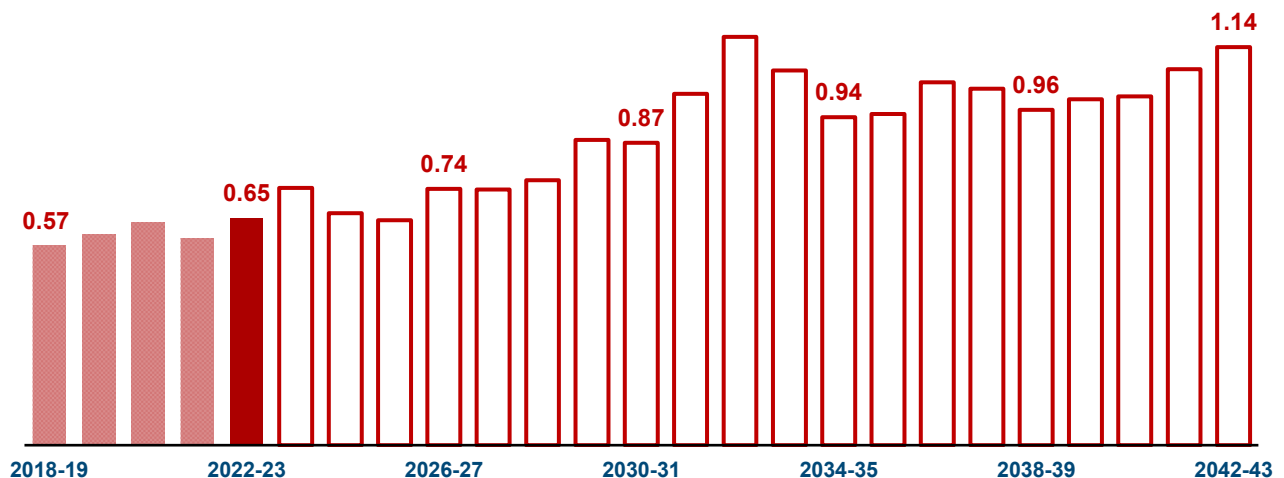
The graph below shows how this year's asset values compare to where the plan's assets have been over the past several years and how they are projected to change over the next 20 years. For purposes of this projection, we have assumed that the Town always contributes the Actuarially Determined Contribution and the investments always earn the assumed interest rate each year.

□ Market Value (\$ millions)



In 2022-23, the plan paid out \$0.65 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$18 million in benefits to members.

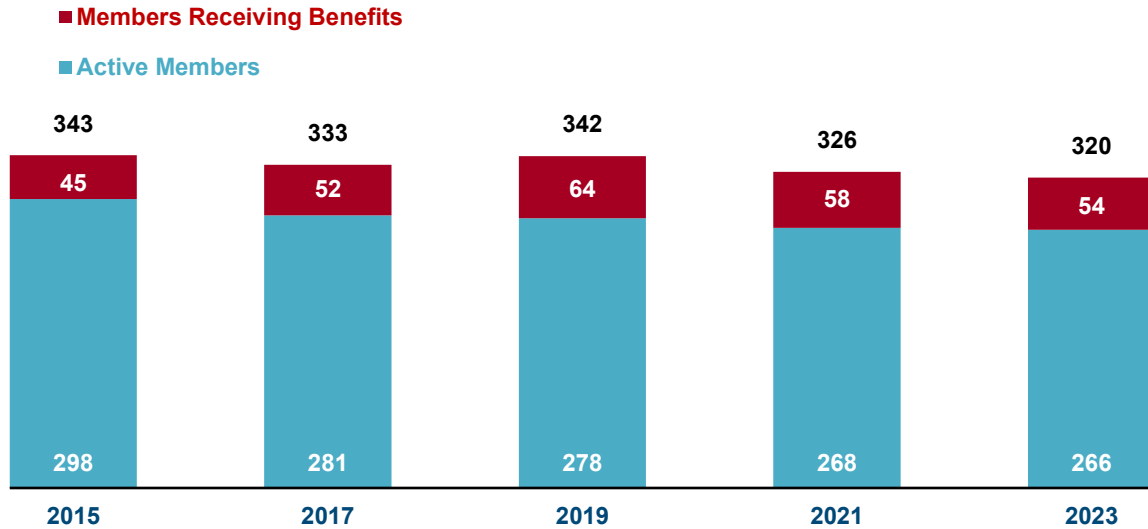
Benefit Payments (\$ millions)



Section I - Executive Summary

Membership

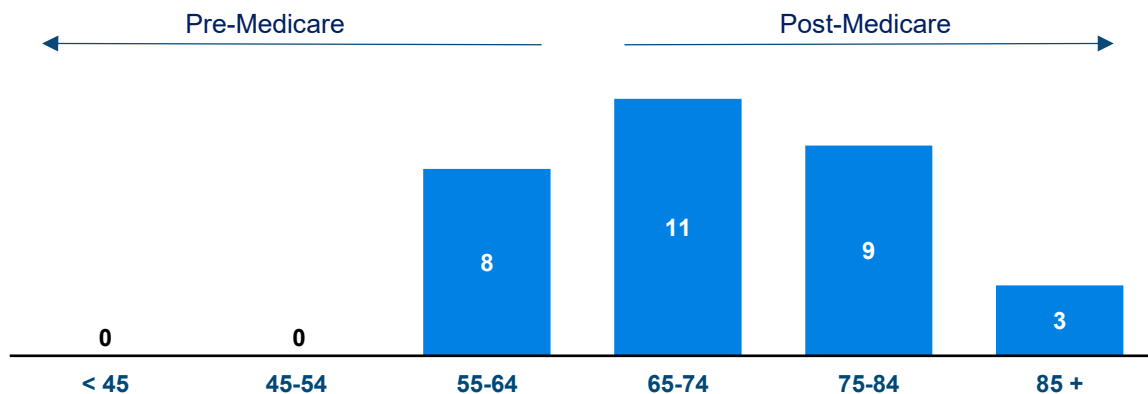
There are two basic categories of plan members included in the valuation: (1) members who are receiving benefits and (2) active employees who have met the eligibility requirements for membership.



Members Receiving Benefits on July 1, 2023

BOE Certified	21	Average Age	71.4
BOE Clerical	3		
BOE Custodians	1		
BOE Non-Union	0		
Town	6		
Police	0		
Total	31		

As of July 1, 2023, there were 31 members receiving benefits plus an additional 23 spouses/dependents receiving benefits. The members receiving benefits fall across a wide distribution of ages:



Section I - Executive Summary

Membership (continued)

Active Members on July 1, 2023

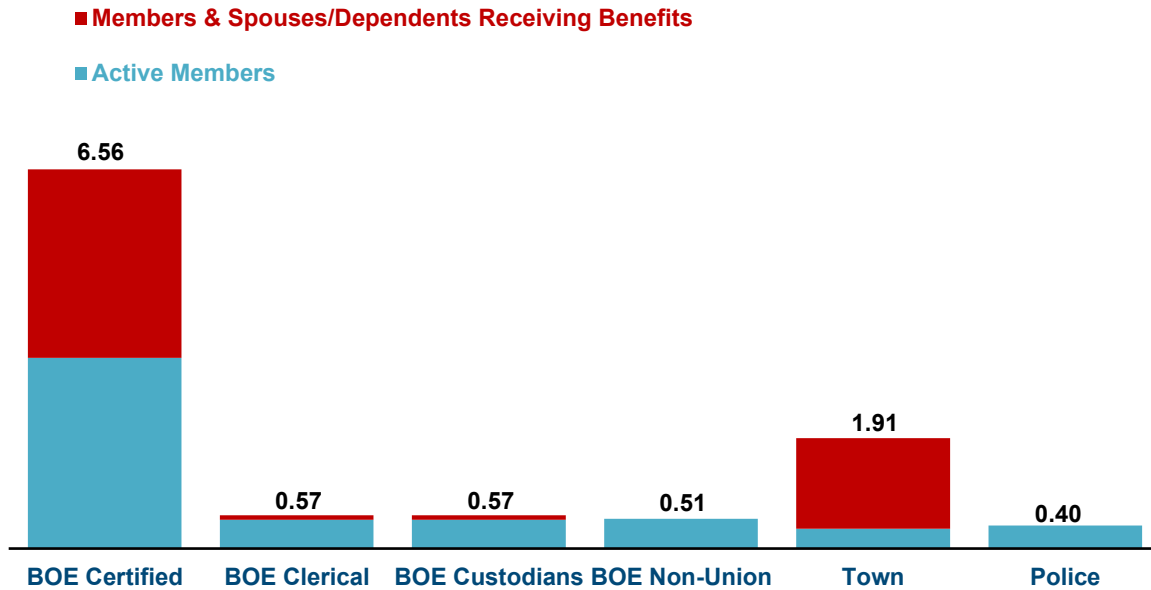
BOE Certified	158	Average Age	48.1
BOE Clerical	14	Average Service	11.4
BOE Custodians	18	Payroll	\$22,653,425
BOE Non-Union	17	Average Payroll	85,163
Town	45		
Police	14		
Total	266		

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	3							3
25-29	13	1						14
30-34	14	6	1					21
35-39	9	6	4	1				20
40-44	19	9	5	12	3			48
45-49	7	8	4	8	7			34
50-54	4	11	5	10	8	6		44
55-59	7	9	5	13	6	1	3	44
60-64	2	7	8	4	3	4		28
65+	1	3	1	2		2	1	10
Total	79	60	33	50	27	13	4	266

Section I - Executive Summary Accrued Liability

The Accrued Liability as of July 1, 2023 is \$10,516,119, which consists of the following pieces (in \$ millions):

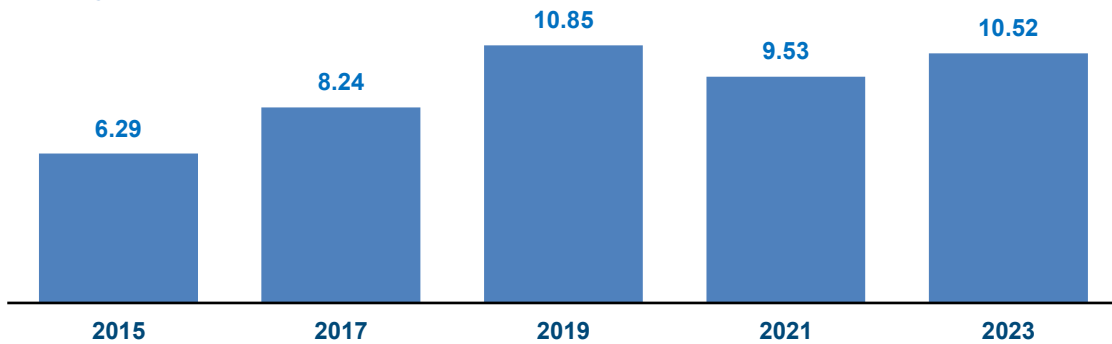


Section I - Executive Summary

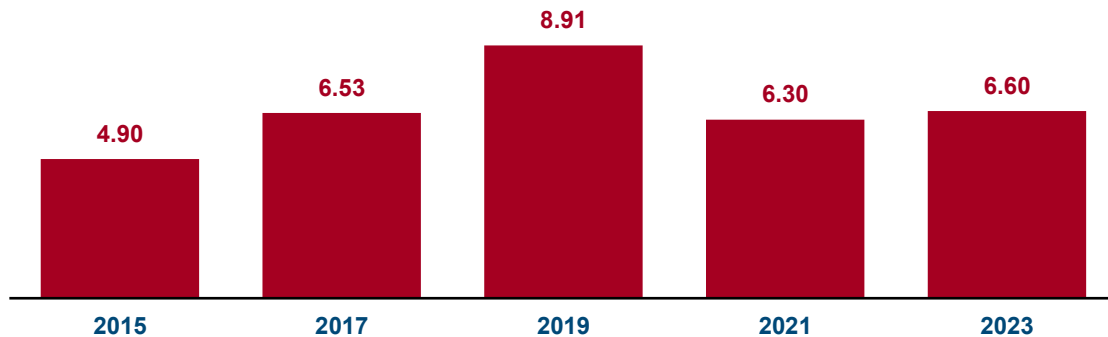
Funded Status

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.

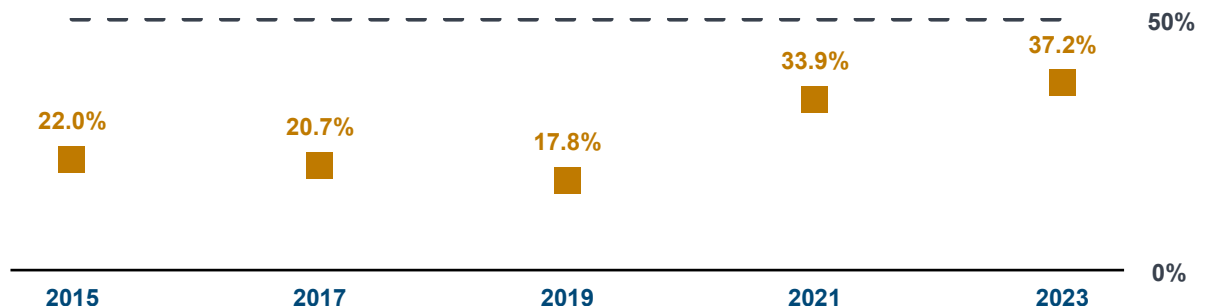
Accrued Liability (\$ millions)



Unfunded Accrued Liability (\$ millions)



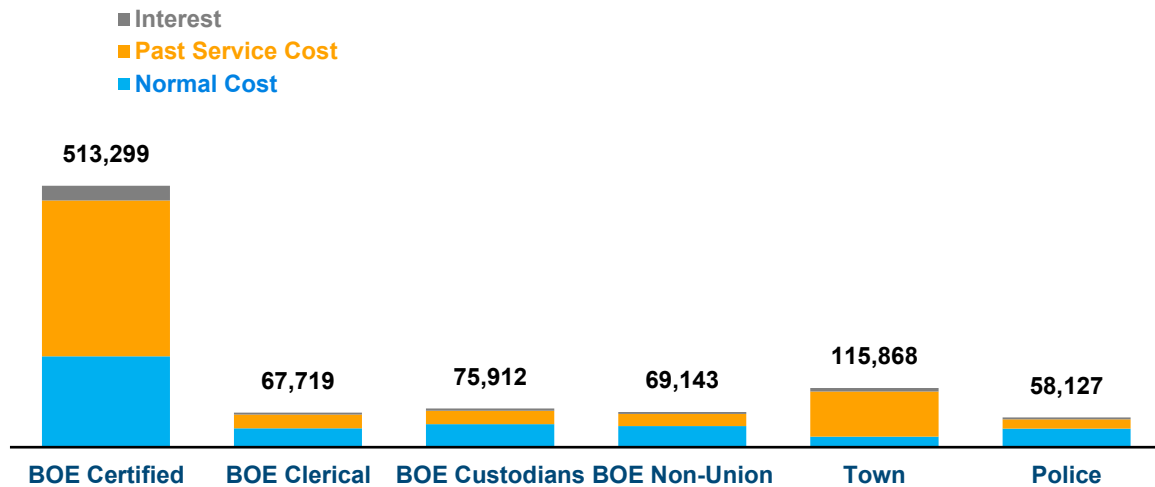
Funded Ratio



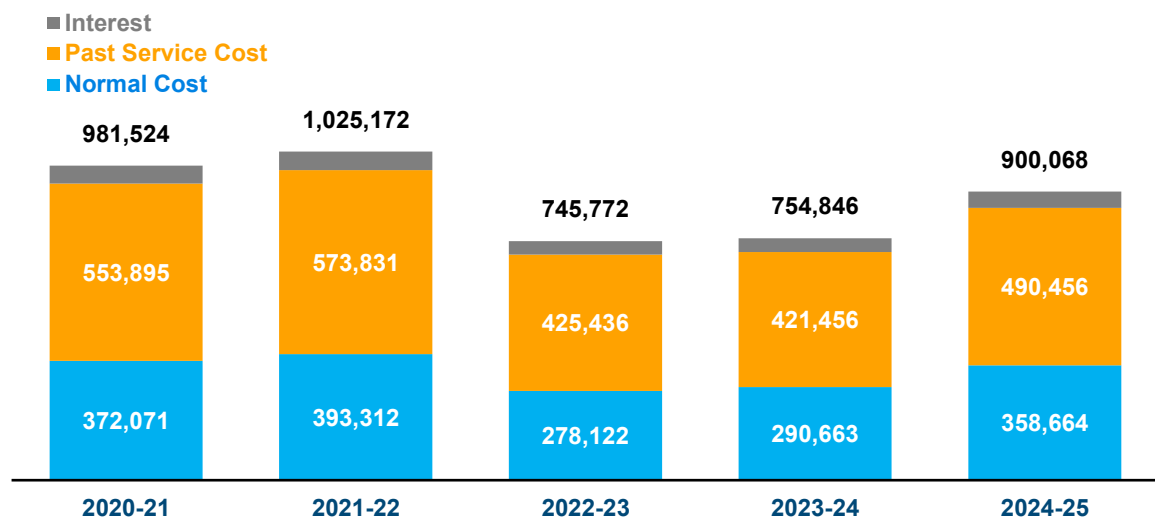
Section I - Executive Summary Actuarially Determined Contribution

The Actuarially Determined Contribution consists of three pieces: a Normal Cost payment to fund the benefits earned each year, a Past Service Cost to gradually reduce any unfunded or surplus liability, and Interest to reflect the timing of the contribution relative to the valuation date.

The Actuarially Determined Contribution for fiscal year 2024-25 is \$900,068, which is shown graphically below.



The chart below shows the Actuarially Determined Contribution for the past five fiscal years. Note that the Normal Cost is relatively consistent from year to year, whereas the Past Service Cost tends to be more volatile since it reflects the impact of asset performance.

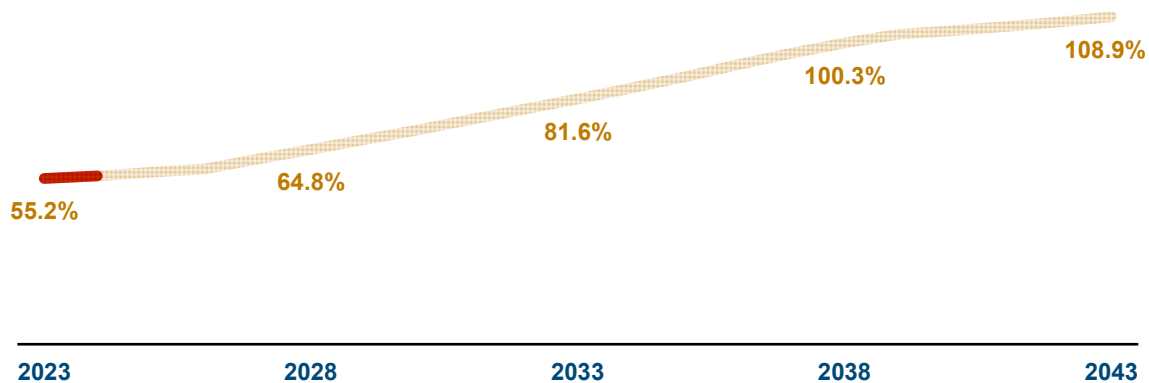


Section I - Executive Summary

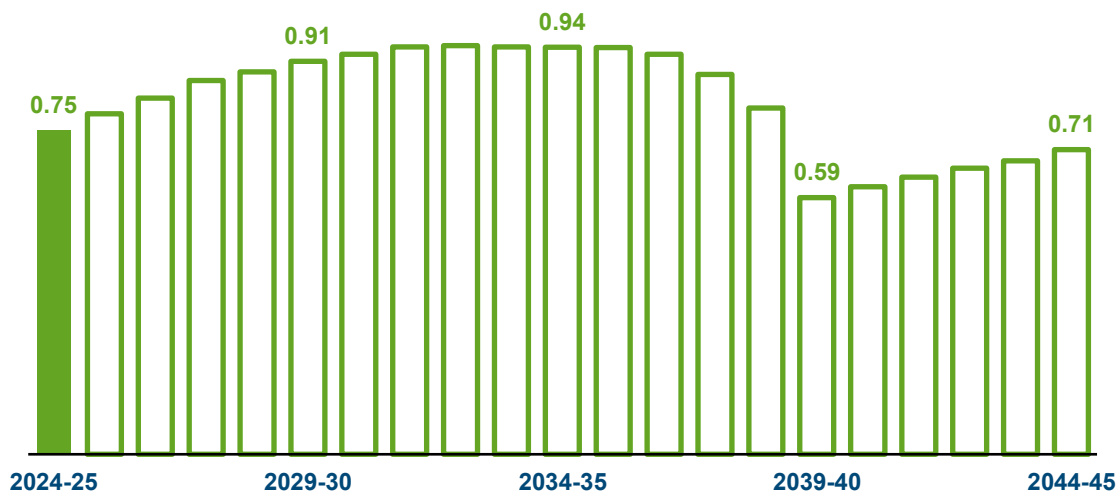
Long-Range Forecast

If the Town pays the Actuarially Determined Contribution (ADC) 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. Because the purpose of the long-range forecast is to give the Town directional guidance with respect to key metrics over the next few decades, we have included the Prefunding Account assets in the forecasted Actuarial Value of Assets (whereas the Prefunding Balance is excluded for purposes of determining the ADC for FY 2024-25; see page 14 for more details). The starting funded ratio and ADC shown in the graphs below are therefore not the same as the corresponding figures shown elsewhere in this report.

Funded Ratio



Actuarially Determined Contribution (\$ millions)

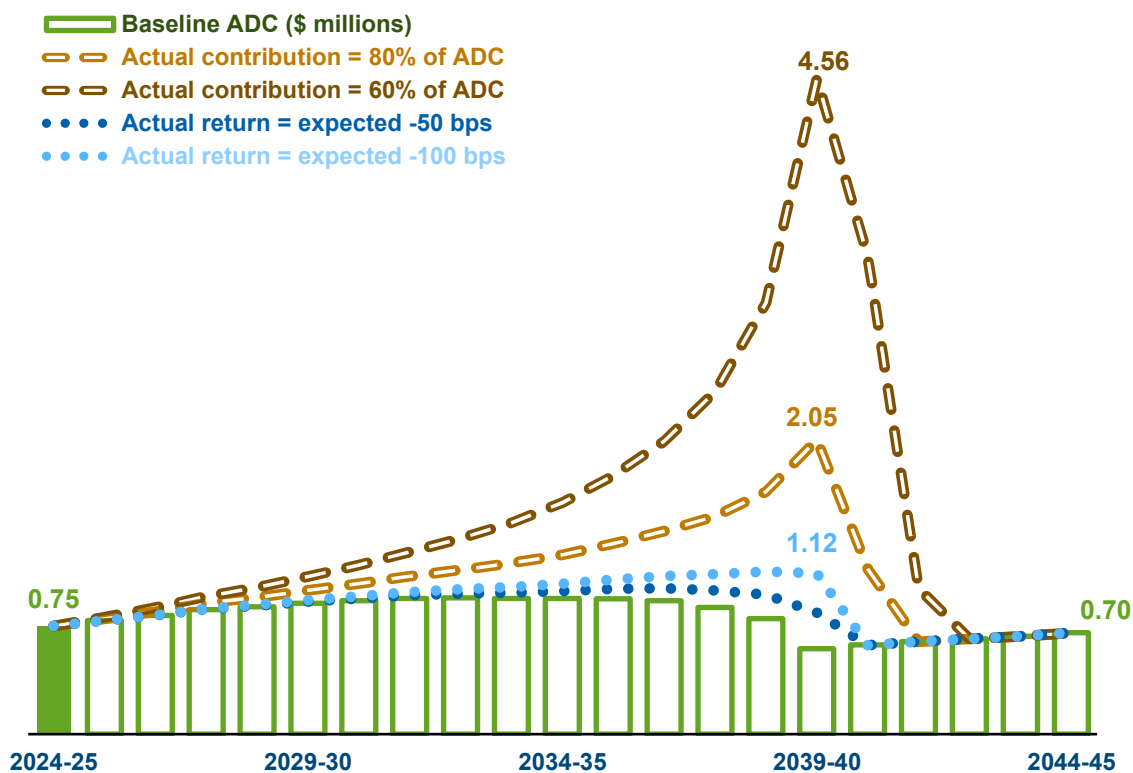


To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary

Long-Range Forecast (continued)

Benefits are paid for through a combination of contributions from the Town and from employees, and from investment income. If the Town pays less than the Actuarially Determined Contribution (ADC) 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 Town's contribution levels would be pushed higher. The risks of underfunding and underearning are illustrated in the hypothetical scenarios below. Because the purpose of the long-range forecast is to give the Town directional guidance with respect to key metrics over the next few decades, we have included the Prefunding Account assets in the forecasted Actuarial Value of Assets (whereas the Prefunding Balance is excluded for purposes of determining the ADC for FY 2024-25; see page 14 for more details). The starting ADC shown in the graph below is therefore not the same as the corresponding figure shown elsewhere in this report.



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 Town's future contribution levels. Stochastic projections could be prepared that would enable the Town 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	July 1, 2021	July 1, 2023
Active Members	268	266
Members Receiving Benefits	<u>39</u>	<u>31</u>
Total Count	307	297
Payroll	\$21,014,287	\$22,653,425
Assets and Liabilities as of	July 1, 2021	July 1, 2023
Market Value of Assets (including Prefunding Account)	\$3,472,711	\$5,404,688
Actuarial Value of Assets (excluding Prefunding Account)	3,233,466	3,915,214
Accrued Liability for Active Members	4,498,497	5,538,394
Accrued Liability for Members Receiving Benefits	<u>5,034,730</u>	<u>4,977,725</u>
Total Accrued Liability	9,533,227	10,516,119
Unfunded Accrued Liability	6,299,761	6,600,905
Funded Ratio	33.9%	37.2%
Actuarially Determined Contribution for Fiscal Year	2022-23	2024-25
Normal Cost	\$278,122	\$358,664
Past Service Cost	425,436	490,456
Interest	<u>42,214</u>	<u>50,948</u>
Actuarially Determined Contribution	745,772	900,068
Allocated to BOE Certified	\$490,489	\$513,299
Allocated to BOE Clerical	58,084	67,719
Allocated to BOE Custodians	55,692	75,912
Allocated to BOE Non-Union	50,953	69,143
Allocated to Town	67,231	115,868
Allocated to Police	<u>23,323</u>	<u>58,127</u>
Total	745,772	900,068

Section II - Plan Assets

A. Summary of Fund Transactions

The Town contributed \$2,000,000 in fiscal year 2021-22 to prefund several years' worth of Actuarially Determined Contributions. In order to calculate the Actuarially Determined Contribution in future fiscal years, we separately track the amount of OPEB Trust assets that are attributable to the initial prefunding contribution, less any amounts that have been used to pay Actuarially Determined Contributions, plus a pro rata portion of the Net Investment Income.

	Non-Prefunding Account ¹	Prefunding Account	Total OPEB Trust Assets
Market Value as of July 1, 2022	\$3,125,654	\$1,697,769	\$4,823,423
Town Contributions	650,205	0	650,205
Contribution from Prefunding Account ²	95,567	(95,567)	-
Net Investment Income ³	378,237	205,448	583,685
Benefit Payments	(650,205)	0	(650,205)
Administrative Expenses	(2,420)	0	(2,420)
Market Value as of June 30, 2023	3,597,038	1,807,650	5,404,688
Expected Return on Market Value of Assets	187,556	101,875	289,431
Market Value (Gain)/Loss	(190,681)	(103,573)	(294,254)
Approximate Rate of Return ⁴			12.10%

1 Used to calculate the Actuarially Determined Contribution.

2 FY 2022-23 Actuarially Determined Contribution was \$745,772; Town contributions totaled \$650,205, and the difference of \$95,567 is considered a use of the Prefunding Account.

3 Net Investment Income is allocated to the Non-Prefunding Account and the Prefunding Account in proportion to the respective market value as of the beginning of the year plus 50% of the net cash flows that occur during the year.

4 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.

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses in equal installments ('non-asymptotically') over a five year period. The Actuarial Value of Assets as of July 1, 2022 is determined below.

July 1, 2023 Actuarial Valuation Page 15
 Town of Granby Other Post-Employment Benefits Program

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Section II - Plan Assets

B. Development of Actuarial Value of Assets (continued)

The Actuarial Value of Assets as of July 1, 2023 is determined below.

1.	Expected Market Value of Non-Prefunding Account:	
a.	Market Value of Assets as of July 1, 2022	\$3,125,654
b.	Town Contributions	745,772
c.	Benefit Payments	(652,625)
d.	Expected Earnings Based on 6.00% Interest	<u>187,556</u>
e.	Expected Market Value of Non-Prefunding Account as of July 1, 2023	3,406,357
2.	Actual Market Value of Non-Prefunding Account as of July 1, 2023	3,597,038
3.	Market Value (Gain)/Loss: (1e) - (2)	(190,681)
4.	Delayed Recognition of Market (Gains)/Losses	
	Plan Year End	(Gain)/Loss
	6/30/2023	(\$190,681)
	6/30/2022	996,656
	6/30/2021	(340,366)
	6/30/2020	44,365
		<u>8,873</u>
		318,176
5.	Actuarial Value of Assets as of July 1, 2023: (2) + (4)	3,915,214
6.	Return on Actuarial Value of Assets:	82,434
7.	Approximate Rate of Return on Actuarial Value of Assets	2.18%
8.	Actuarial Value (Gain)/Loss	144,449

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 Town, taking into account any implicit rate subsidies.

	BOE Certified	BOE Clerical	BOE Custodians	BOE Non- Union	Town	Police	Total
Current active members							
Members Under Age 65	\$1,806,263	\$194,483	\$156,493	\$170,179	\$164,805	\$267,664	\$2,759,887
Members Over Age 65	533,140	137,223	204,296	171,373	64,740	49,772	1,160,544
Spouses/Dependents Under Age 65	467,935	17,705	97,170	40,962	78,781	76,612	779,165
Spouses/Dependents Over Age 65	<u>490,884</u>	<u>144,614</u>	<u>39,930</u>	<u>126,887</u>	<u>33,261</u>	<u>3,222</u>	<u>838,798</u>
Total	3,298,222	494,025	497,889	509,401	341,587	397,270	5,538,394
Current members receiving benefits							
Members Under Age 65	144,659	40,468	22,199	0	0	0	207,326
Members Over Age 65	2,558,201	1,606	0	0	621,598	0	3,181,405
Spouses/Dependents Under Age 65	25,105	0	53,750	0	171,767	0	250,622
Spouses/Dependents Over Age 65	<u>531,080</u>	<u>36,652</u>	<u>0</u>	<u>0</u>	<u>770,640</u>	<u>0</u>	<u>1,338,372</u>
Total	3,259,045	78,726	75,949	0	1,564,005	0	4,977,725
Total Accrued Liability	6,557,267	572,751	573,838	509,401	1,905,592	397,270	10,516,119
Accrued Liability Sensitivity							
	1% Decrease		Baseline		1% Increase		
Discount Rate	11,395,543		10,516,119		9,732,076		
Trend Rate	9,594,063		10,516,119		11,577,871		

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 method produces annual payments that will increase by 3.50% annually. On this basis, the ADC is determined as follows:

	BOE Certified	BOE Clerical	BOE Custodians	BOE Non- Union	Town	Police	Total
Accrued Liability	\$6,557,267	\$572,751	\$573,838	\$509,401	\$1,905,592	\$397,270	\$10,516,119
Actuarial Value of Assets (see Section II B)*	2,441,310	213,239	213,643	189,653	709,463	147,906	3,915,214
Unfunded Accrued Liability	4,115,957	359,512	360,195	319,748	1,196,129	249,364	6,600,905
Funded Ratio	37.2%	37.2%	37.2%	37.2%	37.2%	37.2%	37.2%
Amortization Period	16	16	16	16	16	16	16
Amortization Growth Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Past Service Cost	305,821	26,712	26,763	23,758	88,874	18,528	490,456
Normal Cost	176,863	37,038	44,716	41,350	19,982	36,215	356,164
Expected Administrative Expenses*	1,560	136	136	121	453	94	2,500
Total Normal Cost	178,423	37,174	44,852	41,471	20,435	36,309	358,664
Interest	29,055	3,833	4,297	3,914	6,559	3,290	50,948
ADC for FY 2024-25	513,299	67,719	75,912	69,143	115,868	58,127	900,068
Expected Benefit Payouts	416,957	36,623	50,652	29,644	116,194	15,491	665,561
Net Budget Impact	96,342	31,096	25,260	39,499	(326)	42,636	234,507

* The Actuarial Value of Assets and the expected administrative expenses are allocated to the groups in proportion to the Accrued Liability

Section III - Development of Contribution

C. Long Range Forecast

This forecast is based on the results of the July 1, 2023 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution 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. For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility. 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		Actuarially Determined Contribution	Member Contributions	Benefit Payments	Net Cash Flows
7/1/2023	\$10,516,119	\$5,804,106	\$4,712,013	55.2%	2024-25	\$751,298	\$0	(\$665,267)	\$86,031
7/1/2024	10,723,000	6,007,000	4,716,000	56.0%	2025-26	788,000	0	(646,000)	142,000
7/1/2025	11,026,000	6,311,000	4,715,000	57.2%	2026-27	824,000	0	(735,000)	89,000
7/1/2026	11,361,000	6,630,000	4,731,000	58.4%	2027-28	865,000	0	(734,000)	131,000
7/1/2027	11,641,000	7,178,000	4,463,000	61.7%	2028-29	885,000	0	(760,000)	125,000
7/1/2028	11,944,000	7,741,000	4,203,000	64.8%	2029-30	909,000	0	(876,000)	33,000
7/1/2029	12,228,000	8,331,000	3,897,000	68.1%	2030-31	926,000	0	(868,000)	58,000
7/1/2030	12,420,000	8,861,000	3,559,000	71.3%	2031-32	943,000	0	(1,008,000)	(65,000)
7/1/2031	12,637,000	9,449,000	3,188,000	74.8%	2032-33	946,000	0	(1,172,000)	(226,000)
7/1/2032	12,713,000	9,945,000	2,768,000	78.2%	2033-34	943,000	0	(1,075,000)	(132,000)
7/1/2033	12,630,000	10,306,000	2,324,000	81.6%	2034-35	942,000	0	(942,000)	0
7/1/2034	12,657,000	10,784,000	1,873,000	85.2%	2035-36	941,000	0	(950,000)	(9,000)
7/1/2035	12,840,000	11,428,000	1,412,000	89.0%	2036-37	926,000	0	(1,041,000)	(115,000)
7/1/2036	13,008,000	12,101,000	907,000	93.0%	2037-38	879,000	0	(1,023,000)	(144,000)
7/1/2037	13,121,000	12,704,000	417,000	96.8%	2038-39	801,000	0	(962,000)	(161,000)
7/1/2038	13,277,000	13,313,000	(36,000)	100.3%	2039-40	594,000	0	(993,000)	(399,000)
7/1/2039	13,515,000	13,942,000	(427,000)	103.2%	2040-41	619,000	0	(1,001,000)	(382,000)
7/1/2040	13,765,000	14,363,000	(598,000)	104.3%	2041-42	641,000	0	(1,080,000)	(439,000)
7/1/2041	14,030,000	14,827,000	(797,000)	105.7%	2042-43	662,000	0	(1,143,000)	(481,000)
7/1/2042	14,233,000	15,261,000	(1,028,000)	107.2%	2043-44	679,000	0	(1,207,000)	(528,000)

* We include the Prefunding Account balance (see page 14 for details) when calculating the Actuarial Value of Assets for purposes of the long-range forecast, resulting in different 7/1/2023 values than shown elsewhere in this report.

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, 2015	\$1,385,541	\$6,288,232	\$4,902,691	22.0%
July 1, 2016	1,365,480	6,477,821	5,112,341	21.1%
July 1, 2017	1,708,877	8,238,963	6,530,086	20.7%
July 1, 2018	1,819,327	8,493,312	6,673,985	21.4%
July 1, 2019	1,933,010	10,847,388	8,914,378	17.8%
July 1, 2020	2,348,645	11,219,239	8,870,594	20.9%
July 1, 2021	3,233,466	9,533,227	6,299,761	33.9%
July 1, 2022	3,739,633	9,699,564	5,959,931	38.6%
July 1, 2023	3,915,214	10,516,119	6,600,905	37.2%

Section III - Development of Contribution

E. History of Town Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Town Contribution	Contribution Deficiency (Excess)
2016-17	\$568,962	\$707,589	(\$138,627)
2017-18	610,945	518,279	92,666
2018-19	693,256	572,118	121,138
2019-20	727,143	901,761	(174,618)
2020-21	981,524	1,303,087	(321,563)
2021-22	1,025,172	1,025,172	0
2022-23	745,772	745,772	0
2023-24	754,846	TBD	TBD
2024-25	900,068	TBD	TBD

Section IV - Membership Data

A. Statistics of Active Membership

		As of July 1, 2021	As of July 1, 2023
Number of Active Members	BOE Certified	164	158
	BOE Clerical	15	14
	BOE Custodians	18	18
	BOE Non-Union	15	17
	Town	44	45
	Police	<u>12</u>	<u>14</u>
	Total	268	266
Average Age	BOE Certified	45.6	46.0
	BOE Clerical	54.4	54.8
	BOE Custodians	51.9	52.5
	BOE Non-Union	51.6	51.8
	Town	54.1	51.3
	Police	47.6	45.2
	Total	48.3	48.1
Average Service	BOE Certified	11.8	12.0
	BOE Clerical	11.2	11.5
	BOE Custodians	11.3	10.3
	BOE Non-Union	10.2	10.7
	Town	11.9	10.7
	Police	12.1	9.2
	Total	11.7	11.4

Section IV - Membership Data

B. Distribution of Active Members as of July 1, 2023

BOE Certified

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	3							3
25-29	10	1						11
30-34	6	6						12
35-39	6	3	3	1				13
40-44	11	5	3	10	3			32
45-49	4	6	3	6	5			24
50-54	1	6	4	10	5	5		31
55-59	2	5	3	5	5	1	1	22
60-64	1	2	1	1	2	1		8
65+	1					1		2
Total	45	34	17	33	20	8	1	158

BOE Clerical

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		1		1				2
45-49		1						1
50-54	1	1	1					3
55-59		2		3				5
60-64		2		1				3
65+								0
Total	1	7	1	5	0	0	0	14

BOE Custodians

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	3	1	1					5
45-49					1			1
50-54	1	1			1			3
55-59		1		1				2
60-64	1	1	2	1		1		6
65+								0
Total	6	4	3	2	2	1	0	18

Section IV - Membership Data

B. Distribution of Active Members as of July 1, 2023

BOE Non-Union

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								0
40-44	1	2	1					4
45-49	1	1	1		1			4
50-54	1				1			2
55-59				1				1
60-64		1				1		2
65+		1	1	1				3
Total	4	5	3	2	2	1	0	17

Town

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29	2							2
30-34	5		1					6
35-39	2	1						3
40-44	3			1				4
45-49	1			2				3
50-54		1			1			2
55-59	5	1	2	2	1		1	12
60-64			5	1	1	1		8
65+		2		1		1	1	5
Total	18	5	8	7	3	2	2	45

Police

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

Section IV - Membership Data

C. Information on Members Receiving Benefits

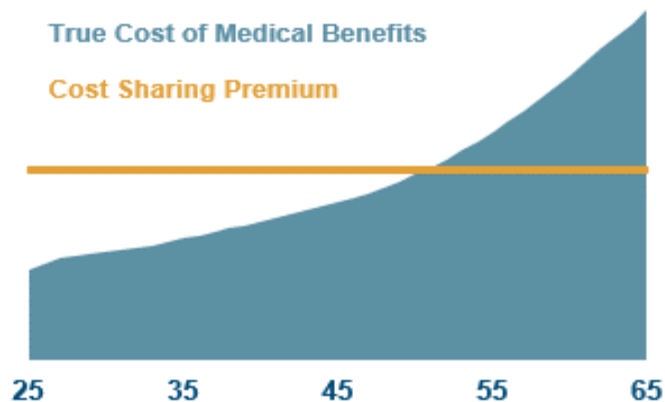
	As of July 1, 2021	As of July 1, 2023
Members Receiving Benefits		
BOE Certified	24	21
BOE Clerical	4	3
BOE Custodians	3	1
BOE Non-Union	0	0
Town	7	6
Police	<u>1</u>	<u>0</u>
Total Count	39	31
Average Age	72.7	72.7
Spouses/Dependents Receiving Benefits		
BOE Certified	11	12
BOE Clerical	1	2
BOE Custodians	1	2
BOE Non-Union	0	0
Town	6	7
Police	<u>0</u>	<u>0</u>
Total Count	19	23
Average Age	72.8	69.7

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 Appendix B. 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 Town is calculated as the difference between the gross liability and the offset liability.

Section V - Healthcare Information

B. Current Premiums

The annual medical premiums for the year beginning July, 1 2023 are shown below.

Medical Plan	Employee	Spouse
Blended PPO	\$17,914.44	\$17,910.24
Blended HSA (Town)	12,694.92	13,207.68
Blended HSA (BOE)	11,714.88	12,188.16
Dental Plan		
Blended Dental	755.40	753.36

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 are shown in the table below. These factors were then applied to the plan's healthcare rates for the year beginning July 1, 2023 to arrive at the expected annual per capita claims costs for a 65-year-old, which are also shown below.

Non-Medicare Eligible

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.53119	0.89052	0.44748	0.63894
50	0.60433	0.84742	0.54029	0.72171
55	0.68752	0.82001	0.64438	0.79458
60	0.79067	0.88221	0.77549	0.87701
65	1.00000	1.00000	1.00000	1.00000
70	1.21698	1.16996	1.36727	1.29442
75	1.46178	1.34300	1.72061	1.54719
80	1.67958	1.49811	1.97697	1.72588
85	1.84785	1.64032	2.17504	1.88972
90	1.97376	1.75629	2.32324	2.02332

Age 65 per capita claims cost

Town HSA Pre-65	\$25,944.13	\$23,359.56	\$20,553.97	\$19,083.30
Town PPO Pre-65	36,481.72	32,847.39	28,902.27	26,834.26
BOE HSA Pre-65	23,941.19	21,556.16	18,967.16	17,610.03
BOE HSA Post-65	22,693.50	21,778.30	19,279.74	18,904.11

Medicare Eligible

Age	Employee		Spouse	
	Male	Female	Male	Female
65	1.00000	1.00000	1.00000	1.00000
70	1.12557	1.11733	1.12557	1.11733
75	1.25665	1.20487	1.25665	1.20487
80	1.33218	1.23489	1.33218	1.23489
85	1.28348	1.15888	1.28348	1.15888
90	1.20355	1.06109	1.20355	1.06109

Age 65 per capita claims cost

Town Post-65	\$8,242.83	\$7,201.53	\$8,242.83	\$7,201.53
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Section V - Healthcare Information

C. Expected Healthcare Costs (continued)

Dental

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.62160	0.73243	0.62160	0.73243
50	0.67411	0.78171	0.67411	0.78171
55	0.75768	0.85021	0.75768	0.85021
60	0.87380	0.93989	0.87380	0.93989
65	1.00000	1.00000	1.00000	1.00000
70+	1.10617	1.02712	1.10617	1.02712
Age 65 per capita claims cost				
All ages	\$865.77	\$849.19	\$865.77	\$849.19

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 percent over a closed 30 year period starting July 1, 2009. The amortization period will decrease each year until it reaches 10 years, after which time it will remain at 10 years.

The Actuarial Value of Assets is determined by recognizing market gains and losses non-asymptotically over a five year period.

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. For those unions whose new employees are eligible to participate in this plan, members who are projected to leave active employment are assumed to be replaced by new active members with the same age, service, gender, and pay characteristics as those hired in the past few years.

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 3.50%

Medical Inflation Rate	Current:	Trend from Year			Rate
		Beginning			
		2023	to	2024	6.60%
		2024	to	2025	6.50%
		2025	to	2026	5.90%
		2026	to	2027	5.30%
		2027	to	2028	5.00%
		2028	to	2029	4.80%
		2029	to	2030	4.70%
		2030	to	2031	4.50%
		2031	to	2032	4.40%
		2032	to	2065	4.30%
		2065	to	2068	4.20%
		2068	to	2070	4.10%
		2070	to	2072	4.00%
		2072	+		3.90%

Prior: 5.60% to 4.00% over 52 years

Dental Inflation Rate 3.00%

Salary Scale **Teachers and Administrators[#]**

Service	Rate	Service	Rate
0-1	6.50%	17	4.25%
2-9	6.25%	18	4.00%
10-11	5.50%	19	3.75%
12-14	5.00%	20	3.50%
15	4.75%	21+	3.25%
16	4.50%		
All Others	3.50%		

Appendix B - Actuarial Assumptions

Healthy Mortality

Teachers and Administrators[#]: PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2021 ultimate scale (prior: MP-2019). The PubT-2010 Contingent Survivor Table projected generationally per the MP-2021 ultimate scale (prior: MP-2019) and set forward 1 year for both males and females is used for survivors and beneficiaries. This assumption includes a margin for improvements in longevity beyond the valuation date.

Police and Town Union: PubS-2010 Mortality Table with generational projection per MP-2021 ultimate scale (prior: MP-2019), with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date.

All Others: PubG-2010 Mortality Table with generational projection per MP-2021 ultimate scale (prior: MP-2019), with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date.

Disabled Mortality

Teachers and Administrators[#]: PubT-2010 Disabled Mortality Table for males and females with generational projection of future improvements per the MP-2021 Ultimate scale (prior: MP-2019). This assumption includes a margin for mortality improvement beyond the valuation date.

All Others: N/A.

Appendix B - Actuarial Assumptions

Disability

Teachers and Administrators[#]: rates based on age and gender:

Age	Male	Female
20	0.0200%	0.0200%
30	0.0200%	0.0200%
40	0.0300%	0.0600%
50	0.1500%	0.1500%
60	0.1500%	0.1500%

All Others: None.

Turnover

Teachers and Administrators[#]: Rates based on gender and length of service for the first ten years and gender and age thereafter:

Service	Male	Female
0-1	15.00%	12.00%
1-2	11.00%	11.00%
2-3	8.50%	9.50%
3-4	7.00%	8.00%
4-5	5.50%	7.50%
5-6	4.50%	7.00%
6-7	4.00%	6.50%
7-8	3.50%	6.00%
8-9	3.50%	5.50%
9-10	3.50%	5.00%
10+	1.80%	6.00%

Age	Male	Female
25	1.80%	6.00%
35	1.80%	4.25%
45	1.80%	2.00%
55	4.00%	3.90%

All Others: Rates based on age and gender:

Age	Male	Female
20	6.00%	15.00%
25	4.80%	15.00%
30	3.60%	10.00%
35	2.75%	7.50%
40	2.05%	5.00%
45	1.40%	2.50%
50	0.75%	0.00%

Appendix B - Actuarial Assumptions

Retirement

Teachers and Administrators[#]: Rates based on age, eligibility for pension benefits, and gender.

Age	Unreduced			
	< 35 years of service		35+ years of service	
	Male	Female	Male	Female
50-59			35.00%	30.00%
60	20.00%	20.00%	30.00%	30.00%
61	20.00%	20.00%	30.00%	30.00%
62	22.50%	20.00%	30.00%	30.00%
63	22.50%	20.00%	30.00%	30.00%
64	25.00%	25.00%	30.00%	30.00%
65	27.50%	32.50%	35.00%	37.50%
66	27.50%	30.00%	35.00%	37.50%
67-74	27.50%	30.00%	30.00%	32.50%
75	100.00%	100.00%	100.00%	100.00%

Age	Proratable		Reduced	
	Male	Female	Male	Female
50-52			1.50%	1.25%
53			1.50%	1.75%
54			2.00%	2.25%
55			3.00%	3.00%
56			4.00%	3.75%
57			5.00%	4.50%
58			6.50%	5.50%
59			8.00%	7.00%
60	6.00%	5.00%		
61	6.00%	6.00%		
62	6.00%	7.00%		
63	9.00%	8.00%		
64	12.00%	9.00%		
65	15.00%	12.00%		
66-68	18.00%	15.00%		
69-79	28.50%	15.00%		
80	100.00%	100.00%		

Appendix B - Actuarial Assumptions

Retirement (continued)	BOE Non-Certified	Age	Rate
		55-59	5%
		60-61	15%
		62	50%
		63-64	30%
		65-69	40%
		70	100%
	Town	Age	Rate
		55-59	2%
		60-61	10%
		62	50%
		63-64	30%
		65-69	40%
		70	100%
	Police	Age	Rate
		55	75%
		56-64	20%
		65	100%

Appendix B - Actuarial Assumptions

Future Retiree Coverage 100% of **BOE** for the first 2 years and 50% thereafter, 50% of **Town** and 50% of **Police** active 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 three years younger than males.

Current:	Male	Female
Teachers and Administrators	50%	50%
BOE Non-Certified	50%	50%
Town	60%	60%
Police	100%	100%
Prior:	Male	Female
Teachers and Administrators	50%	50%
BOE Non-Certified	50%	50%
Town	70%	50%
Police	100%	100%

Future Post-65 Coverage **Teachers and Administrators:** 50% of current actives and pre-65 retirees are assumed to continue retiree health coverage at age 65. 100% of current actives and pre-65 retirees are assumed to be Medicare-eligible.

All Others: 100% of current actives and pre-65 retirees are assumed to continue retiree health coverage at age 65 (when applicable).

Valuation of Life, Dental and Post-65 Medicare Eligible Medical Benefits It is assumed that there is no implicit rate subsidy associated with life/dental benefits, or with post-65 medical benefits for Medicare eligible retired members and their spouses who are paying 100% of the premium.

Certain actuarial demographic assumptions for **Teachers** and **Administrators** are based on the assumptions used in the June 30, 2020 valuation of the Connecticut State Teachers' Retirement System.

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

BOE Certified (Teachers and Administrators) A Teacher or Administrator retiring under the Connecticut State Teachers' Retirement System shall be eligible to receive health benefits for self and spouse.

Normal Retirement for Teachers and 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.

Education Support Personnel (ESP) employees are not eligible for post-employment benefits.

BOE Clerical (SEIU) Category A and B retirees with at least 15 years of full-time employment in the Granby Public Schools are eligible to continue health and life insurance coverage.

Retirees hired before July 1, 2019 can continue coverage after two years at their own expense. All other retirees are not eligible to continue coverage after two years of retirement.

BOE Custodians (UPSEU) A retired member shall be eligible to continue health and life insurance coverage.

Retirees hired before July 1, 2019 can continue coverage after two years at their own expense. All other retirees are not eligible to continue coverage after two years of retirement.

BOE Non-Union A retired member shall be eligible to continue health benefits for self and spouse, when applicable per individual contract. The School Business Manager shall be eligible to continue health and life insurance coverage upon retirement.

Town (GMEA, UPSEU and Non-Union) and Police (IBPO) Retired members are eligible to continue health coverage as long as their coverage is uninterrupted and does not cause adverse effect on the group's experience as determined by the Town.

Appendix C - Summary of Plan Provisions

Cost-Sharing

Teachers

Medical Retiree contributes 19.25% of the cost

Dental Retiree contributes 22.75% of the cost

The above cost-sharing applies for two years following retirement. Thereafter, the retiree shall contribute 100% of the cost.

Administrators

Medical Retiree contributes 21% of the cost

Dental Retiree contributes 24% of the cost

The above cost-sharing applies for two years following retirement. Thereafter, the retiree shall contribute 100% of the cost.

BOE Clerical and Custodians

Medical Retiree contributes 18% of the cost (Prior: 17% of the cost).

Dental Retiree contributes 23% of the cost (Prior: 22.5% of the cost).

The above cost-sharing applies for two years following retirement. Thereafter, the retiree shall contribute 100% of the cost.

BOE Non-Union

The above cost-sharing for Clerical and Custodians applies. The School Business Manager will contribute the same premium share as active Administrators for the two years following retirement. Thereafter the School Business Manager shall contribute 100% of the cost as long as the coverage is uninterrupted.

Town GMEA

Medical Retiree contributes 100% of the cost

Town UPSEU

Medical Retiree contributes 100% of the cost

Dental Retiree contributes 100% of the cost

Appendix C - Summary of Plan Provisions

Cost-Sharing

Town Non-Union

Date of Hire prior to September 1, 2002:

Medical	Retiree contributes 15% of the cost
Dental	Retiree contributes 15% of the cost.

Date of Hire after September 1, 2002:

Medical	Retiree contributes 100% of the cost.
Dental	Retiree contributes 100% of the cost.

Prior: Same assumption.

Police (IBPO)

The Town shall contribute 50% of the cost of PPO insurance for the retiree only. The retiree shall contribute the remainder of the cost.

In the event of an employee's death in the line of duty, the Town shall
Prior: Same assumption.

Life Insurance

Retirees may continue coverage (if applicable), based on the terms of their respective collective bargaining agreements. In general, if coverage continuation is permitted, then the retiree contributes 100% of the cost after two years.

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.