



**TOWN OF WINDSOR
OTHER POST-EMPLOYMENT BENEFITS PLAN**

**Actuarial Valuation as of July 1, 2021
To Determine Funding for Fiscal Year 2022-23**

Prepared by

Rebecca A. Sielman, FSA
Consulting Actuary

Scott Lindberg, FSA
Consulting Actuary

Table of Contents

	Page
CERTIFICATION	1
I EXECUTIVE SUMMARY	3
II PLAN ASSETS	
A. Summary of Fund Transactions	14
B. Development of Actuarial Value of Assets	15
III DEVELOPMENT OF CONTRIBUTION	
A. Summary of Liabilities	17
B. Actuarially Determined Contribution	18
C. Long Range Forecast	19
D. History of Funded Status	20
E. History of Town Contributions	21
IV MEMBERSHIP DATA	
A. Statistics of Active Membership	22
B. Distribution of Active Members	24
C. Information on Members Receiving Benefits	25
V HEALTHCARE INFORMATION	
A. Introduction	30
B. Current Premiums	31
C. Expected Healthcare Costs	32
APPENDICES	
A. Actuarial Funding Method	35
B. Actuarial Assumptions	36
C. Summary of Plan Provisions	44
D. Glossary	49

Certification

We have performed an actuarial valuation of the Plan as of July 1, 2021 to determine funding for fiscal year 2022-23. This report presents the results of our valuation.

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

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

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

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

In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the 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.

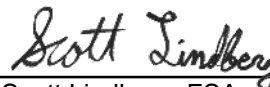
We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to 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.



Rebecca A. Sielman, FSA
Consulting Actuary



Scott Lindberg, FSA
Consulting Actuary

Section I - Executive Summary Changes Since the Prior Valuation

Demographic Changes and Plan Experience

From July 1, 2019 to July 1, 2021, the overall membership increased from 851 to 1,023. The number of active members increased from 639 to 731, and the total number of members and spouses/dependents receiving benefits increased from 212 to 292. The increase in active members is due to the inclusion of Paraprofessionals in this valuation, while the increase in members receiving benefits is due to valuing implicit rate subsidy for dental benefits, which led to a number of retirees who only have dental coverage and pay 100% of the benefit being valued.

The average age of active members stayed the same at 45.4, and the average age of members receiving benefits increased from 70.2 to 71.7.

Plan Changes

None.

Changes in Actuarial Methods and Assumptions

We updated the medical trend so that it varies by group and age. Please see Appendix B for details.

We updated certain demographic assumptions for the BOE Certified employees to reflect the assumptions used in the June 30, 2020 Pension Actuarial Valuation Report for the Connecticut State Teachers' Retirement System.

We updated our mortality improvement assumption to the MP-2021 Ultimate Table.

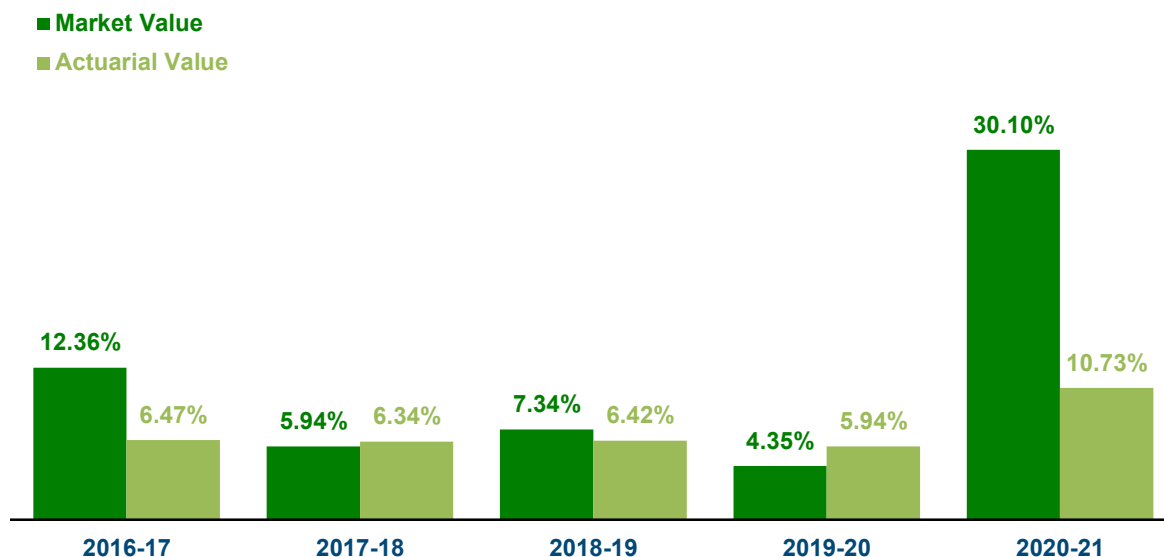
These changes in combination caused the Unfunded Accrued Liability to decrease by about \$2.81 million and the Actuarially Determined Contribution to decrease by about \$421,000.

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.

	Market	Actuarial
Value as of July 1, 2019	\$2,693,472	\$2,613,587
Town Contributions	2,170,946	2,170,946
Investment Income	132,951	176,854
Benefit Payments	(1,447,348)	(1,447,348)
Value as of July 1, 2020	3,550,021	3,514,039
Town Contributions	2,322,777	2,322,777
Investment Income	1,177,365	415,970
Benefit Payments	(1,599,404)	(1,599,404)
Value as of July 1, 2021	5,450,759	4,653,382

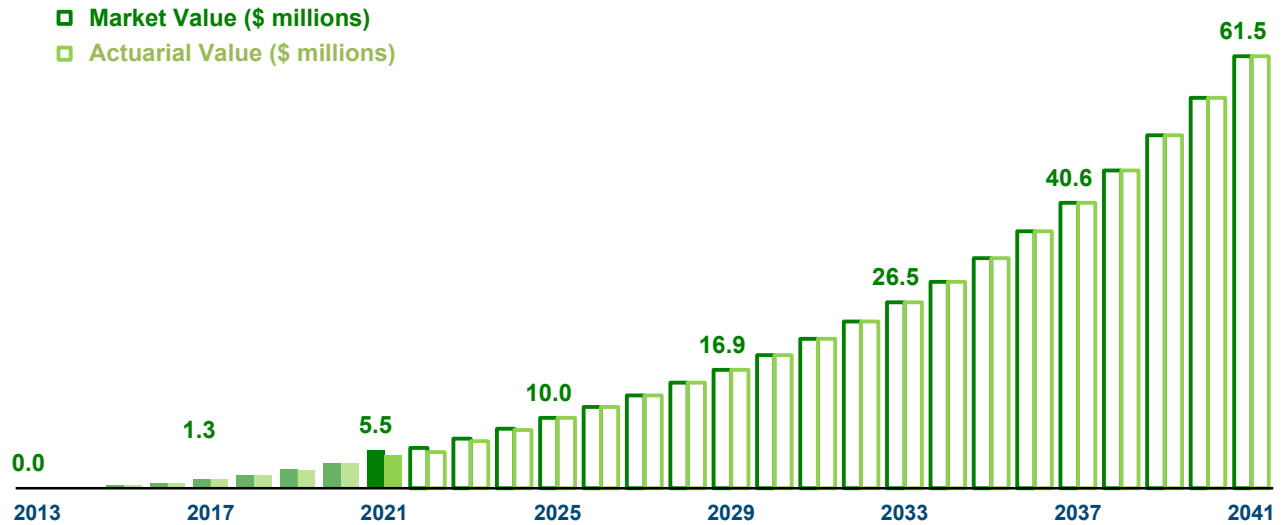
For fiscal year 2019-20, the plan's assets earned 4.35% on a Market Value basis. The actuarial assumption for this period was 5.00%; the result is an asset loss of about \$19,900. For fiscal year 2020-21, the plan's assets earned 30.10% on a Market Value basis. The actuarial assumption for this period was 5.00%; the result is an asset gain of about \$981,800. Historical rates of return are shown in the graph below.



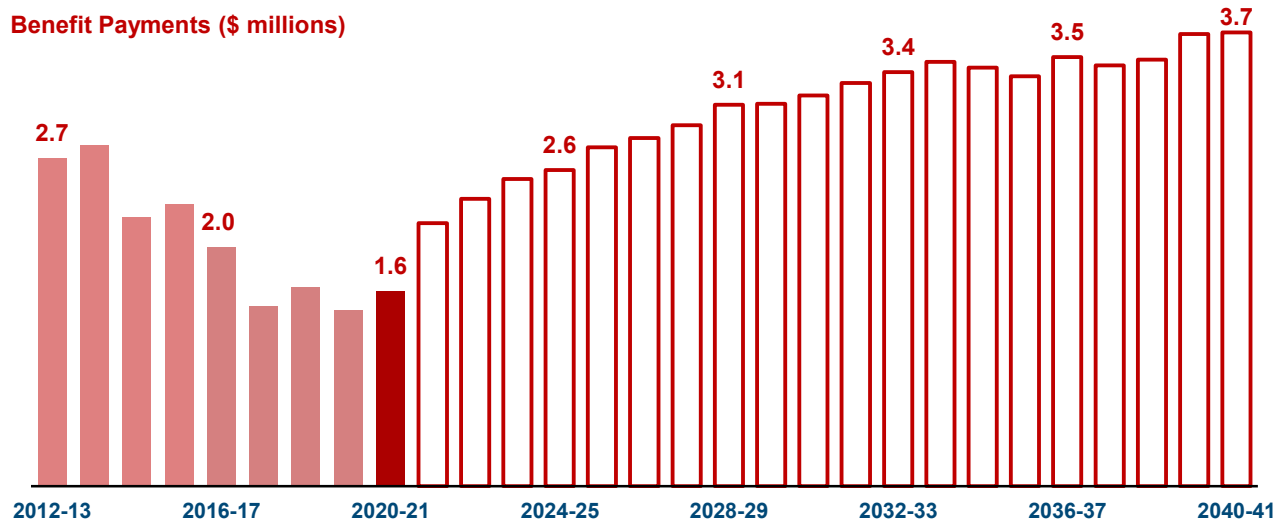
Please note that the Actuarial Value currently is less than the Market Value by \$797,377. This figure represents investment gains that will be gradually recognized in future years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

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.

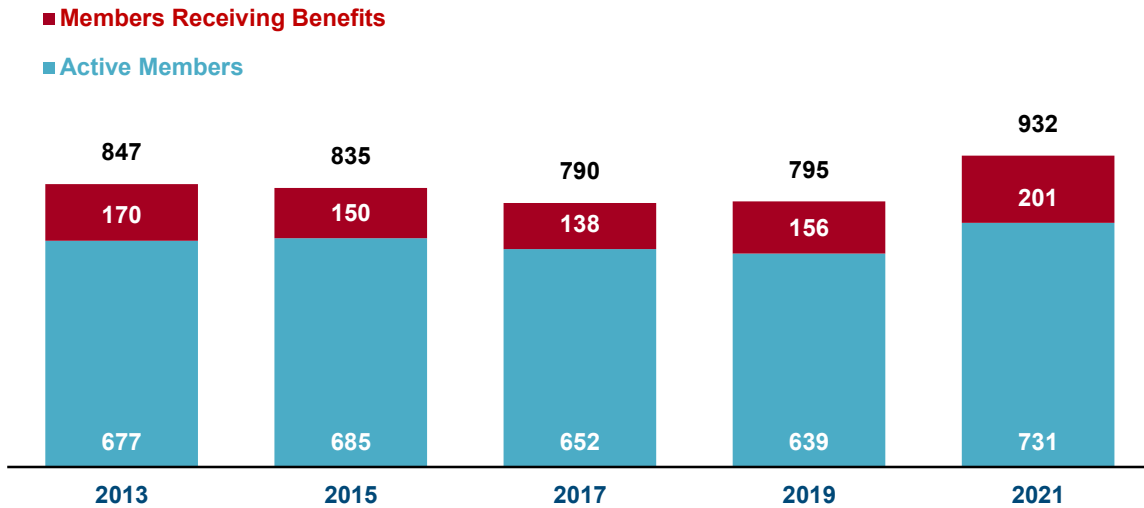


In 2020-21, the plan paid out \$1.6 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$62.6 million in benefits to members.



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.

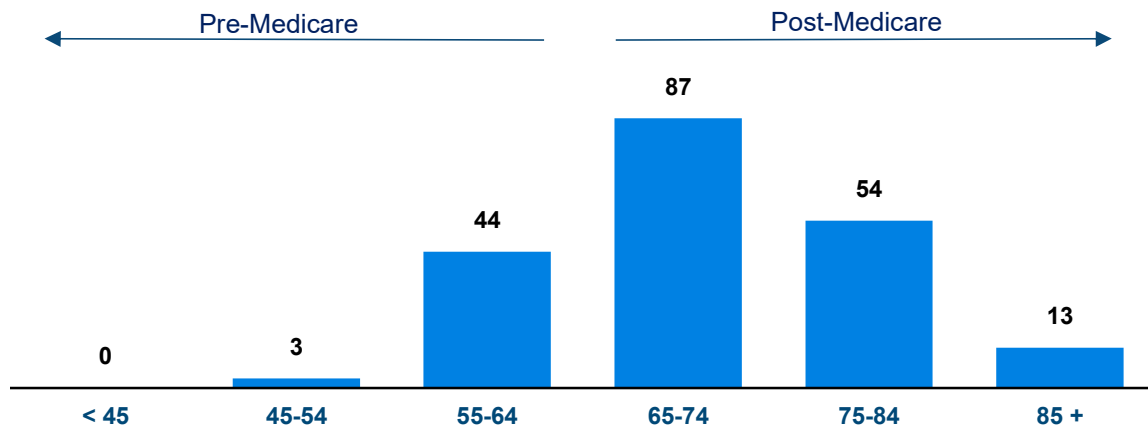


Currently Receiving Benefits on July 1, 2021

Members Receiving Benefits	201
Average Age	71.5

There are also 91 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, 2021

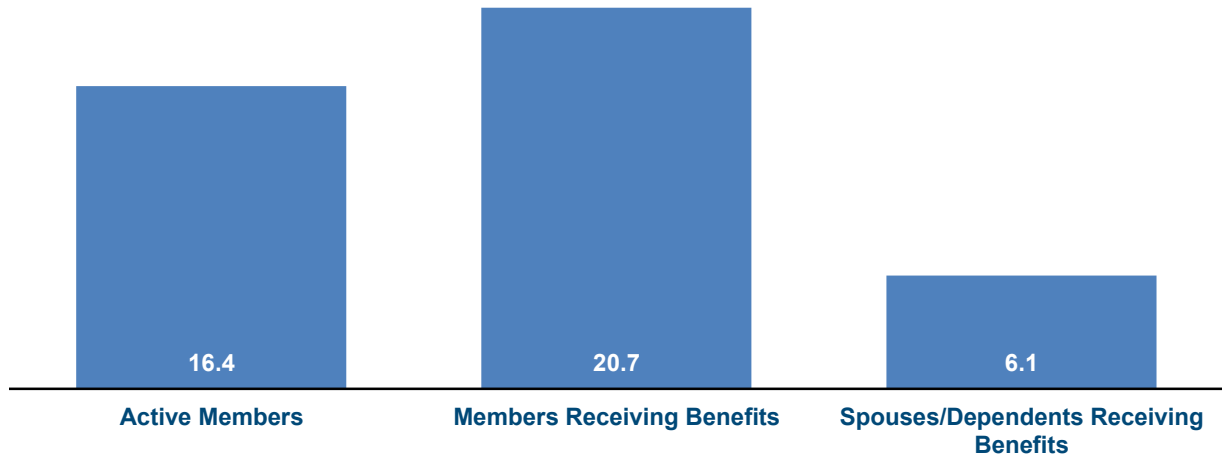
Count	731
Average Age	45.4
Average Service	9.8
Payroll	\$50,017,968
Average Payroll	68,424

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	22	2						24
25-29	62	13						75
30-34	54	32	2					88
35-39	36	27	14	3				80
40-44	22	20	19	14	3			78
45-49	29	18	8	10	19	1		85
50-54	30	21	13	30	14	6	2	116
55-59	23	16	19	10	15	3	5	91
60-64	3	10	10	18	14	2	8	65
65+	1	7	4	7	6		4	29
Total	282	166	89	92	71	12	19	731

Section I - Executive Summary Accrued Liability

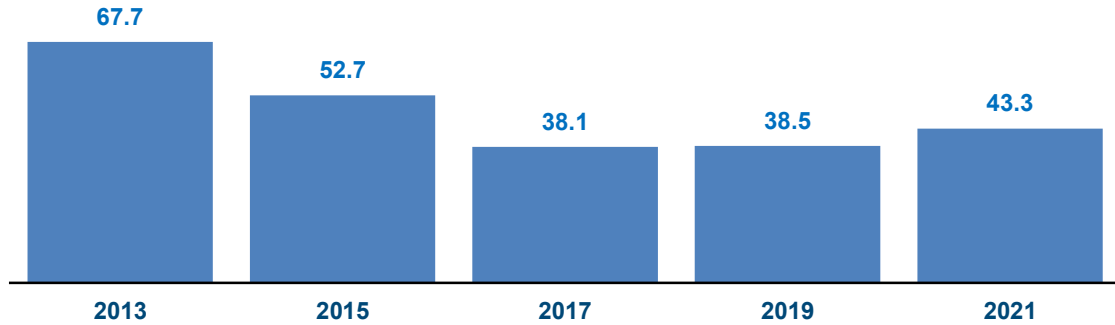
The Accrued Liability as of July 1, 2021 is \$43,292,084 and consists of the following pieces (in \$ millions):



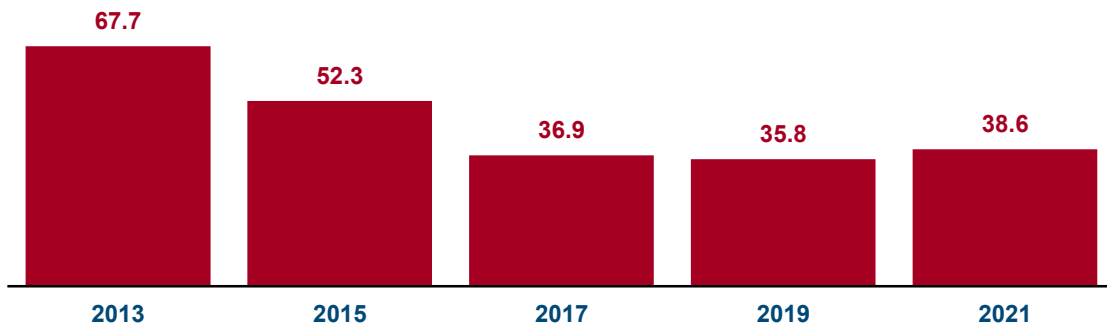
Section I - Executive Summary Funded Status

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.

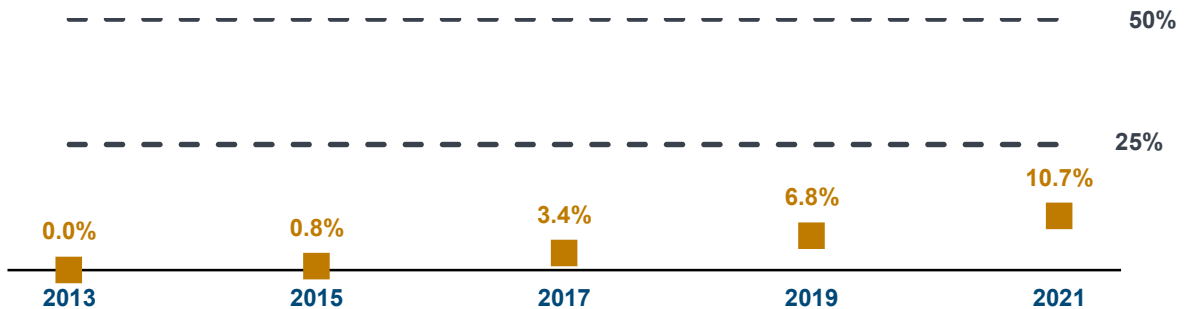
Accrued Liability (\$ millions)



Unfunded Accrued Liability (\$ millions)



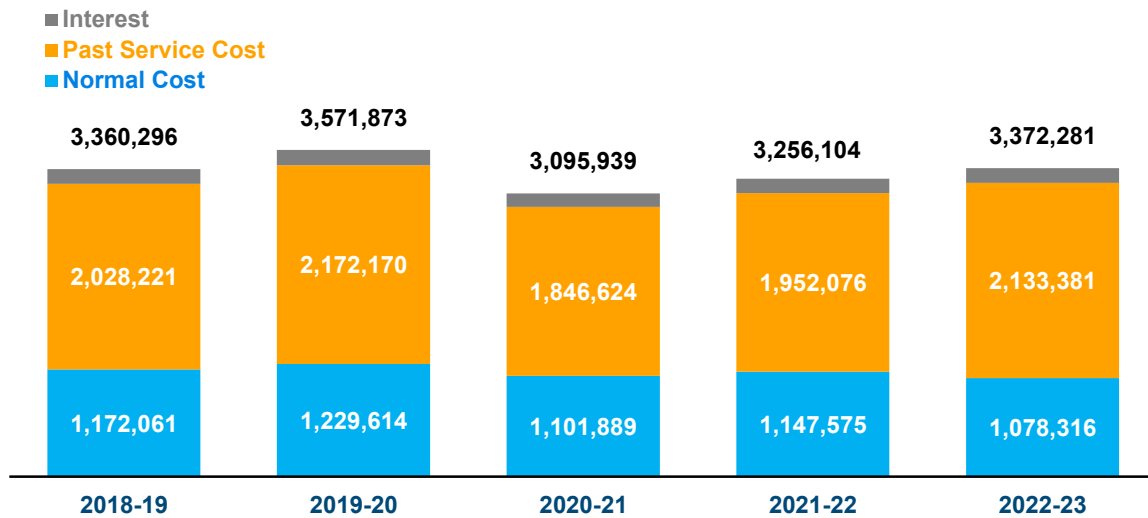
Funded Ratio



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.

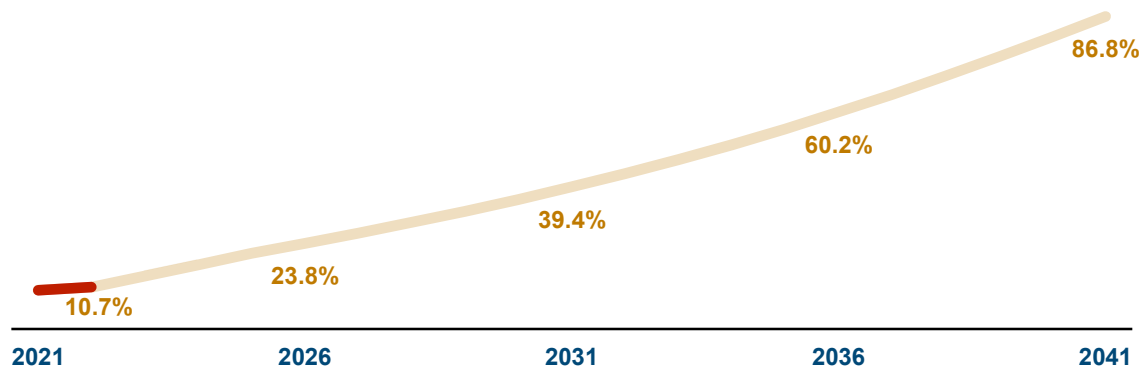
The Actuarially Determined Contribution for fiscal year 2022-23 is \$3,372,281 as shown graphically below, along with the comparable figures for the preceding four fiscal years. Note that the Normal Cost is relatively consistent from year to year, whereas the Past Service Cost tends to be more volatile since it reflects the impact of asset performance.



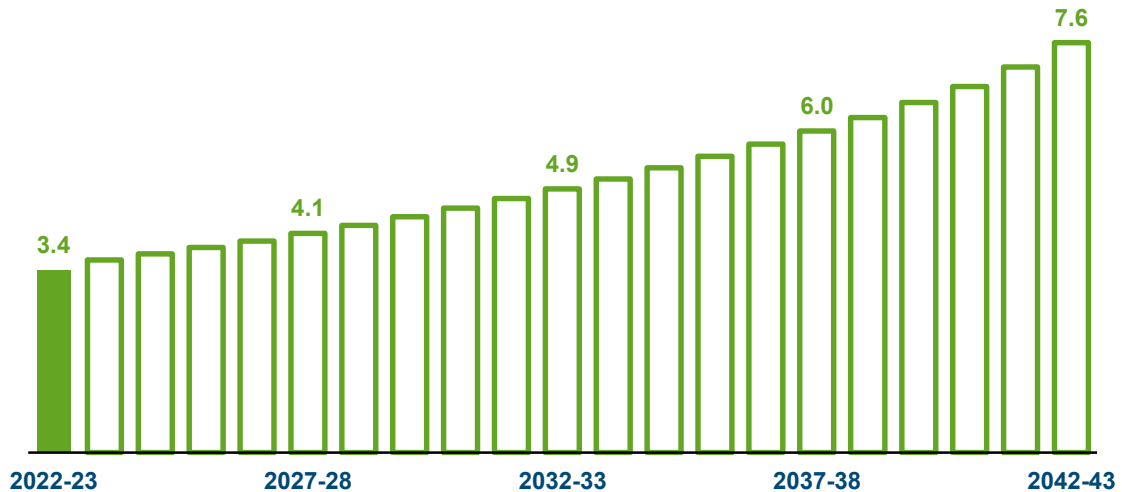
Section I - Executive Summary Long-Range Forecast

If the Town pays the Actuarially Determined Contribution each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following changes in the plan's funded status and the long-range contribution levels:

Funded Ratio



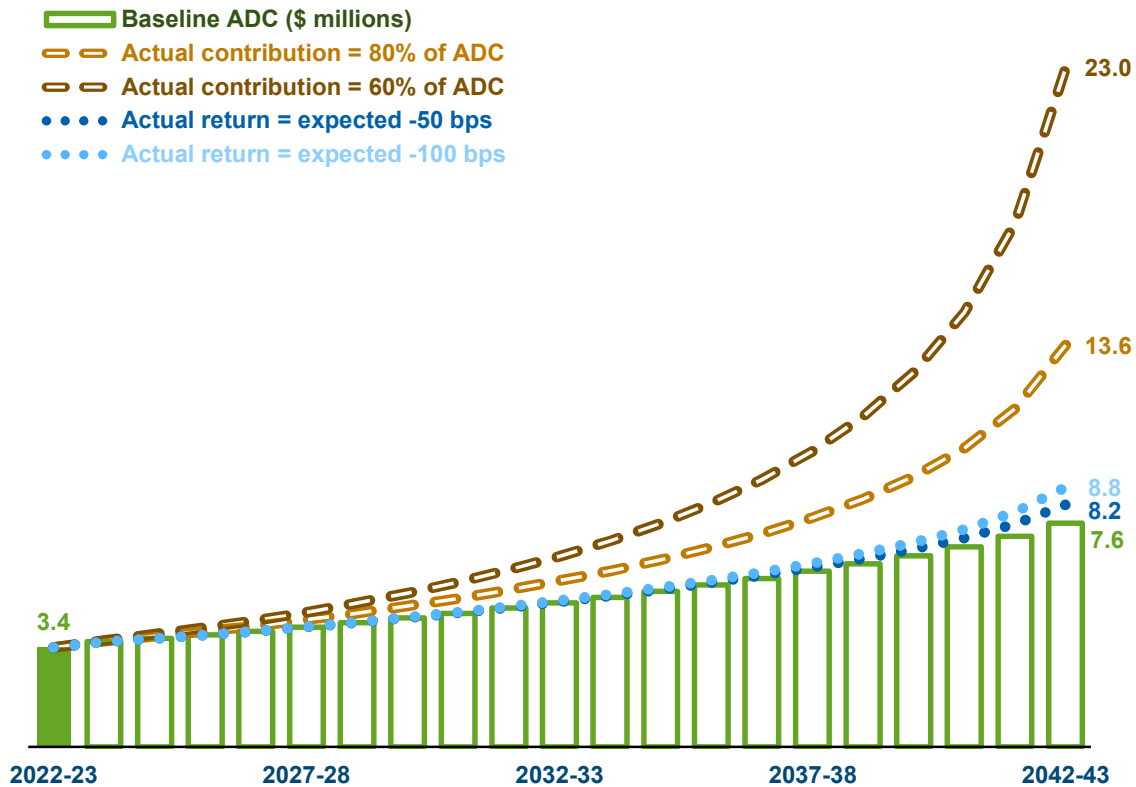
Actuarially Determined Contribution (\$ millions)



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 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:



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, 2019	July 1, 2021
Active Members	639	731
Members Receiving Benefits	156	201
Spouses / Dependents Receiving Benefits	<u>56</u>	<u>91</u>
Total Count	851	1,023
 Payroll	 \$43,755,414	 \$50,017,968
 Assets and Liabilities as of	 July 1, 2019	 July 1, 2021
Market Value of Assets	\$2,693,472	\$5,450,759
Actuarial Value of Assets	2,613,587	4,653,382
 Accrued Liability for Active Members	 17,973,294	 16,438,091
Accrued Liability for Members Receiving Benefits	<u>20,481,468</u>	<u>26,853,993</u>
Total Accrued Liability	38,454,762	43,292,084
Unfunded Accrued Liability	35,841,175	38,638,702
Funded Ratio	6.8%	10.7%
 Actuarially Determined Contribution for Fiscal Year	 2020-21	 2022-23
Normal Cost	\$1,101,889	\$1,078,316
Past Service Cost	1,846,624	2,133,381
Interest	<u>147,426</u>	<u>160,584</u>
Actuarially Determined Contribution	3,095,939	3,372,281

Section II - Plan Assets

A. Summary of Fund Transactions

Market Value as of July 1, 2019	\$2,693,472
Town Contributions	2,170,946
Member Contributions	0
Net Investment Income	132,951
Benefit Payments	(1,445,946)
Administrative Expenses	(1,402)
 Market Value as of June 30, 2020	 3,550,021
Expected Return on Market Value of Assets, 2019-20	152,817
Market Value (Gain)/Loss, 2019-20	19,866
Approximate Rate of Return, 2019-20*	4.35%
 Market Value as of July 1, 2020	 \$3,550,021
Town Contributions	2,322,777
Member Contributions	0
Net Investment Income	1,177,365
Benefit Payments	(1,597,777)
Administrative Expenses	(1,627)
 Market Value as of June 30, 2021	 5,450,759
Expected Return on Market Value of Assets, 2020-21	195,576
Market Value (Gain)/Loss, 2020-21	(981,789)
Approximate Rate of Return, 2020-21*	30.10%

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

Section II - Plan Assets

B. Development of Actuarial Value of Assets

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, 2020 is determined below.

1.	Expected Market Value of Assets:		
	a. Market Value of Assets as of July 1, 2019		\$2,693,472
	b. Town Contributions		2,170,946
	c. Benefit Payments		(1,447,348)
	d. Expected Earnings Based on 5.00% Interest		<u>152,817</u>
	e. Expected Market Value of Assets as of July 1, 2020		3,569,887
2.	Actual Market Value of Assets as of July 1, 2020		3,550,021
3.	Market Value (Gain)/Loss: (1e) - (2)		19,866
4.	Delayed Recognition of Market (Gains)/Losses		
		Percent Not	Amount Not
	Plan Year End	(Gain)/Loss	Recognized
	06/30/2020	\$19,866	80%
	06/30/2019	(52,207)	60%
	06/30/2018	(14,914)	40%
	06/30/2017	(72,927)	20%
			<u>(14,585)</u>
			(35,982)
5.	Actuarial Value of Assets as of July 1, 2020: (2) + (4)		3,514,039
6.	Return on Actuarial Value of Assets		176,854
7.	Approximate Rate of Return on Actuarial Value of Assets		5.94%
8.	Actuarial Value (Gain)/Loss		(27,987)

Section II - Plan Assets

B. Development of Actuarial Value of Assets

The Actuarial Value of Assets as of July 1, 2021 is determined below.

1.	Expected Market Value of Assets:		
	a. Market Value of Assets as of July 1, 2020		\$3,550,021
	b. Town Contributions		2,322,777
	c. Benefit Payments		(1,599,404)
	d. Expected Earnings Based on 5.00% Interest		<u>195,576</u>
	e. Expected Market Value of Assets as of July 1, 2021		4,468,970
2.	Actual Market Value of Assets as of July 1, 2021		5,450,759
3.	Market Value (Gain)/Loss: (1e) - (2)		(981,789)
4.	Delayed Recognition of Market (Gains)/Losses		
	Plan Year End	(Gain)/Loss	Percent Not Recognized
	06/30/2021	(\$981,789)	80%
	06/30/2020	19,866	60%
	06/30/2019	(52,207)	40%
	06/30/2018	(14,914)	20%
			(797,377)
5.	Actuarial Value of Assets as of July 1, 2021: (2) + (4)		4,653,382
6.	Return on Actuarial Value of Assets		415,970
7.	Approximate Rate of Return on Actuarial Value of Assets		10.73%
8.	Actuarial Value (Gain)/Loss		(222,135)

Section III - Development of Contribution

A. Summary of Liabilities

We have calculated the Accrued Liability separately for 12 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 Admin	Teachers	BOE Clerical	BOE Custodians	BOE Food Service	BOE Non-Union	BOE Nurses	Paras	Town Dispatchers	Town Admin	Town Teamsters	Police	Total
Current active members													
Members Under Age 65	\$76,101	\$2,550,405	\$269,195	\$499,224	\$60,725	\$410,073	\$46,715	\$568,699	\$188,732	\$1,482,812	\$944,371	\$1,310,429	\$8,407,481
Members Over Age 65	5,407	268,248	109,501	811,026	99,565	266,586	(1,994)	106,755	188,637	1,743,077	759,897	583,807	4,940,512
Dependents Under Age 65	11,318	490,519	3,164	78,576	180	6,813	5	14,766	6,846	302,785	201,891	857,094	1,973,957
Dependents Over Age 65	<u>1,195</u>	<u>78,559</u>	<u>34,444</u>	<u>(1,807)</u>	<u>31,981</u>	<u>38,843</u>	<u>5,494</u>	<u>129,934</u>	<u>23,054</u>	<u>319,818</u>	<u>157,795</u>	<u>296,831</u>	<u>1,116,141</u>
Total	94,021	3,387,731	416,304	1,387,019	192,451	722,315	50,220	820,154	407,269	3,848,492	2,063,954	3,048,161	16,438,091
Current members receiving benefits													
Members Under Age 65	21,051	458,602	163	0	12,399	281,204	19,916	0	0	208,746	283,680	1,386,056	2,671,817
Members Over Age 65	1,243,983	5,858,710	1,768,289	244,624	33,863	4,624,546	337	2,968	0	1,415,656	1,041,966	1,801,886	18,036,828
Dependents Under Age 65	0	9,992	(23)	0	0	12,297	0	0	0	256,438	174,923	739,937	1,193,564
Dependents Over Age 65	<u>7,688</u>	<u>302,620</u>	<u>303,480</u>	<u>0</u>	<u>0</u>	<u>2,062,807</u>	<u>1,125</u>	<u>1,363</u>	<u>0</u>	<u>623,455</u>	<u>370,619</u>	<u>1,278,627</u>	<u>4,951,784</u>
Total	1,272,722	6,629,924	2,071,909	244,624	46,262	6,980,854	21,378	4,331	0	2,504,295	1,871,188	5,206,506	26,853,993
Total Accrued Liability	1,366,743	10,017,655	2,488,213	1,631,643	238,713	7,703,169	71,598	824,485	407,269	6,352,787	3,935,142	8,254,667	43,292,084
Accrued Liability Sensitivity													
			1% Decrease			Baseline			1% Increase				
Discount Rate			48,544,659			43,292,084			38,900,174				
Trend Rate			38,553,351			43,292,084			49,015,948				

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 3.00% annually. On this basis, the ADC is determined as follows:

	BOE Admin	Teachers	BOE Clerical	BOE Custodians	BOE Food Service	BOE Non-Union	BOE Nurses	Paras	Town Dispatchers	Town Admin	Town Teamsters	Police	Total
Accrued Liability	\$1,366,743	\$10,017,655	\$2,488,213	\$1,631,643	\$238,713	\$7,703,169	\$71,598	\$824,485	\$407,269	\$6,352,787	\$3,935,142	\$8,254,667	\$43,292,084
Actuarial Value of Assets*	146,909	1,076,777	267,453	175,382	25,659	827,999	7,696	88,622	43,777	682,849	422,981	887,278	4,653,382
Unfunded Accrued Liability	1,219,834	8,940,878	2,220,760	1,456,261	213,054	6,875,170	63,902	735,863	363,492	5,669,938	3,512,161	7,367,389	38,638,702
Funded Ratio	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
Amortization Period	22	22	22	22	22	22	22	22	22	22	22	22	22
Amortization Growth Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Past Service Cost	67,351	493,658	122,616	80,405	11,763	379,603	3,528	40,630	20,070	313,058	193,919	406,780	2,133,381
Normal Cost	12,407	239,553	33,512	62,173	17,484	61,290	8,566	76,062	13,572	192,061	101,211	258,725	1,076,616
Employee Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses*	54	394	98	64	9	302	3	32	16	249	155	324	1,700
Employer Normal Cost	12,461	239,947	33,610	62,237	17,493	61,592	8,569	76,094	13,588	192,310	101,366	259,049	1,078,316
Interest	3,991	36,680	7,811	7,132	1,463	22,060	605	5,836	1,683	25,268	14,764	33,291	160,584
ADC for FY 2022-23	83,803	770,285	164,037	149,774	30,719	463,255	12,702	122,560	35,341	530,636	310,049	699,120	3,372,281
Expected Benefit Payouts	(94,505)	(465,522)	(198,392)	(68,301)	(2,822)	(482,677)	(17,038)	(37,704)	(13,412)	(356,538)	(180,014)	(438,380)	(2,355,305)
Net Budget Impact	(10,702)	304,763	(34,355)	81,473	27,897	(19,422)	(4,336)	84,856	21,929	174,098	130,035	260,740	1,016,976

*The Actuarial Value of Assets and Expenses are allocated to groups in proportion to their respective Accrued Liability

Section III - Development of Contribution C. Long Range Forecast

This forecast is based on the results of the July 1, 2021 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. 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		Town Contributions	Member Contributions	Benefit Payments	Net Cash Flows
7/1/2021	\$43,292,084	\$4,653,382	\$38,638,702	10.7%	2022-23	\$3,372,281	\$0	(\$2,355,304)	\$1,016,977
7/1/2022	44,485,000	5,145,000	39,340,000	11.6%	2023-24	3,563,000	0	(2,518,000)	1,045,000
7/1/2023	45,585,000	6,675,000	38,910,000	14.6%	2024-25	3,679,000	0	(2,593,000)	1,086,000
7/1/2024	46,626,000	8,290,000	38,336,000	17.8%	2025-26	3,796,000	0	(2,778,000)	1,018,000
7/1/2025	47,694,000	10,022,000	37,672,000	21.0%	2026-27	3,913,000	0	(2,855,000)	1,058,000
7/1/2026	48,684,000	11,564,000	37,120,000	23.8%	2027-28	4,059,000	0	(2,960,000)	1,099,000
7/1/2027	49,702,000	13,225,000	36,477,000	26.6%	2028-29	4,206,000	0	(3,127,000)	1,079,000
7/1/2028	50,728,000	15,011,000	35,717,000	29.6%	2029-30	4,366,000	0	(3,136,000)	1,230,000
7/1/2029	51,698,000	16,864,000	34,834,000	32.6%	2030-31	4,524,000	0	(3,205,000)	1,319,000
7/1/2030	52,779,000	18,965,000	33,814,000	35.9%	2031-32	4,702,000	0	(3,308,000)	1,394,000
7/1/2031	53,916,000	21,263,000	32,653,000	39.4%	2032-33	4,883,000	0	(3,397,000)	1,486,000
7/1/2032	55,076,000	23,753,000	31,323,000	43.1%	2033-34	5,066,000	0	(3,479,000)	1,587,000
7/1/2033	56,284,000	26,462,000	29,822,000	47.0%	2034-35	5,270,000	0	(3,433,000)	1,837,000
7/1/2034	57,553,000	29,410,000	28,143,000	51.1%	2035-36	5,484,000	0	(3,362,000)	2,122,000
7/1/2035	59,013,000	32,761,000	26,252,000	55.5%	2036-37	5,708,000	0	(3,519,000)	2,189,000
7/1/2036	60,702,000	36,572,000	24,130,000	60.2%	2037-38	5,953,000	0	(3,451,000)	2,502,000
7/1/2037	62,408,000	40,641,000	21,767,000	65.1%	2038-39	6,205,000	0	(3,499,000)	2,706,000
7/1/2038	64,366,000	45,235,000	19,131,000	70.3%	2039-40	6,480,000	0	(3,710,000)	2,770,000
7/1/2039	66,476,000	50,267,000	16,209,000	75.6%	2040-41	6,780,000	0	(3,723,000)	3,057,000
7/1/2040	68,590,000	55,617,000	12,973,000	81.1%	2041-42	7,140,000	0	(3,870,000)	3,270,000

Section III - Development of Contribution D. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2013	\$0	\$67,718,910	\$67,718,910	0.0%
July 1, 2015	407,210	52,675,687	52,268,477	0.8%
July 1, 2017	1,279,497	38,142,396	36,862,899	3.4%
July 1, 2019	2,613,587	38,454,762	35,841,175	6.8%
July 1, 2021	4,653,382	43,292,084	38,638,702	10.7%

**Section III - Development of Contribution
E. History of Town Contributions**

Fiscal Year	Actuarially Determined Contribution	Actual Town Contribution	Contribution Deficiency (Excess)
2014-15	\$6,299,617	\$2,595,904	\$3,703,713
2015-16	6,762,112	2,593,319	4,168,793
2016-17	4,883,931	2,410,939	2,472,992
2017-18	5,250,156	1,976,204	3,273,952
2018-19	3,360,296	2,226,427	1,133,869
2019-20	3,571,873	2,170,946	1,400,927
2020-21	3,095,939	2,322,777	773,162
2021-22	3,256,104	2,906,483	349,621
2022-23	3,372,281	TBD	TBD

Section IV - Membership Data

A. Statistics of Active Membership

		As of July 1, 2019	As of July 1, 2021
Number of Active Members	BOE Admin	26	21
	Teachers	346	322
	BOE Clerical	28	30
	BOE Custodians	33	34
	BOE Food Service	14	15
	BOE Non-Union	25	47
	BOE Nurses	5	6
	Paras	N/A	96
	Town Dispatchers	8	7
	Town Admin	68	74
	Town Teamsters	38	40
	Police	<u>48</u>	<u>39</u>
	Total	639	731
Average Age	BOE Admin	44.4	46.4
	Teachers	44.0	42.7
	BOE Clerical	49.5	48.8
	BOE Custodians	53.8	53.2
	BOE Food Service	50.8	51.5
	BOE Non-Union	48.0	46.4
	BOE Nurses	53.2	52.9
	Paras	N/A	48.2
	Town Dispatchers	46.3	49.7
	Town Admin	48.9	49.5
	Town Teamsters	48.1	46.5
	Police	37.7	37.2
	Total	45.4	45.4

Section IV - Membership Data
A. Statistics of Active Membership (continued)

		As of July 1, 2019	As of July 1, 2021
Average Service	BOE Admin	4.7	5.6
	Teachers	10.5	9.8
	BOE Clerical	8.6	8.2
	BOE Custodians	14.2	14.4
	BOE Food Service	7.1	7.7
	BOE Non-Union	6.5	6.3
	BOE Nurses	8.8	8.6
	Paras	N/A	8.0
	Town Dispatchers	14.3	17.1
	Town Admin	12.5	12.7
	Town Teamsters	12.9	11.8
	Police	10.5	9.8
	Total	10.5	9.8

Section IV - Membership Data

B. Distribution of Active Members as of July 1, 2021

BOE Admin

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	2	2						4
40-44	2	1	1					4
45-49	5							5
50-54	2	1	2	1				6
55-59								0
60-64		1						1
65+								0
Total	12	5	3	1	0	0	0	21

Teachers

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	9							9
25-29	37	5						42
30-34	21	24	1					46
35-39	15	16	9	1				41
40-44	11	13	14	7				45
45-49	11	8	5	6	14			44
50-54	8	9	5	13	11	2	1	49
55-59	3	2	8	4	4	2	3	26
60-64		3	2	5	2		2	14
65+		1	1	2	2			6
Total	115	81	45	38	33	4	6	322

BOE Clerical

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

Section IV - Membership Data

B. Distribution of Active Members as of July 1, 2021

BOE Custodians

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

BOE Food Service

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	1							1
35-39	1							1
40-44	1							1
45-49	1			1				2
50-54	2	1						3
55-59	1							1
60-64	1			1	1			3
65+			1	1				2
Total	9	1	1	3	1	0	0	15

BOE Non-Union

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25		1						1
25-29	2	1						3
30-34	4	1						5
35-39	3	1	1					5
40-44	3	2						5
45-49	3	3						6
50-54	5	2	1					8
55-59	4	2	3		2			11
60-64		1		1				2
65+		1						1
Total	24	15	5	1	2	0	0	47

Section IV - Membership Data

B. Distribution of Active Members as of July 1, 2021

BOE Nurses

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

Paras

Age	Years of Service						Total
	0-4	5-9	10-14	15-19	20-24	25-29	
< 25	7						7
25-29	6	1					7
30-34	9	2					11
35-39	8	2					10
40-44							0
45-49	2	3	1	1			7
50-54	6	4	2	3			15
55-59	7	5		2	3		17
60-64		2	3	4	3		13
65+	1	4	1	1	2		9
Total	46	23	7	11	8	0	96

Town Dispatchers

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

Section IV - Membership Data

B. Distribution of Active Members as of July 1, 2021

Town Admin

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29	4	1						5
30-34	11	1						12
35-39	1	2	2	1				6
40-44		1	1	1	1			4
45-49	1	1	2	1	1			6
50-54	3	2		1	1	2		9
55-59	2	1	4	2	3		1	13
60-64	2	1	4	2	2		3	14
65+				1	2		2	5
Total	24	10	13	9	10	2	6	74

Town Teamsters

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

Police

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

Section IV - Membership Data

C. Information on Members Receiving Benefits

Members Receiving Benefits	As of July 1, 2019	As of July 1, 2021
Number		
BOE Admin	5	6
Teachers	27	62
BOE Clerical	7	11
BOE Custodians	3	2
BOE Food Service	1	1
BOE Non-Union	23	23
BOE Nurses	1	2
Paras	N/A	2
Town Dispatchers	0	0
Town Admin	34	36
Town Teamsters	24	25
Police	<u>31</u>	<u>31</u>
Total	156	201
Average Age		
BOE Admin	71.2	75.7
Teachers	71.8	71.8
BOE Clerical	76.8	77.2
BOE Custodians	68.3	86.7
BOE Food Service	62.1	64.1
BOE Non-Union	70.9	71.6
BOE Nurses	61.4	65.5
Paras	N/A	68.1
Town Dispatchers	N/A	N/A
Town Admin	71.4	72.4
Town Teamsters	72.4	72.2
Police	64.2	67.3
Total	70.2	71.7

Section IV - Membership Data

C. Information on Members Receiving Benefits

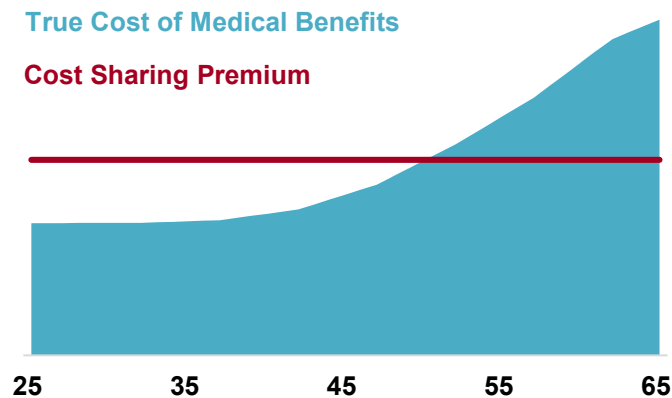
Spouses/Dependents Receiving Benefits	As of July 1, 2019	As of July 1, 2021
Number		
BOE Admin	0	1
Teachers	4	24
BOE Clerical	1	3
BOE Custodians	1	0
BOE Food Service	0	0
BOE Non-Union	11	11
BOE Nurses	0	1
Paras	N/A	1
Town Dispatchers	0	0
Town Admin	11	17
Town Teamsters	11	12
Police	<u>17</u>	<u>21</u>
Total	56	91
Average Age		
BOE Admin	N/A	71.9
Teachers	65.5	73.6
BOE Clerical	82.3	73.6
BOE Custodians	52.7	N/A
BOE Food Service	N/A	N/A
BOE Non-Union	67.1	69.6
BOE Nurses	0.0	73.4
Paras	N/A	68.3
Town Dispatchers	N/A	N/A
Town Admin	72.8	71.7
Town Teamsters	72.6	69.9
Police	67.8	68.9
Total	69.4	71.1

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 Plan – 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 are shown below.

Pre-65 Medical Plan	Employee	Spouse	Effective Date
Board of Education Blended	\$9,826.92	\$9,814.08	7/1/2021
Town Blended	11,472.48	11,472.00	7/1/2021
Post-65 Medical Plan			
Board of Education Med Supp	6,240.24	6,240.24	7/1/2021
Town Plan F	9,349.32	9,349.32	7/1/2021
Town High Option 83	2,225.64	2,225.64	7/1/2021
Dental Plan			
Board of Education Blended	505.44	550.56	7/1/2021
Town Blended	465.96	745.20	7/1/2021

Section V - Healthcare Information

C. Expected Healthcare Costs

Milliman's Health Cost Guidelines were used to develop the expected true cost of healthcare benefits by age and gender, separately for employees and spouses. Representative healthcare cost factors were developed with the 2021 valuation and are shown in the table below. These factors were then applied to the plan's healthcare rates for the year beginning July 1, 2021 to arrive at the expected annual per capita claims costs for a 65-year-old, which are also shown below.

Board of Education - Non-Medicare Eligible

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.5456	0.8533	0.4286	0.5762
50	0.6237	0.8156	0.5200	0.6537
55	0.7119	0.7922	0.6222	0.7225
60	0.8207	0.8556	0.7506	0.8005
65	1.0000	1.0000	1.0000	1.0000
70	1.2483	1.2070	1.4024	1.3354
75	1.5164	1.4078	1.7849	1.6219
80	1.7507	1.5823	2.0606	1.8229
85	1.9501	1.7569	2.2953	2.0240
90	2.1101	1.9076	2.4837	2.1976

Age 65 per capita claims cost

All ages	\$21,669.02	\$20,811.25	\$18,409.37	\$18,064.68
----------	-------------	-------------	-------------	-------------

Board of Education - Medicare Eligible

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.5456	0.8533	0.4286	0.5762
50	0.6237	0.8156	0.5200	0.6537
55	0.7119	0.7922	0.6222	0.7225
60	0.8207	0.8556	0.7506	0.8005
65	1.0000	1.0000	1.0000	1.0000
70	1.1952	1.1567	1.1952	1.1567
75	1.3623	1.2658	1.3623	1.2658
80	1.4469	1.3033	1.4469	1.3033
85	1.4103	1.2417	1.4103	1.2417
90	1.3383	1.1559	1.3383	1.1559

Age 65 per capita claims cost

Pre-Medicare	\$21,669.02	\$20,811.25	\$18,409.37	\$18,064.68
Post-Medicare	5,463.37	5,103.87	5,463.37	5,103.87

Section V - Healthcare Information

C. Expected Healthcare Costs (cont.)

Town - Pre Medicare

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.5242	0.8770	0.4416	0.6292
50	0.5993	0.8383	0.5358	0.7139
55	0.6841	0.8142	0.6412	0.7890
60	0.7886	0.8793	0.7735	0.8742
65	1.0000	1.0000	1.0000	1.0000

Age 65 per capita claims cost

Medical	\$24,806.45	\$22,274.79	\$19,652.66	\$18,197.11
---------	-------------	-------------	-------------	-------------

Town - Post Medicare Plan F

Age	Employee		Spouse	
	Male	Female	Male	Female
65	1.0000	1.0000	1.0000	1.0000
70	1.1952	1.1567	1.1952	1.1567
75	1.3623	1.2658	1.3623	1.2658
80	1.4469	1.3033	1.4469	1.3033
85	1.4103	1.2417	1.4103	1.2417
90	1.3383	1.1559	1.3383	1.1559

Age 65 per capita claims cost

Plan F	7,999.92	7,473.52	7,999.92	7,473.52
--------	----------	----------	----------	----------

Town - Post Medicare High Option 83

Age	Employee		Spouse	
	Male	Female	Male	Female
65	1.0000	1.0000	1.0000	1.0000
70	1.2664	1.1835	1.2664	1.1835
75	1.5596	1.3545	1.5596	1.3545
80	1.8090	1.4885	1.8090	1.4885
85	1.9727	1.6063	1.9727	1.6063
90	2.0762	1.7017	2.0762	1.7017

Age 65 per capita claims cost

High Option 83	1,531.96	1,660.08	1,531.96	1,660.08
----------------	----------	----------	----------	----------

Section V - Healthcare Information

C. Expected Healthcare Costs (cont.)

Board of Education - Dental

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.6339	0.7485	0.6339	0.7485
50	0.6874	0.7967	0.6874	0.7967
55	0.7769	0.8665	0.7769	0.8665
60	0.8859	0.9418	0.8859	0.9418
65	1.0000	1.0000	1.0000	1.0000
70+	1.0998	1.0389	1.0998	1.0389

Age 65 per capita claims cost

All ages	\$586.76	\$573.41	\$586.76	\$573.41
----------	----------	----------	----------	----------

Town - Dental

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.6339	0.7485	0.6459	0.7570
50	0.6874	0.7967	0.6978	0.8036
55	0.7769	0.8665	0.7843	0.8711
60	0.8859	0.9418	0.8897	0.9438
65	1.0000	1.0000	1.0000	1.0000
70+	1.0998	1.0389	1.0963	1.0376

Age 65 per capita claims cost

All ages	\$619.65	\$605.55	\$640.83	\$626.69
----------	----------	----------	----------	----------

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, 2015.

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 judgement 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.

Discount Rate 5.00%

Inflation Rate 2.60% (Prior: 2.70%)

Medical Inflation Rate	Year	BOE Pre-Medicare	Town Pre-Medicare	All Post-Medicare
	2021	12.1%	1.1%	4.5%
	2022	5.4%	5.4%	4.6%
	2023	5.1%	5.1%	4.8%
	2024	4.9%	4.9%	4.9%
	2025	4.9%	4.9%	4.9%
	2030	4.6%	4.6%	4.6%
	2040	4.5%	4.5%	4.5%
	2050	4.5%	4.5%	4.5%
	2060	4.5%	4.5%	4.5%
	2070	4.2%	4.2%	4.2%
	2080	4.0%	4.0%	4.0%

Prior: 5.20% - 4.47% for 68 years (Prior: 7.27% - 4.60% over 70 years)

Dental Inflation Rate 3.00%

Amortization Growth Rate 3.00%

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

Current:	Service	Rate
	0	6.50%
	1	6.25%
	2-9	6.00%
	10-11	5.50%
	12	5.25%
	13	5.00%
	14	4.75%
	15	4.50%
	16	4.00%
	17	3.75%
	18	3.50%
	19	3.25%
	20+	3.00%

Appendix B - Actuarial Assumptions

Salary Scale (continued)

Teachers and Administrators[#]

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

Healthy Mortality

Teachers and Administrators[#]: Current: 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-2019 Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2019 Ultimate scale 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.

Prior: For healthy retirees and beneficiaries, the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80.

Police: PubS-2010 Mortality Table with generational projection per MP-2021 ultimate scale, 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. (Prior: PubS-2010 Mortality Table with generational projection per MP-2014 ultimate scale)

All Others: PubG-2010 Mortality Table with generational projection per MP-2021 ultimate scale, 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. (Prior: PubG-2010 Mortality Table with generational projection per MP-2014 ultimate scale)

Appendix B - Actuarial Assumptions

Disabled Mortality

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

Prior: RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

All Others: N/A.

Turnover

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

Current:	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%

Appendix B - Actuarial Assumptions

Turnover (continued)

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

Prior:	Service	Male	Female
	0-1	14.00%	12.00%
	1-2	11.00%	10.50%
	2-3	8.00%	8.75%
	3-4	6.50%	7.50%
	4-5	4.50%	6.75%
	5-6	3.50%	6.00%
	6-7	3.00%	5.25%
	7-8	2.75%	4.75%
	8-9	2.50%	4.25%
	10+	2.50%	4.00%
	Age	Male	Female
	25	1.50%	4.00%
	35	1.50%	3.50%
	45	1.59%	1.50%
	55	3.44%	2.50%

Police: None.

All Others: according to the Crocker-Sarason T9 Table:

Age	Rate
20	17.95%
30	15.85%
40	11.27%
50	5.10%

Appendix B - Actuarial Assumptions

Retirement

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

Current:	Unreduced			
	< 35 years of service		35+ years of service	
Age	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) **Teachers and Administrators[#]:** Rates based on age, eligibility for pension benefits, and gender.

Prior:	Age	Unreduced		Proratable		Reduced	
		Male	Female	Male	Female	Male	Female
	50	27.50%	27.50%			1.00%	1.00%
	51	27.50%	27.50%			1.00%	1.25%
	52	27.50%	27.50%			1.00%	1.75%
	53	27.50%	27.50%			2.00%	2.25%
	54	27.50%	27.50%			3.00%	2.75%
	55	38.50%	27.50%			4.00%	4.75%
	56	38.50%	27.50%			6.00%	6.25%
	57	38.50%	27.50%			7.00%	6.75%
	58	38.50%	27.50%			8.00%	7.25%
	59	38.50%	27.50%			11.00%	8.50%
	60	22.00%	27.50%	6.00%	5.50%		
	61	25.30%	27.50%	6.00%	6.50%		
	62	25.30%	27.50%	9.00%	7.50%		
	63	27.50%	27.50%	11.00%	7.50%		
	64	27.50%	27.50%	10.00%	8.00%		
	65	36.30%	32.50%	13.00%	12.50%		
	66-67	27.50%	32.50%	20.00%	12.50%		
	68	27.50%	32.50%	20.00%	12.00%		
	69	27.50%	32.50%	30.00%	14.50%		
	70-73	100.00%	32.50%	30.00%	14.50%		
	74-79	100.00%	32.50%	30.00%	18.00%		
	80	100.00%	100.00%	100.00%	100.00%		

Police: 15% at age 55 with 10 years of service; 40% at age 55 with 25 years of service; at all other ages:

Age	Rate
45-49	25%
50	20%
51	16%
52	14%
53-58	12%
59	16%
60-62	20%
63-64	25%
65+	100%

Appendix B - Actuarial Assumptions

Retirement (continued) **All Others:** 15% at age 55 with 10 years of service; 40% at the earlier of age 55 with 30 years of service or age 65 with 10 years of service; at all other ages:

Age	Rate
56-59	10%
60-61	20%
62-69	30%
70	100%

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

Current:	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%
Prior:	Age	Male	Female
	20	0.0341%	0.0500%
	30	0.0341%	0.0410%
	40	0.0536%	0.0720%
	50	0.2438%	0.2630%
	60	0.9604%	0.5000%

All Others: None.

Future Retiree Coverage **Teachers, Administrators, and BOE Non-Certified:** 90% of future retirees are assumed to elect coverage under the retiree medical program.

All Others: 100% of future retirees are assumed to elect coverage under the retiree medical program.

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

	Male	Female
Teachers and Administrators	50%	30%
Police	80%	80%
Town	70%	25%
BOE Non-Certified	50%	40%

Appendix B - Actuarial Assumptions

Future Post-65 Coverage

Teachers and **Administrators**: 75% of current Non-Medicare eligible actives and pre-65 retirees are assumed either to enroll in retiree health coverage through the Connecticut State Teachers Retirement System at age 65, or transfer to a Medicare Supplement Plan.

All Others: All current actives and pre-65 retirees are assumed to continue coverage past age 65 (if available).

Valuation of Dental and Post-65 Medicare Eligible Medical Benefits

It is assumed that there is no implicit rate subsidy associated with these benefits.

Valuation of Benefits for Children

Benefits attributed to children have been excluded from this valuation for all groups except Police, as they were determined to be de minimis.

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

Teachers and Administrators:

A Teacher or Administrator retiring shall be eligible to receive medical and dental 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.

Police:

Employees retiring under the Connecticut Municipal Employees' Retirement Fund B (MERF B), shall be eligible to receive health benefits for self and spouse only if similar insurance is not available through another employer or spouse's employer.

Town, BOE Non-Certified and Dispatchers hired before July 1, 2016:

Employees retiring under the Town of Windsor Retirement Plan, shall be eligible to receive health benefits for self and spouse.

Coverage for self - age 55 with 10 years of service.

Coverage for spouse- earlier of age 55 with 30 years of service or age 65 with 10 years of service.

Town employees shall be eligible to receive health benefits for self and spouse only if similar insurance is not available through another employer or spouse's employer.

Dispatchers hired on and after July 1, 2016:

Employees retiring under the Town of Windsor Retirement Plan, shall be eligible to receive health benefits for self and spouse.

Coverage for self - age 55 with 15 years of service.

Coverage for spouse - earlier of age 55 with 30 years of service or age 65 with 15 years of service.

Appendix C - Summary of Plan Provisions

Cost-Sharing

Police:

Hired prior to July 1, 2013:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium.

Dental Retiree pays same percentage of premium that is in effect for current employees for self, with a maximum retiree share of 25%. Spouse coverage is available at 100% retiree-paid.

Hired on or after July 1, 2013:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse.

Dental Retiree pays same percentage of premium that is in effect for current employees for self and 100% for spouse.

** The Town's contribution towards post-65 Medicare Supplement coverage is based on the premium of the High Option/Plan 83. If a different option is elected the retiree is also responsible for the difference in premiums.*

Town Administrative:

Hired prior to July 1, 2009:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium.

Dental Retiree contributes 0% of the cost for self and 100% for spouse.

Hired after July 1, 2009 and prior to March 1, 2013:

Medical* Retiree contributes 25% of the cost for self and 50% for spouse.

Dental Retiree contributes 0% of the cost for self and 100% for spouse.

Hired on or after March 1, 2013:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse.

Dental Retiree contributes 0% of the cost for self and 100% for spouse.

** The Town's contribution towards post-65 Medicare Supplement coverage is based on the premium of the High Option/Plan 83. If a different option is elected the retiree is also responsible for the difference in premiums.*

Appendix C - Summary of Plan Provisions

Cost Sharing

Dispatchers:

Hired prior to January 1, 2007:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of

Dental Retiree pays the same percentage of premium that is in effect for current employees for self, with a maximum retiree share of 25%. Spouse coverage is available at 100% retiree-paid.

Hired after January 1, 2007 and prior to July 1, 2011:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, to a maximum retiree share of 25% for the retiree and 40% for the spouse.

Dental Retiree pays the same percentage of premium that is in effect for current employees for self, with a maximum retiree share of 25%. Spouse coverage is available at 100% retiree-paid.

Hired on or after July 1, 2011:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse.

Dental Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse.

** The Town's contribution towards post-65 Medicare Supplement coverage is based on the premium of the High Option/Plan 83. If a different option is elected the retiree is also responsible for the difference in premiums.*

Appendix C - Summary of Plan Provisions

Cost Sharing

Town Teamsters:

Hired prior to July 1, 2008:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium.

Dental Retiree contributes 100% of the cost for self and spouse.

Hired after July 1, 2008 and prior to November 1, 2011:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, to a maximum retiree share of 25% for the retiree and 50% for the spouse.

Dental Retiree contributes 100% of the cost for self and spouse.

Hired on or after November 1, 2011:

Medical* Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse.

Dental Retiree contributes 100% of the cost for self and spouse.

** The Town's contribution towards post-65 Medicare Supplement coverage is based on the premium of the High Option/Plan 83. If a different option is elected the retiree is also responsible for the difference in premiums.*

Board NAGE (Custodians/Maintenance/Food):

Hired prior to July 1, 2010:

Medical Retiree contributes 75% of the cost for self and 100% for spouse.

Dental Retiree contributes 100% of the cost for self and spouse.

Hired on or after July 1, 2010:

Medical Retiree contributes 100% of the cost for self and spouse.

Dental Retiree contributes 100% of the cost for self and spouse.

Board Nurses and Paras:

Medical Retiree contributes 100% of the cost for self and spouse.

Dental Retiree contributes 100% of the cost for self and spouse.

Appendix C - Summary of Plan Provisions

Cost Sharing

Board Non-Affiliated:

Hired prior to January 1, 2007:

Retiree pays the same percentage of premium that is in effect at the time of the employee's retirement.

Medical Retiree contributes 15% of the cost for self and 50% for spouse.

Dental Retiree contributes 15% of the cost for self and 25% for spouse, up to an annual cap of \$2,500.

Hired on or after January 1, 2007:

Medical Retiree contributes 100% of the cost for self and spouse.

Dental Retiree contributes 100% of the cost for self and spouse.

Board Administrative Support Staff:

Hired prior to July 1, 2008:

Medical Retiree contributes 85% of the cost for self and 100% for spouse.

Dental Retiree contributes 85% of the cost for self and 100% for spouse.

Hired on or after July 1, 2008:

Medical Retiree contributes 100% of the cost for self and spouse.

Dental Retiree contributes 100% of the cost for self and spouse.

Teachers and Central Office Administrators:

Medical* Retiree contributes 100% of the cost for self and spouse.

Dental* Retiree contributes 100% of the cost for self and spouse.

* less \$1,320 annual CT Teachers Retirement Board subsidy

Other Bargaining Units:

No retiree medical or dental benefits are provided.

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.