

Key Benefit Concepts, LLC



Racine County Wisconsin

Since 1836

Accounting and Sample Funding Report of Liabilities for Participants' Post Employment Benefits as of January 1, 2011

Thru End of the Year December 31, 2011

January 2012



BBB Rating: A+

This report, its text, charts, content and formatting are subject to copyright protection and are the exclusive property of Key Benefit Concepts, LLC.



Table of Contents

Background and Certification	Page 2
Introduction	Page 3
County OPEB Benefits	Page 3
Amortization Method	Page 4
County's OPEB Liability	Page 4
Discussion of Valuation Methods and Assumptions	Page 5
Pay-As-You-Go	Page 5
OPEB Tables	
OPEB Technical Appendix	

Background and Certification

The Government Accounting Standards Board (GASB) considers other post employment benefits, like pension benefits, as part of the compensation employees earn each year although they are not received until after employment ends. GASB has finalized Statement No. 43 (Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans) and Statement No. 45 (Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions). These Statements establish standards for the measurement, recognition, and display of Other Post Employment Benefits (OPEB) expense/expenditures and related liabilities.

Key Benefit Concepts, LLC (KBC) is an independent actuarial and employee benefits consulting firm providing actuarial services to clients who sponsor qualified retirement and other post-employment benefits. We maintain no relationships with any client that might impair the objectivity of our work. This valuation and report were prepared by KBC based upon:

- Our understanding of GASB's current Statements
- The Summary of Benefits and Eligibility determined by the bargaining and other County agreements, as outlined herein
- The accuracy and completeness of information and data as provided by the County.

The calculations of cost and liabilities illustrated were determined according to generally accepted actuarial principles and standards. Specific assumptions and actuarial methodology for the study are defined within the report. Given that actual experience may vary from the actuarial assumptions projected, developing liabilities and costs may differ from those estimated in this report. Furthermore, in the event of any inaccuracies in the information or data provided, upon which these calculations were based, revisions may be needed.

This report was prepared solely for the purposes of providing information required by GASB for the entity's financial reporting. KBC assumes neither responsibility nor any liability for use of this report for any other purposes.

Ted W. Windsor is an actuary meeting the qualifications of the American Academy of Actuaries required to provide the actuarial opinion detailed in this report.



Ted W. Windsor, ASA, EA, MAAA

January 25, 2012

Introduction

The actuarial present value of the other post employment benefit (OPEB) liabilities is the value of all benefits estimated to be payable to plan members discounted at the assumed discount interest rate back to the valuation date. The actuarial present value is comprised of:

- Benefits employees have already earned, and
- Benefits expected to be earned by employees in the future.

Presented in this report are the results of our study of the post employment benefits and the associated liabilities and costs. The study includes the following:

- Actuarial Accrued Liability (AAL): The portion of the actuarial present value of benefits allocated to all periods prior to the valuation date of January 1, 2011 also known as the accrued benefit.
- Normal Cost (NC): The portion of the actuarial present value of benefits allocated to the valuation year (i.e. the additional benefits to be earned from January 1, 2011 through December 31, 2011).
- Unfunded Actuarial Accrued Liability (UAAL): The difference between the actuarial accrued liability and the actuarial value of assets. This amount may also be negative indicating the presence of a surplus of actuarial assets over actuarial accrued liabilities
- Annual Required Contribution (ARC): The employer's annual contribution comprised of the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the valuation year.

County OPEB Benefits

For Racine County (the "County"), the other post employment benefit liability consists of several interdependent pieces arising from the rules of the plan. The amount paid by the County for continued medical care, for all classifications that are entitled to a benefit, is outlined below. A full description of the eligibilities and benefits for all eligible classifications can be found in the OPEB Technical Appendix.

- a. **County Employees Retiring Prior to January 1, 2015:** A minimum of 10 years of service; the County will make contributions towards a retiree's medical premiums the amount of which will be based upon years of service (ranging from 75% for those with at least 10 years of service to 95% for those with 25 years of service or more). These contributions will either continue for life of the retiree or until Medicare-eligibility depending upon date of hire as well as classification.

- b. **County Employees Retiring After January 1, 2015:** A minimum of 15 years of service; the County will make contributions towards a retiree's medical premiums the amount of which will be based upon years of service (80% for those with at least 15 years of service and 90% for those with 20 years of service or more). These contributions will either continue for life of the retiree or until Medicare-eligibility depending upon date of hire as well as classification.

In a standard OPEB valuation, the GASB guidelines require that the OPEB to be based upon the *value* of the health care benefit. Thus, when the benefits are insured, the value above the premium cost of benefits must be determined. This applies to all classifications and arises from the value of benefits in excess of the payments made by the County during the guaranteed period. This amount is determined and incorporated in the determined liability of the medical care benefit. As used above, *value* refers to the cost to the plan for providing coverage, which is greater than the aggregate premium charged for older participants. *Amount* refers to the dollar amount of premiums paid from the escrow account.

Amortization Method

The current guidelines allow two amortization methods:

Level Dollar Amortization Method – The amount to be amortized is divided into equal dollar amounts to be paid over a given number of years; part of each payment is interest and part is principle (similar to a mortgage payment on a building). Because payroll can be expected to increase as a result of inflation, level dollar payments generally represent a decreasing percentage of the payroll over time.

Level Percent Amortization Method – Amortization payments are calculated so that they increase at a constant percentage over a given number of years. The dollar amount of the payments generally will increase over time due to inflation; however the percentage increases in these payments can be expected to remain level.

Note: The OPEB Tables are based upon a 30-year amortization period.

County's OPEB Liability

Based upon actuarial assumptions and projections described herein as determined by the census, benefit, claims and premium data provided by the County, the post employment health care liabilities as of January 1, 2011 are as follows:

Other Post Employment Liability		
	Level \$ Amortization	Level % Amortization
1 Normal Cost with interest to end of year	\$ 5,939,395	\$ 5,939,395
2 Unfunded Actuarial Accrued Liability (UAAL)	\$ 244,607,174	\$ 244,607,174
3 30-yr. Amortization of UAAL	\$ 14,145,657	\$ 9,720,919
4 Annual Required Contribution (ARC)	\$ 20,085,052	\$ 15,660,315

Detailed calculations for the above results can be found in the OPEB Tables C and D.

Discussion of Valuation Methods and Assumptions

The valuation was based upon the data provided by the County. In performing this study, we utilized the premium equivalent rate history as well as the claims experience of the County's self-insured plans and projected a stream of expected payments for each year in the future based on the data as of January 1, 2011.

Trend and retirement age are the most sensitive assumptions. Changes in these assumptions have the largest impact on the amount of liabilities. All of the demographic assumptions used for this report (i.e. other than trend, salary, payroll growth, expected discount rate, percent electing coverage and percent electing family coverage) are approximately the same as those used in the December 31, 2010 Wisconsin Retirement System's (WRS) annual report. The assumptions are shown in the OPEB Technical Appendix.

This is a subsequent valuation of the County's OPEB liabilities. Since the prior study, the County has not established a trust to fund its post-employment liabilities. As such, there are no assets to offset the County's unfunded actuarial accrued OPEB liability.

A discount rate of 4% (as the expected yield on general assets) was used in this valuation in calculating the OPEB liabilities. It was assumed that the County would continue to fund its retiree medical liabilities on a pay-as-you-go basis out of its general fund assets. Should the County choose to establish a fund in the future and pre-fund one hundred percent (100%) of their post-employment liabilities in accordance with the ARC, then a higher discount rate (as the expected yield on long-term investments on an irrevocable trust) may be more appropriate.

Pay-As-You-Go

GASB requires all public entities to identify and include the OPEB liability in the entities' financial statements. However, GASB does not require any public entity to fund such liability. Since many public entities currently provide for OPEB benefits on a pay-as-you-go basis, we have included OPEB Table I. OPEB Table I illustrates, based upon the assumptions used in this valuation, the projected County's annual liability for retiree medical coverage on a pay-as-you-go basis.

The projections illustrated in OPEB Table I are for illustrative purposes and pertain only to the liabilities incurred from those active and retired employees of the County as of January 1, 2011. It is based upon a closed valuation, such that no new hires are assumed to replace those future retirees. The likelihood of actual costs equaling the stated projections decreases for each year projecting further into the future.

OPEB Tables

OPEB Table A

Racine County
Active Employees as of January 1, 2011

Age	Years of Service in Racine County									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 or more		
Under 20	1	-	-	-	-	-	-	-	-	1
20 - 24	23	1	-	-	-	-	-	-	-	24
25 - 29	44	9	-	-	-	-	-	-	-	53
30 - 34	35	26	9	1	-	-	-	-	-	71
35 - 39	24	20	40	6	-	-	-	-	-	90
40 - 44	27	20	43	29	12	-	-	-	-	131
45 - 49	14	13	19	29	27	7	-	-	-	109
50 - 54	16	13	20	19	32	13	11	1	-	125
55 - 59	12	8	6	13	14	4	7	-	-	64
60 - 64	1	4	10	2	9	3	2	1	-	32
65 and over	2	4	2	1	1	-	-	-	-	10
Total	199	118	149	100	95	27	20	2	-	710

Averages:

Age: 43.7

Service: 11.2

OPEB Table B

Racine County
Members by Medical Coverage as of January 1, 2011

Medical Plan Enrollment

	Actives					Retirees				
	Single	EE + Child(ren)	EE + Spouse	Family	Total	Single	EE + Child(ren)	EE + Spouse	Family	Total
<i>Deputies</i>	17	11	8	61	97	26	4	57	2	89
<i>Command Staff</i>	5	2	5	9	21	5	-	24	2	31
<i>Attorneys</i>	1	1	-	3	5	-	-	-	-	-
<i>Courthouse</i>	43	17	31	43	134	52	-	29	2	83
<i>Non-Represented</i>	50	17	36	75	178	42	2	53	2	99
<i>RW-RN</i>	5	1	2	6	14	11	-	4	-	15
<i>Ridgewood</i>	35	19	6	12	72	63	-	16	-	79
<i>Teamsters</i>	8	6	9	24	47	15	1	38	-	54
<i>Human Services</i>	47	17	15	41	120	51	1	27	2	81
<i>Elected</i>	-	1	2	2	5	1	-	3	1	5
<i>Part-Time/County Board</i>	8	4	-	5	17	5	-	-	7	12
Totals	219	96	114	281	710	271	8	251	18	548

Notes:

- 1- It was assumed that active employees listed under 'EE + Child(ren)', if eligible, would elect the 'Single' coverage level upon their retirement.
- 2- It was assumed that active employees listed under 'Family', if eligible, would elect the 'EE + Spouse' coverage level upon their retirement.
- 3- No post-employment liability of any kind was calculated for Part-Time active employees regardless of classification.
- 4- No post-employment liability of any kind was calculated for active County Board employees.

OPEB Table C

Racine County

Determination of Normal Cost, Actuarial Accrued Liability
and Unfunded Actuarial Accrued Liability as of 1/1/2011

Total Incurred OPEB Liability

1.	Normal cost as of 1/1/2011	
a.	Future retiree (Current active) value of OPEB	\$6,210,891
b.	Future retiree (Current active) paid portion of premiums	499,934
c.	Total normal cost [#1a - #1b]	5,710,957
2.	Actuarial accrued liability as of 1/1/2011	
a.	Current retiree value of OPEB	159,104,030
b.	Current retiree paid portion of premiums	9,988,354
c.	Future retiree (Current active) value of OPEB	103,607,692
d.	Future retiree (Current active) paid portion of premiums	8,116,194
e.	Total actuarial accrued liability [(#2a - #2b)+(#2c - #2d)]	244,607,174
3.	Actuarial value of assets	0
4.	Unfunded actuarial accrued liability [#2e - #3]	\$244,607,174

OPEB Table D - Level % Amortization

Racine County

Determination of 2011 Plan Year Annual Required Contribution (ARC)

Total Incurred OPEB Liability

1.	Normal cost	
	a. Beginning of year	\$5,710,957
	b. With interest to end of year	5,939,395
2.	Expected payroll for 2011 calendar year	n/a
3.	Unfunded actuarial accrued liability (UAAL)	244,607,174
4.	30 year amortization of UAAL as a level percent method	
	a. Dollars	9,720,919
	b. Percent of payroll	n/a
5.	Annual required contribution (ARC)	
	a. Normal cost	5,939,395
	b. Amortization	9,720,919
	c. Total contribution [a + b]	\$15,660,315

OPEB Table D - Level \$ Amortization

Racine County

Determination of 2011 Plan Year Annual Required Contribution (ARC)

Total Incurred OPEB Liability

1.	Normal cost	
	a. Beginning of year	\$5,710,957
	b. With interest to end of year	5,939,395
2.	Expected payroll for 2011 calendar year	n/a
3.	Unfunded actuarial accrued liability (UAAL)	244,607,174
4.	30 year amortization of UAAL as a level dollar method	
	a. Dollars	14,145,657
	b. Percent of payroll	n/a
5.	Annual required contribution (ARC)	
	a. Normal cost	5,939,395
	b. Amortization	14,145,657
	c. Total contribution [a + b]	\$20,085,052

OPEB Table E - Level % Amortization

Racine County

Annual OPEB Cost and Net OPEB Obligation for the Fiscal Year Ending December 31, 2011

	<u>Total</u>
Annual required contribution (ARC)	\$15,660,315
Interest on net OPEB obligation	2,336,369
Adjustment to annual required contribution	(2,321,238)
Annual OPEB cost (expense)	\$15,675,446
Contributions made	TBD
Change in net OPEB obligation	TBD
Net OPEB obligation - beginning of year	\$58,409,231
Net OPEB obligation - end of year	TBD

History of OPEB Cost, Percentage Of Annual Contribution and Net OPEB Obligation

Valuation Year Ending	Annual OPEB Cost *	Percentage of Annual OPEB Cost Contributed *	Net OPEB Obligation *
12/31/2008	\$20,382,325	40.17%	\$24,971,133
12/31/2009	\$23,344,871	30.07%	\$41,297,164
12/31/2010	\$23,991,326	28.67%	\$58,409,231
12/31/2011	\$15,675,446	TBD	TBD

*** Estimated amounts relating to this group based upon County audit.**

OPEB Table E - Level \$ Amortization

Racine County

Annual OPEB Cost and Net OPEB Obligation for the Fiscal Year Ending December 31, 2011

	<u>Total</u>
Annual required contribution (ARC)	\$20,085,052
Interest on net OPEB obligation	2,336,369
Adjustment to annual required contribution	(3,377,812)
Annual OPEB cost (expense)	\$19,043,610
Contributions made	TBD
Change in net OPEB obligation	TBD
Net OPEB obligation - beginning of year	\$58,409,231
Net OPEB obligation - end of year	TBD

History of OPEB Cost, Percentage Of Annual Contribution and Net OPEB Obligation

Valuation Year Ending	Annual OPEB Cost *	Percentage of Annual OPEB Cost Contributed *	Net OPEB Obligation *
12/31/2008	\$20,382,325	40.17%	\$24,971,133
12/31/2009	\$23,344,871	30.07%	\$41,297,164
12/31/2010	\$23,991,326	28.67%	\$58,409,231
12/31/2011	\$19,043,610	TBD	TBD

*** Estimated amounts relating to this group based upon County audit.**

OPEB Table F

Racine County
 Required Supplementary Information
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a) / c)
1/1/2010	\$0	\$317,326,976	\$317,326,976	0.00%	\$40,777,403	778.19%
1/1/2011	\$0	\$244,607,174	\$244,607,174	0.00%	TBD	TBD

OPEB Table G

Racine County
Significant Methods and Assumptions

Actuarial valuation date	1/1/2011
Actuarial cost method	Unit credit
Amortization method	30 year open level dollar & level percent
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial Assumptions	
Investment rate of return *	4.00%
Level percent increases (for level percent amortization)	3.00%
Medical care trend *	10.00% decreasing by 1.00% per year down to 5.00%

* Implicit in this rate is an assumed rate of inflation of 4.00%

OPEB Table H - Level % Amortization

Racine County
 Historical Development of Annual Net OPEB Obligation

Total Incurred OPEB Liabilities

Valuation Year Ending	ARC	Interest on Net OPEB Obligation *	ARC Adjustment *	Amort. Factor	OPEB Cost *	Contribution *	Change in Net OPEB Obligation *	Net OPEB Obligation Balance *
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
12/31/2008	\$20,581,726	511,075	(710,476)	17.98	\$20,382,325	(8,188,073)	12,194,252	\$24,971,133
12/31/2009	\$23,733,780	998,845	(1,387,754)	17.98	\$23,344,871	(7,018,840)	16,326,031	\$41,297,164
12/31/2010	\$24,626,458	1,627,928	(2,263,060)	17.98	\$23,991,326	(6,879,260)	17,112,066	\$58,409,231
12/31/2011	\$15,660,315	2,336,369	(2,321,238)	25.16	\$15,675,446	TBD	TBD	TBD

* Estimated amounts relating to this group based upon County audit.

OPEB Table H - Level \$ Amortization

Racine County
Historical Development of Annual Net OPEB Obligation

Total Incurred OPEB Liabilities

Valuation Year Ending	ARC	Interest on Net OPEB Obligation *	ARC Adjustment *	Amort. Factor	OPEB Cost *	Contribution *	Change in Net OPEB Obligation *	Net OPEB Obligation Balance *
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
12/31/2008	\$20,581,726	511,075	(710,476)	17.98	\$20,382,325	(8,188,073)	12,194,252	\$24,971,133
12/31/2009	\$23,733,780	998,845	(1,387,754)	17.98	\$23,344,871	(7,018,840)	16,326,031	\$41,297,164
12/31/2010	\$24,626,458	1,627,928	(2,263,060)	17.98	\$23,991,326	(6,879,260)	17,112,066	\$58,409,231
12/31/2011	\$20,085,052	2,336,369	(3,377,812)	17.29	\$19,043,610	TBD	TBD	TBD

* Estimated amounts relating to this group based upon County audit.

OPEB Table I

Racine County
Pay As You Go
Projection of Premium Contributions

<i>Calendar Year</i>	<i>County Premium Contributions</i>
2011	\$8,128,779
2012	\$9,113,294
2013	\$9,859,502
2014	\$10,588,571
2015	\$11,295,119
2016	\$11,785,223
2017	\$12,124,744
2018	\$12,522,372
2019	\$12,635,596
2020	\$12,950,612

OPEB Technical Appendix

Racine County

Post Employment Benefit Summary

Deputies & Command Staff

Retiring Prior to January 1, 2015											
Eligibility	OPEB										
Eligible for retirement under WRS with at least 10 years of service in the County	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1"> <thead> <tr> <th><i>Years of Service</i></th> <th><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td>10 – 14</td> <td>75%</td> </tr> <tr> <td>15 – 19</td> <td>80%</td> </tr> <tr> <td>20 – 24</td> <td>90%</td> </tr> <tr> <td>25 or more</td> <td>95%</td> </tr> </tbody> </table> <p>For those hired prior to June 1, 1998; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	10 – 14	75%	15 – 19	80%	20 – 24	90%	25 or more	95%
<i>Years of Service</i>	<i>Contribution Amount</i>										
10 – 14	75%										
15 – 19	80%										
20 – 24	90%										
25 or more	95%										
Retiring After January 1, 2015											
Eligibility	OPEB										
Eligible for retirement under WRS with at least 15 years of service in the County	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1"> <thead> <tr> <th><i>Years of Service</i></th> <th><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td>15 – 19</td> <td>80%</td> </tr> <tr> <td>20 or more</td> <td>90%</td> </tr> </tbody> </table> <p>For those hired prior to June 1, 1998; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	15 – 19	80%	20 or more	90%				
<i>Years of Service</i>	<i>Contribution Amount</i>										
15 – 19	80%										
20 or more	90%										

Ridgewood & RW-RN

Retiring Prior to January 1, 2015											
Eligibility	OPEB										
<p>Eligible for retirement under WRS with at least 10 years of service in the County</p>	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 – 14</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 – 24</td> <td style="text-align: center;">90%</td> </tr> <tr> <td style="text-align: center;">25 or more</td> <td style="text-align: center;">95%</td> </tr> </tbody> </table> <p>For those hired prior to January 1, 2000; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	10 – 14	75%	15 – 19	80%	20 – 24	90%	25 or more	95%
<i>Years of Service</i>	<i>Contribution Amount</i>										
10 – 14	75%										
15 – 19	80%										
20 – 24	90%										
25 or more	95%										
Retiring After January 1, 2015											
Eligibility	OPEB										
<p>Eligible for retirement under WRS with at least 15 years of service in the County</p>	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 or more</td> <td style="text-align: center;">90%</td> </tr> </tbody> </table> <p>For those hired prior to January 1, 2000; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	15 – 19	80%	20 or more	90%				
<i>Years of Service</i>	<i>Contribution Amount</i>										
15 – 19	80%										
20 or more	90%										

Non-Represented & Elected Employees

Retiring Prior to January 1, 2015											
Eligibility	OPEB										
Eligible for retirement under WRS with at least 10 years of service in the County	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1"> <thead> <tr> <th><i>Years of Service</i></th> <th><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td>10 – 14</td> <td>75%</td> </tr> <tr> <td>15 – 19</td> <td>80%</td> </tr> <tr> <td>20 – 24</td> <td>90%</td> </tr> <tr> <td>25 or more</td> <td>95%</td> </tr> </tbody> </table> <p>For those hired prior to September 1, 1998; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	10 – 14	75%	15 – 19	80%	20 – 24	90%	25 or more	95%
<i>Years of Service</i>	<i>Contribution Amount</i>										
10 – 14	75%										
15 – 19	80%										
20 – 24	90%										
25 or more	95%										
Retiring After January 1, 2015											
Eligibility	OPEB										
Eligible for retirement under WRS with at least 15 years of service in the County	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1"> <thead> <tr> <th><i>Years of Service</i></th> <th><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td>15 – 19</td> <td>80%</td> </tr> <tr> <td>20 or more</td> <td>90%</td> </tr> </tbody> </table> <p>For those hired prior to September 1, 1998; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	15 – 19	80%	20 or more	90%				
<i>Years of Service</i>	<i>Contribution Amount</i>										
15 – 19	80%										
20 or more	90%										

Attorneys

Retiring Prior to January 1, 2015											
Eligibility	OPEB										
<p>Eligible for retirement under WRS with at least 10 years of service in the County</p>	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 – 14</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 – 24</td> <td style="text-align: center;">90%</td> </tr> <tr> <td style="text-align: center;">25 or more</td> <td style="text-align: center;">95%</td> </tr> </tbody> </table> <p>For those hired prior to January 1, 1999; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	10 – 14	75%	15 – 19	80%	20 – 24	90%	25 or more	95%
<i>Years of Service</i>	<i>Contribution Amount</i>										
10 – 14	75%										
15 – 19	80%										
20 – 24	90%										
25 or more	95%										
Retiring After January 1, 2015											
Eligibility	OPEB										
<p>Eligible for retirement under WRS with at least 15 years of service in the County</p>	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 or more</td> <td style="text-align: center;">90%</td> </tr> </tbody> </table> <p>For those hired prior to January 1, 1999; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	15 – 19	80%	20 or more	90%				
<i>Years of Service</i>	<i>Contribution Amount</i>										
15 – 19	80%										
20 or more	90%										

Courthouse

Retiring Prior to January 1, 2015											
Eligibility	OPEB										
<p>Eligible for retirement under WRS with at least 10 years of service in the County</p>	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 – 14</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 – 24</td> <td style="text-align: center;">90%</td> </tr> <tr> <td style="text-align: center;">25 or more</td> <td style="text-align: center;">95%</td> </tr> </tbody> </table> <p>For those hired prior to January 1, 2001; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	10 – 14	75%	15 – 19	80%	20 – 24	90%	25 or more	95%
<i>Years of Service</i>	<i>Contribution Amount</i>										
10 – 14	75%										
15 – 19	80%										
20 – 24	90%										
25 or more	95%										
Retiring After January 1, 2015											
Eligibility	OPEB										
<p>Eligible for retirement under WRS with at least 15 years of service in the County</p>	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 or more</td> <td style="text-align: center;">90%</td> </tr> </tbody> </table> <p>For those hired prior to January 1, 2001; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	15 – 19	80%	20 or more	90%				
<i>Years of Service</i>	<i>Contribution Amount</i>										
15 – 19	80%										
20 or more	90%										

Teamsters

Retiring Prior to January 1, 2015											
Eligibility	OPEB										
Eligible for retirement under WRS with at least 10 years of service in the County	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 – 14</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 – 24</td> <td style="text-align: center;">90%</td> </tr> <tr> <td style="text-align: center;">25 or more</td> <td style="text-align: center;">95%</td> </tr> </tbody> </table> <p>For those hired prior to September 1, 2000; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	10 – 14	75%	15 – 19	80%	20 – 24	90%	25 or more	95%
<i>Years of Service</i>	<i>Contribution Amount</i>										
10 – 14	75%										
15 – 19	80%										
20 – 24	90%										
25 or more	95%										
Retiring After January 1, 2015											
Eligibility	OPEB										
Eligible for retirement under WRS with at least 15 years of service in the County	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 or more</td> <td style="text-align: center;">90%</td> </tr> </tbody> </table> <p>For those hired prior to September 1, 2000; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	15 – 19	80%	20 or more	90%				
<i>Years of Service</i>	<i>Contribution Amount</i>										
15 – 19	80%										
20 or more	90%										

Human Services

Retiring Prior to January 1, 2015											
Eligibility	OPEB										
<p>Eligible for retirement under WRS with at least 10 years of service in the County</p>	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 – 14</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 – 24</td> <td style="text-align: center;">90%</td> </tr> <tr> <td style="text-align: center;">25 or more</td> <td style="text-align: center;">95%</td> </tr> </tbody> </table> <p>For those hired prior to March 1, 2000; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	10 – 14	75%	15 – 19	80%	20 – 24	90%	25 or more	95%
<i>Years of Service</i>	<i>Contribution Amount</i>										
10 – 14	75%										
15 – 19	80%										
20 – 24	90%										
25 or more	95%										
Retiring After January 1, 2015											
Eligibility	OPEB										
<p>Eligible for retirement under WRS with at least 15 years of service in the County</p>	<p><u>Medical Insurance:</u> The County will make contributions towards a retiree's medical premiums based upon their years of service as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Years of Service</i></th> <th style="text-align: center;"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">15 – 19</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">20 or more</td> <td style="text-align: center;">90%</td> </tr> </tbody> </table> <p>For those hired prior to March 1, 2000; these contributions will continue for the lifetime of the retiree; whereas for those hired after this date, the contributions made on their behalf will cease upon Medicare-eligibility.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	15 – 19	80%	20 or more	90%				
<i>Years of Service</i>	<i>Contribution Amount</i>										
15 – 19	80%										
20 or more	90%										

OPEB Actuarial Assumptions

1. Actuarial Valuation Date	January 1, 2011																																										
2. Actuarial Cost Method	<u>Unit Credit</u> : The calculation of retirement plan benefits is based upon the accumulation of “benefit units” earned from such things as salary and/or service years. A Plan’s normal cost is determined by the present value of benefits allocated to the valuation year. A Plan’s accrued liability is the present value of benefits allocated to all periods prior to the valuation year.																																										
3. Interest Rate	Discount rate for valuing liabilities – 4.00% Interest rate on plan assets – 4.00% Implicit in these rates is a 4.00% assumed rate of inflation																																										
4. Level Percent Increase	3.00% – Used only for with the level percent amortization of Unfunded Actuarial Accrued Liability																																										
5. Amortization Method	30 year open level percent & level dollar method																																										
6. Remaining Amortization Period	30 years																																										
7. Asset Valuation Method	Market Value																																										
8. Mortality Rates	Active participant mortality rates at sample ages: <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td>20</td><td>0.000233</td><td>0.000077</td></tr> <tr><td>25</td><td>0.000303</td><td>0.000085</td></tr> <tr><td>30</td><td>0.000368</td><td>0.000115</td></tr> <tr><td>35</td><td>0.000391</td><td>0.000203</td></tr> <tr><td>40</td><td>0.000492</td><td>0.000285</td></tr> <tr><td>45</td><td>0.000725</td><td>0.000446</td></tr> <tr><td>50</td><td>0.001184</td><td>0.000614</td></tr> <tr><td>55</td><td>0.002085</td><td>0.001281</td></tr> <tr><td>60</td><td>0.003038</td><td>0.002174</td></tr> <tr><td>65</td><td>0.004660</td><td>0.003325</td></tr> <tr><td>70</td><td>0.008171</td><td>0.005327</td></tr> <tr><td>75</td><td>0.015030</td><td>0.009751</td></tr> <tr><td>80</td><td>0.027138</td><td>0.016934</td></tr> </tbody> </table>	<u>Age</u>	<u>Male</u>	<u>Female</u>	20	0.000233	0.000077	25	0.000303	0.000085	30	0.000368	0.000115	35	0.000391	0.000203	40	0.000492	0.000285	45	0.000725	0.000446	50	0.001184	0.000614	55	0.002085	0.001281	60	0.003038	0.002174	65	0.004660	0.003325	70	0.008171	0.005327	75	0.015030	0.009751	80	0.027138	0.016934
<u>Age</u>	<u>Male</u>	<u>Female</u>																																									
20	0.000233	0.000077																																									
25	0.000303	0.000085																																									
30	0.000368	0.000115																																									
35	0.000391	0.000203																																									
40	0.000492	0.000285																																									
45	0.000725	0.000446																																									
50	0.001184	0.000614																																									
55	0.002085	0.001281																																									
60	0.003038	0.002174																																									
65	0.004660	0.003325																																									
70	0.008171	0.005327																																									
75	0.015030	0.009751																																									
80	0.027138	0.016934																																									

9. Retirement

Active participant retirement rates at sample ages:

General Pattern

<u>Age</u>	<i>Normal</i>		<i>Early</i>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55			8.0%	6.0%
56			8.0	6.0
57	24.0%	19.0%	4.5	4.5
58	24.0	19.0	5.0	5.5
59	24.0	19.0	5.5	5.5
60	24.0	19.0	8.0	8.0
61	20.0	19.0	8.0	8.0
62	33.0	29.0	17.0	16.0
63	33.0	29.0	17.0	16.0
64	24.0	25.0	17.0	16.0
65	100.0	100.0	100.0	100.0

Protective Pattern

<u>Age</u>	<i>Normal & Early</i> <u>Male & Female</u>
50	8.0%
51	8.0
52	9.0
53	28.0
54	20.0
55	17.0
56	17.0
57	17.0
58	17.0
59	17.0
60	17.0
61	20.0
62	20.0
63	30.0
64	18.0
65	100.0

10. Separation Rates

Select and ultimate termination rates at sample ages and years of service are shown below:

Other			
<u>Age</u>	<u>Service</u>	<u>Male</u>	<u>Female</u>
	0	21.0%	20.0%
	1	13.0	14.0
	2	9.0	10.0
	3	7.0	8.2
	4	5.8	7.2
	5	4.7	6.2
	6	4.3	5.3
	7	4.0	4.7
	8	3.5	4.4
	9	3.0	4.0
25	10 & over	3.0	4.0
30		3.0	3.7
35		2.5	3.2
40		1.9	2.6
45		1.5	2.1
50		1.3	1.8
55		1.2	1.7
60		1.2	1.7

Protective		
<u>Age</u>	<u>Service</u>	<u>Male & Female</u>
	0	13.0%
	1	7.0
	2	4.6
	3	4.1
	4	3.2
	5	3.0
	6	2.7
	7	2.5
	8	2.3
	9	1.9
25	10 & over	1.9
30		1.9
35		1.7
40		1.3
45		1.1
50		1.0
55		1.0
60		1.0

11. Disablement Rates	Active participant disablement rates at sample ages: <table border="1" data-bbox="722 262 1356 661"> <thead> <tr> <th></th> <th><i>Protective</i></th> <th colspan="2"><i>General</i></th> </tr> <tr> <th><u>Age</u></th> <th><u>Male & Female</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td>20</td><td>0.02%</td><td>0.01%</td><td>0.01%</td></tr> <tr><td>25</td><td>0.02</td><td>0.01</td><td>0.01</td></tr> <tr><td>30</td><td>0.02</td><td>0.01</td><td>0.03</td></tr> <tr><td>35</td><td>0.03</td><td>0.01</td><td>0.04</td></tr> <tr><td>40</td><td>0.04</td><td>0.04</td><td>0.06</td></tr> <tr><td>45</td><td>0.06</td><td>0.08</td><td>0.09</td></tr> <tr><td>50</td><td>0.09</td><td>0.18</td><td>0.14</td></tr> <tr><td>55</td><td>1.47</td><td>0.34</td><td>0.25</td></tr> <tr><td>60</td><td>2.48</td><td>0.60</td><td>0.35</td></tr> </tbody> </table>					<i>Protective</i>	<i>General</i>		<u>Age</u>	<u>Male & Female</u>	<u>Male</u>	<u>Female</u>	20	0.02%	0.01%	0.01%	25	0.02	0.01	0.01	30	0.02	0.01	0.03	35	0.03	0.01	0.04	40	0.04	0.04	0.06	45	0.06	0.08	0.09	50	0.09	0.18	0.14	55	1.47	0.34	0.25	60	2.48	0.60	0.35
	<i>Protective</i>	<i>General</i>																																														
<u>Age</u>	<u>Male & Female</u>	<u>Male</u>	<u>Female</u>																																													
20	0.02%	0.01%	0.01%																																													
25	0.02	0.01	0.01																																													
30	0.02	0.01	0.03																																													
35	0.03	0.01	0.04																																													
40	0.04	0.04	0.06																																													
45	0.06	0.08	0.09																																													
50	0.09	0.18	0.14																																													
55	1.47	0.34	0.25																																													
60	2.48	0.60	0.35																																													
12. Medical Trends (Annual Increases)	<table border="1" data-bbox="803 703 868 1186"> <thead> <tr><th><u>Year</u></th></tr> </thead> <tbody> <tr><td>1</td></tr> <tr><td>2</td></tr> <tr><td>3</td></tr> <tr><td>4</td></tr> <tr><td>5</td></tr> <tr><td>6</td></tr> <tr><td>7</td></tr> <tr><td>8</td></tr> <tr><td>9</td></tr> <tr><td>10</td></tr> <tr><td>11</td></tr> <tr><td>12</td></tr> <tr><td>13 & over</td></tr> </tbody> </table>	<u>Year</u>	1	2	3	4	5	6	7	8	9	10	11	12	13 & over	<table border="1" data-bbox="1153 703 1339 1186"> <thead> <tr><th><u>Medical Trend</u></th></tr> </thead> <tbody> <tr><td>10.0%</td></tr> <tr><td>9.0</td></tr> <tr><td>8.0</td></tr> <tr><td>7.0</td></tr> <tr><td>6.0</td></tr> <tr><td>5.0</td></tr> <tr><td>5.0</td></tr> <tr><td>5.0</td></tr> <tr><td>5.0</td></tr> <tr><td>5.0</td></tr> <tr><td>5.0</td></tr> <tr><td>5.0</td></tr> <tr><td>5.0</td></tr> <tr><td>5.0</td></tr> </tbody> </table>	<u>Medical Trend</u>	10.0%	9.0	8.0	7.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0																	
<u>Year</u>																																																
1																																																
2																																																
3																																																
4																																																
5																																																
6																																																
7																																																
8																																																
9																																																
10																																																
11																																																
12																																																
13 & over																																																
<u>Medical Trend</u>																																																
10.0%																																																
9.0																																																
8.0																																																
7.0																																																
6.0																																																
5.0																																																
5.0																																																
5.0																																																
5.0																																																
5.0																																																
5.0																																																
5.0																																																
5.0																																																
5.0																																																
13. Age Related Health Care Cost	Health care costs are assumed to increase at 2.5% per year of age separate from trend due to increased cost of older participants.																																															
14. Percent Electing Coverage at Retirement	100% of active full-time employees, regardless of classification, currently electing coverage and eligible for a County-provided post-employment benefit																																															
15. Spouses' Age	Males are assumed to be three years older than their spouses																																															