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**Town of Westerly
GASB 45**

**Disclosure as of
June 30, 2014**

Police

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November 24, 2014

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Disclosure Information

Schedule of Funding Status and Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$4,000,000	\$11,364,770	\$7,364,770	35%	\$2,624,354	281%
7/1/2008	3,724,198	11,319,636	7,595,438	33%	2,976,831	255%
7/1/2009	3,858,330	12,379,627	8,521,297	31%	2,854,292	299%
7/1/2010	3,459,301	13,361,267	9,901,966	26%	2,838,895	349%
7/1/2011	3,336,594	13,390,915	10,054,321	25%	2,847,036	353%
7/1/2012	3,473,653	14,382,821	10,909,168	24%	3,039,511	359%
7/1/2013	3,310,972	14,079,993	10,769,021	24%	3,384,654	318%

Schedule of Employer Contributions			
Year Ended June 30	Annual Required Contribution (ARC)	Actual Contribution	Percentage Contributed
2009	728,240	366,250	50%
2010	753,390	425,000	56%
2011	803,570	425,000	53%
2012	907,530	685,328	76%
2013	922,800	467,920	51%
2014	966,300	429,600	44%

Budget 386,000
39.94%

**Disclosure Information
(continued)**

Calculation of Net OPEB Obligation				
A	Annual Required Contribution (ARC)	966,300		
B	Net OPEB Obligation (NOO) June 30, 2013	1,736,483		
C	Interest on NOO at 7.5%	130,236	= B * 7.5%	
D	Adjustment to ARC	136,731	= B / 12.7	
E	Annual OPEB Cost (AOC)	959,805	= A + C - D	
F	Amount Contributed	429,600		
G	Change in NOO	530,205	= E - F	
H	NOO June 30, 2014	2,266,688	= B + G	

History of AOC and NOO				
Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (NOO)
6/30/2009	728,240	366,250	50%	361,990
6/30/2010	752,580	425,000	56%	689,570
6/30/2011	802,028	425,000	53%	1,066,598
6/30/2012	905,144	685,328	76%	1,286,414
6/30/2013	917,989	467,920	51%	1,736,483
6/30/2014	959,805	429,600	45%	2,266,688

**Participant Counts and Average Age
As of July 1, 2013**

Participant Counts			
Active Participants	Retirees	Spouses of Retirees	Total
49	38	4	91

Average Age	
Active Average Age	Retirees* Average Age
37.6	60.2

* Does not include spousal ages

**Participant Counts and Average Age
As of July 1, 2012**

Participant Counts			
Active Participants	Retirees	Spouses of Retirees	Total
48	38	4	90

Average Age	
Active Average Age	Retirees* Average Age
37.2	60.3

* Does not include spousal ages

Projected Benefit Payments

Projected Benefit Payments			
Fiscal Year July 1st	Currently Active Employees	Currently Retired Employees	Total
2014	43,738	758,005	801,742
2015	57,317	800,725	858,042
2016	78,756	838,161	916,917
2017	94,198	859,954	954,152
2018	104,630	898,951	1,003,581
2019	122,971	921,286	1,044,256
2020	146,498	914,007	1,060,505
2021	168,784	929,205	1,097,989
2022	193,299	971,807	1,165,106
2023	213,889	1,006,348	1,220,238
2024	232,679	1,041,132	1,273,811
2025	256,765	1,028,209	1,284,974
2026	279,615	1,055,611	1,335,226
2027	299,292	1,045,558	1,344,850
2028	314,998	1,065,721	1,380,719
2029	338,485	1,056,893	1,395,378
2030	361,054	1,084,679	1,445,734
2031	342,005	1,068,217	1,410,222
2032	341,758	1,039,230	1,380,989
2033	352,486	1,002,475	1,354,961

23,729,392

Summary of Plan Provisions

Medical, Dental and Life Insurance

Benefits:

Coverage to retirees in accordance with terms of arbitrators award of May 23, 1979 (revised July 8, 1985). Effective July 1, 1990 the Town shall pay for all the Blue Cross health benefits for all employees who retire with at least twenty (20) years of service.

Employees hired prior to July 1, 1993, shall, upon retirement, contribute the same percentage of medical coverage as they contribute at the time of retirement.

Employees hired on or after July 1, 1993 and retiring after at least twenty (20) years of active service will pay 15% of the cost of health care coverage at the full mature working rate or monthly premium cost and the Town will pay the balance up to a maximum of \$6,000 per year (\$500 per month) until the employee reaches age 65, after which time the employee will pay 15% of the premium cost or fully mature working rate of Plan 65 and the Town will pay the balance up to a maximum of \$6,000 per year (\$500 per month).

Any amounts in excess of \$6,000 shall be borne by the employee.

Coverage to retirees and spouses includes dental insurance for life and a reimbursement of Medicare Part B premium to retirees only after age 65.

Actuarial Assumptions

The actuarial assumptions used in computing costs and liabilities under the Plan are as follows:

Interest:	7.5% net of expenses (bank fees) compounded annually.
Mortality:	RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA. Unprojected disabled table.
Mortality Improvement:	Projected to date of decrement using Scale AA (generational mortality).
Turnover:	Based on Years of Service.

<u>Service</u>	<u>Rate</u>
0	7.00%
1	5.50%
2	5.00%
3	4.50%
4	4.00%
5	3.50%
6	3.00%
7	2.50%
8	2.25%
9	2.00%
10	1.75%
11	1.50%
12	1.25%
13	1.00%
14	0.75%
15	0.50%
16+	0.00%

**Actuarial Assumptions
(continued)**

Retirement Age: Based on Years of Service. For those hired on or before July 1, 2010:

<u>Service</u>	<u>Rate</u>
20	25.00%
21	40.00%
22	30.00%
23	20.00%
24	50.00%
25	100.00%

For those hired after July 1, 2010:

<u>Service</u>	<u>Rate</u>
25	25.00%
26	40.00%
27	30.00%
28	20.00%
29	50.00%
30	100.00%

Spousal Assumption: 70% of males and 60% of females assumed married with wives 3 years younger.

Assumed Claim Rates:

	<u>Annual Amount</u>	
	<u>Current</u>	<u>Prior</u>
Medical pre-65	\$9,315.24	\$9,132.60
Medical post-65	7,834.08	7,680.48
Dental	686.16	672.72
Medicare Part B	1,258.80	1,198.80

Actuarial Assumptions (continued)

Morbidity: Pre-65 medical claim rates are adjusted for age using the following table:

<u>Age</u>	<u>Increase in Costs</u>
To age 45	2.7%
46 - 50	3.0%
51 - 54	3.3%
55 - 59	3.6%
60 - 64	4.2%
65 - 69	3.0%
70 - 74	2.5%
75 - 79	2.0%
80 - 84	1.0%
85 - 89	0.5%
90+	0.0%

Average age of the insured group is assumed to be 51.

Trend: Medical: 5%
Dental: 4%