



THE CITY OF NEWPORT, RHODE ISLAND POSTEMPLOYMENT BENEFITS PLAN

ACTUARIAL VALUATION REPORT

JULY 1, 2023





Table of Contents

Executive Summary	1
Valuation Results and Highlights	2
Purpose of the Valuation	2
Information Available in the Valuation Report.....	2
Changes Reflected in the Valuation.....	2
Cash Contribution for Fiscal Year Ending 2024.....	2
Liability Experience During Period Under Review	3
Asset Experience During Period Under Review	3
Certification	4
Development of Unfunded Accrued Liability and Funded Ratio.....	5
Development of Unfunded Accrued Liability and Funded Ratio by Group.....	7
Determination of Normal Cost and Actuarially Determined Employer Contribution.....	10
Actuarially Determined Employer Contribution per Group	12
Development of Asset Values.....	15
Target Allocation and Expected Rate of Return	19
Amortization of Unfunded Liability	20
Member Data	21
Expected Benefit Payments from Trust Fund.....	24
Expected Per Capita Claims (without Medicare Integration).....	25
Description of Actuarial Methods	26
Description of Actuarial Assumptions	27
Summary of Plan Provisions	34

Report Prepared By:

Steve A. Lemanski
Partner | Vice President, Senior Consulting Actuary
860.856.2073
steve.lemanski@usi.com

Robert P. Lessard
Consulting Actuary
860.856.2106
rob.lessard@usi.com



Executive Summary

	July 1, 2023	July 1, 2022
Number of members		
Active members	725	696
Retired members and dependents	<u>856</u>	<u>853</u>
Total	1,581	1,549
Covered employee payroll	50,579,497	47,458,896
Average plan salary	69,765	68,188
Actuarial present value of future benefits	135,264,064	136,739,399
Actuarial accrued liability	120,696,806	122,435,115
Plan assets		
Market value of assets	65,276,451	60,158,631
Actuarial value of assets	67,332,921	65,818,087
Unfunded accrued liability	53,363,885	56,617,028
Funded ratio	55.8%	53.8%
Actuarially determined employer contribution (ADEC)		
Fiscal year ending	2024	2023
ADEC	6,488,059	6,569,233



Valuation Results and Highlights

Purpose of the Valuation

The purpose of the valuation is to develop the Actuarially Determined Employer Contribution (ADEC).

The ultimate cost of an OPEB plan is based primarily on the level of benefits promised by the plan. The OPEB fund's investment earnings serve to reduce the cost of plan benefits and expenses. Thus,

$$\text{Ultimate cost} = \text{Benefits Paid} + \text{Expenses Incurred} - \text{Investment Return} - \text{Employee Contributions}$$

The actuarial cost method distributes this ultimate cost over the working lifetime of current plan participants. By means of this budgeting process, costs are allocated to both past and future years, and a cost is assigned to the current year. The current year's allocated cost, or normal cost, is the building block upon which the actuarially determined employer contribution is developed. The July 1, 2023 valuation produces the contribution for the fiscal year ending 2024.

Information Available in the Valuation Report

The Executive Summary is intended to emphasize the notable results of the valuation from the perspective of the Plan Sponsor. Supporting technical detail is documented in Results of the Valuation, Supporting Exhibits and Description of Actuarial Methods and Assumptions. A concise summary of the principal provisions of the Plan is outlined in Summary of Plan Provisions.

Changes Reflected in the Valuation

The medical trend assumption was updated. See the Description of Actuarial Assumptions section for more details. The impact of this change was to increase the actuarial accrued liability by approximately 1.3%. In addition, there was a collective bargaining agreement to increase the cost-share for AFSCME employees. This decreased the actuarial accrued liability by 0.3%.

Cash Contribution for Fiscal Year Ending 2024

The City cost is:	2024 Fiscal Year
Fire	\$1,876,243
Police	2,083,453
Public Works	147,872
Water	200,811
WPC	27,089
Recreation	8,430
General Government	255,973
Planning	49,958
Harbor	0
Equip Operations	10,765
School	1,827,465
Total	\$6,488,059



Liability Experience During Period Under Review

The plan experienced a \$5.4 million gain. The gain was driven by premium increases that were lower than anticipated.

Asset Experience During Period Under Review

The plan's assets provided the following rates of return during the past fiscal year:

	2023 Fiscal Year
Market Value Basis	12.1%
Actuarial Value Basis	5.5%

The Actuarial Value of assets, rather than the Market Value, is used to determine plan contributions. The Actuarial Value spreads the asset volatility over 5 years, thereby smoothing out fluctuations that are inherent in the Market Value.



Certification

This report presents the results of the July 1, 2023 Actuarial Valuation for The City of Newport, Rhode Island Postemployment Benefits Plan (the Plan) for the purpose of estimating the funded status of the Plan and determining the Actuarially Determined Employer Contribution (ADEC) for the fiscal year ending June 30, 2024. This report may not be appropriate for any other purpose.

The valuation has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with all applicable Actuarial Standards of Practice.

I certify that the actuarial assumptions and methods that were selected by me and represent my best estimate of anticipated actuarial experience under the Plan.

In preparing this valuation, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Trustee. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the *Summary of Plan Provisions* section of this report and the actuarial assumptions and methods detailed in the *Description of Actuarial Methods and Assumptions* section of this report.

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 this report, an analysis of the potential range of such future measurements has not been performed.

I have no relationship with the employer or the Plan that would impair, or appear to impair, my objectivity in performing the work presented in this report. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Steve A. Lemanski, FSA, FCA, MAAA
Enrolled Actuary 23-05506

Robert P. Lessard, ASA, FCA, MAAA
Enrolled Actuary 23-08801

December 18, 2023



Development of Unfunded Accrued Liability and Funded Ratio

	July 1, 2023	July 1, 2022
Actuarial accrued liability for active members		
Members under age 65	\$13,474,790	\$13,593,431
Members over age 65	4,766,948	5,252,280
Dependents under age 65	11,259,634	11,403,942
Dependents over age 65	3,418,957	3,746,673
Total	32,920,329	33,996,326
Actuarial accrued liability for inactive members		
Members under age 65	8,613,841	9,230,243
Members over age 65	41,150,881	41,161,888
Dependents under age 65	11,715,662	12,195,982
Dependents over age 65	26,296,093	25,850,676
Total	87,776,477	88,438,789
Total actuarial accrued liability	120,696,806	122,435,115
Actuarial value of assets	67,332,921	65,818,087
Unfunded accrued liability	53,363,885	56,617,028
Funded ratio	55.8%	53.8%

	Current Discount Rate (6.75%)	1% Decrease (5.75%)	1% Increase (7.75%)
Actuarial accrued liability for active members	32,920,329	34,097,534	32,626,804
Actuarial accrued liability for inactive members	87,776,477	91,238,167	85,637,221
Total actuarial accrued liability	120,696,806	125,335,701	118,264,025

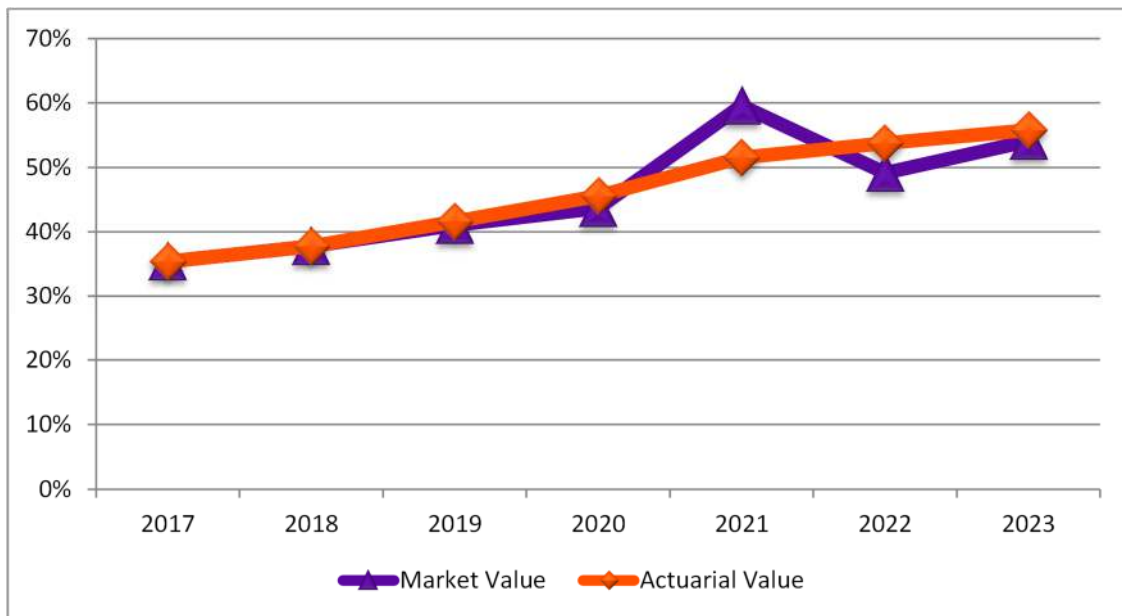
	Healthcare Cost Trend Rates (6.50% decreasing to 4.40%)	1% Decrease (5.50% decreasing to 3.40%)	1% Increase (7.50% decreasing to 5.40%)
Actuarial accrued liability for active members	32,920,329	31,517,704	35,255,329
Actuarial accrued liability for inactive members	87,776,477	84,878,234	91,889,353
Total actuarial accrued liability	120,696,806	116,395,938	127,144,682



Actuarial Accrued Liability vs. Actuarial Value of Assets



Funded Ratio





Development of Unfunded Accrued Liability and Funded Ratio by Group

	Fire	Police	Public Works	Water
Actuarial accrued liability for active members				
Members under age 65	\$3,288,108	\$4,026,992	\$569,653	\$484,957
Members over age 65	1,533,733	1,587,064	267,526	156,722
Dependents under age 65	3,600,265	3,762,809	629,181	585,493
Dependents over age 65	1,406,059	1,166,075	163,816	102,865
Total	9,828,165	10,542,940	1,630,176	1,330,037
Actuarial accrued liability for inactive members				
Members under age 65	3,030,101	4,710,442	55,530	18,977
Members over age 65	7,015,700	8,631,034	398,291	1,080,067
Dependents under age 65	4,563,352	5,870,958	140,198	169,896
Dependents over age 65	7,277,357	6,613,514	241,744	754,705
Total	21,886,510	25,825,948	835,763	2,023,645
Total actuarial accrued liability	31,714,675	36,368,888	2,465,939	3,353,682
Actuarial value of assets	17,692,610	20,289,050	1,375,669	1,870,913
Unfunded accrued liability	14,022,065	16,079,838	1,090,270	1,482,769
Funded ratio	55.8%	55.8%	55.8%	55.8%



	WPC	Recreation	General Government	Planning
Actuarial accrued liability for active members				
Members under age 65	\$96,392	\$5,473	\$378,226	\$55,052
Members over age 65	17,985	28,730	853,142	1,678
Dependents under age 65	107,759	11,184	187,177	19,013
Dependents over age 65	12,317	19,639	468,144	1,150
Total	234,453	65,026	1,886,689	76,893
Actuarial accrued liability for inactive members				
Members under age 65	0	0	17,801	0
Members over age 65	28,402	76,085	1,266,663	348,910
Dependents under age 65	0	0	16,984	0
Dependents over age 65	35,270	0	571,982	368,750
Total	63,672	76,085	1,873,430	717,660
Total actuarial accrued liability	298,125	141,111	3,760,119	794,553
Actuarial value of assets	166,315	78,721	2,097,651	443,256
Unfunded accrued liability	131,810	62,390	1,662,468	351,297
Funded ratio	55.8%	55.8%	55.8%	55.8%



	Harbor	Equip Operations	School	Total
Actuarial accrued liability for active members				
Members under age 65	\$0	\$0	\$4,569,937	\$13,474,790
Members over age 65	0	0	320,368	4,766,948
Dependents under age 65	0	0	2,356,753	11,259,634
Dependents over age 65	0	0	78,892	3,418,957
Total	0	0	7,325,950	32,920,329
Actuarial accrued liability for inactive members				
Members under age 65	0	0	780,990	8,613,841
Members over age 65	0	122,597	22,183,132	41,150,881
Dependents under age 65	0	0	954,274	11,715,662
Dependents over age 65	0	128,191	10,304,580	26,296,093
Total	0	250,788	34,222,976	87,776,477
Total actuarial accrued liability	0	250,788	41,548,926	120,696,806
Actuarial value of assets	0	139,907	23,178,829	67,332,921
Unfunded accrued liability	0	110,881	18,370,097	53,363,885
Funded ratio	0.0%	55.8%	55.8%	55.8%

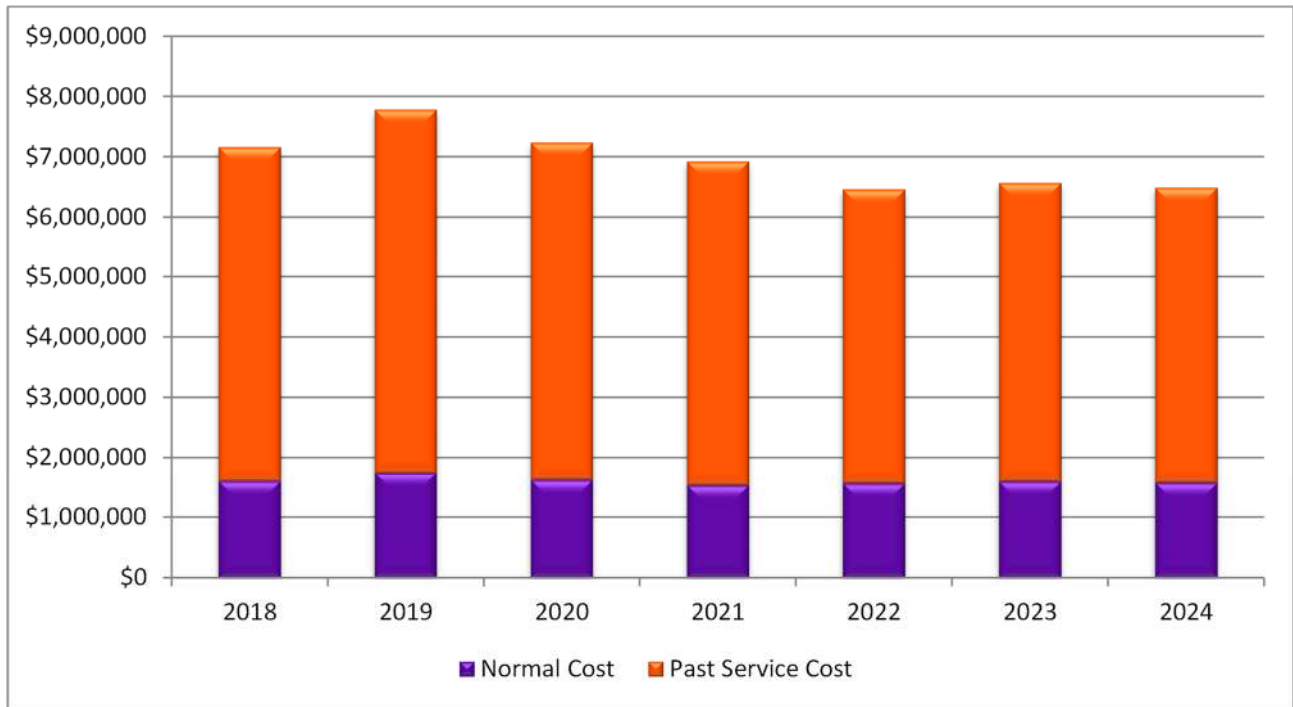


Determination of Normal Cost and Actuarially Determined Employer Contribution

	July 1, 2023		July 1, 2022	
	Cost	Percent of payroll	Cost	Percent of payroll
Gross normal cost	\$1,592,390	3.1%	\$1,613,164	3.4%
Estimated employee contributions	(18,629)	0.0%	(18,316)	0.0%
City's normal cost	1,573,761	3.1%	1,594,848	3.4%
Amortization of unfunded accrued liability	4,914,298	9.7%	4,974,385	10.6%
Contribution before adjustment as of the valuation date	6,488,059	12.8%	6,569,233	14.0%
Estimated valuation year payroll for actives not yet at 100% assumed retirement age	50,579,497		46,876,739	
Fiscal year ending	2024		2023	
Adjustment for interest and inflation	0		0	
Actuarially determined employer contribution	6,488,059		6,569,233	



Actuarially Determined Employer Contribution





Actuarially Determined Employer Contribution per Group

	Fire	Police	Public Works	Water
Gross normal cost	\$580,379	\$602,155	\$48,082	\$67,231
Estimated employee contributions	0	0	0	0
City's normal cost	580,379	602,155	48,082	67,231
Actuarial accrued liability	31,714,675	36,368,888	2,465,939	3,353,682
Actuarial value of assets	17,692,610	20,289,050	1,375,669	1,870,913
Unfunded accrued liability	14,022,065	16,079,838	1,090,270	1,482,769
Amortization of unfunded accrued liability	1,295,864	1,481,298	99,790	133,580
Contribution before adjustment as of the valuation date	1,876,243	2,083,453	147,872	200,811
Fiscal year ending June 30, 2024				
Adjustment for interest and inflation	0	0	0	0
Actuarially determined employer contribution	1,876,243	2,083,453	147,872	200,811



	WPC	Recreation	General Government	Planning
Gross normal cost	\$14,950	\$2,623	\$104,017	\$18,037
Estimated employee contributions	0	0	0	0
City's normal cost	14,950	2,623	104,017	18,037
Actuarial accrued liability	298,125	141,111	3,760,119	794,553
Actuarial value of assets	166,315	78,721	2,097,651	443,256
Unfunded accrued liability	131,810	62,390	1,662,468	351,297
Amortization of unfunded accrued liability	12,139	5,807	151,956	31,921
Contribution before adjustment as of the valuation date	27,089	8,430	255,973	49,958
Fiscal year ending June 30, 2024				
Adjustment for interest and inflation	0	0	0	0
Actuarially determined employer contribution	27,089	8,430	255,973	49,958



	Harbor	Equip Operations	School	Total
Gross normal cost	\$0	\$0	\$154,916	\$1,592,390
Estimated employee contributions	0	0	(18,629)	(18,629)
City's normal cost	0	0	136,287	1,573,761
Actuarial accrued liability	0	250,788	41,548,926	120,696,806
Actuarial value of assets	0	139,907	23,178,829	67,332,921
Unfunded accrued liability	0	110,881	18,370,097	53,363,885
Amortization of unfunded accrued liability	0	10,765	1,691,178	4,914,298
Contribution before adjustment as of the valuation date	0	10,765	1,827,465	6,488,059
Fiscal year ending June 30, 2024				
Adjustment for interest and inflation	0	0	0	0
Actuarially determined employer contribution	0	10,765	1,827,465	6,488,059



Development of Asset Values

Summary of Fund Activity		
	Market Value	Actuarial Value
1. Beginning value of assets July 1, 2022		
Trust assets	\$60,158,631	\$65,818,087
2. Contributions		
City contributions during year	820,000	820,000
Employee contributions during year	0	0
Total for plan year	820,000	820,000
3. Disbursements		
Benefit payments during year	2,831,770	2,831,770
Administrative expenses during year	66,234	66,234
Total for plan year	2,898,004	2,898,004
4. Net investment return		
Interest and dividends	0	N/A
Realized and unrealized gain / (loss)	7,269,560	N/A
Expected return	N/A	4,020,572
Recognized gain / (loss)	N/A	(427,734)
Required adjustment due to corridor	N/A	0
Reversal of prior year required adjustment	N/A	0
Investment-related expenses	(73,736)	N/A
Total for plan year	7,195,824	3,592,838
5. Ending value of assets July 1, 2023		
Trust assets: (1) + (2) - (3) + (4)	65,276,451	67,332,921
6. Approximate rate of return	12.1%	5.5%



Relationship of Actuarial Value to Market Value

1. Market value 7/1/2023	\$65,276,451
2. Gain / (loss) not recognized in actuarial value 7/1/2023	<u>(2,056,470)</u>
3. Preliminary actuarial value 7/1/2023: (1) - (2)	67,332,921
4. Preliminary actuarial value as a percentage of market value: (3) ÷ (1)	103.2%
5. Gain / (loss) recognized for corridor minimum / maximum	N/A
6. Actuarial value 7/1/2023 after corridor minimum / maximum: (3) + (5)	67,332,921
7. Actuarial value as a percentage of market value: (6) ÷ (1)	103.2%

Development of Market Value Gain / Loss for 2022-2023 Plan Year

1. Market value 7/1/2022	\$60,158,631
2. City contributions	820,000
3. Employee contributions	0
4. Benefit payments	2,831,770
5. Administrative expenses	66,234
6. Expected return at 6.75%	<u>4,020,572</u>
7. Expected value 7/1/2023: (1) + (2) + (3) - (4) - (5) + (6)	62,101,199
8. Market value 7/1/2023	<u>65,276,451</u>
9. Market value gain / (loss) for 2022-2023 plan year: (8) - (7)	3,175,252

Recognition of Gain / Loss in Actuarial Value

Year	(a) Gain / (loss)	(b) Total recognized as of 7/1/2022	(c) Recognized in current year: 20% of (a)	(d) Total recognized as of 7/1/2023: (b) + (c)	(e) Not recognized as of 7/1/2023: (a) - (d)
2018-2019	(\$829,649)	(\$663,720)	(\$165,929)	(\$829,649)	\$0
2019-2020	(2,234,746)	(1,340,847)	(446,949)	(1,787,796)	(446,950)
2020-2021	14,000,013	5,600,006	2,800,003	8,400,009	5,600,004
2021-2022	(16,249,544)	(3,249,909)	(3,249,909)	(6,499,818)	(9,749,726)
2022-2023	3,175,252	0	<u>635,050</u>	635,050	<u>2,540,202</u>
Total			(427,734)		(2,056,470)

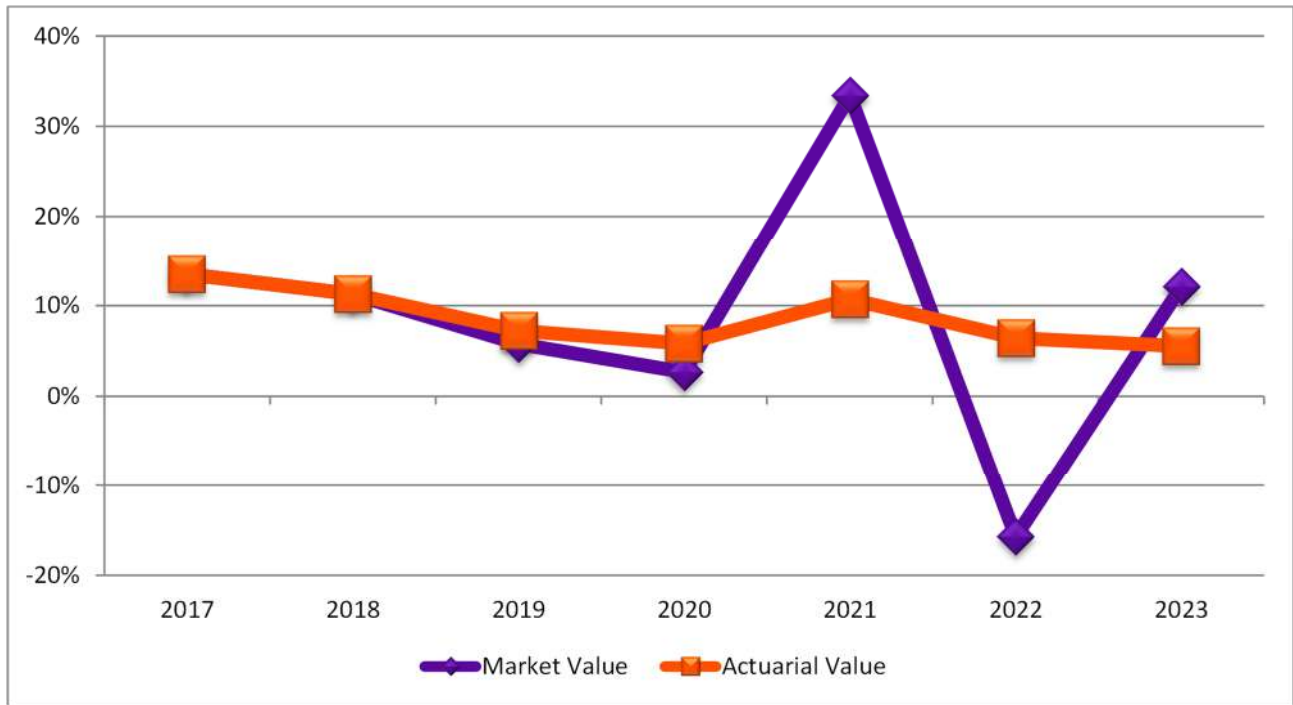


Rate of Return on Market Value of Assets				
Period Ending June 30	Average Annual Effective Rate of Return			
	1 Year	3 Years	5 Years	10 Years
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	13.5%	N/A	N/A	N/A
2018	11.3%	N/A	N/A	N/A
2019	5.8%	10.1%	N/A	N/A
2020	2.6%	6.5%	N/A	N/A
2021	33.4%	13.1%	12.8%	N/A
2022	-15.7%	4.9%	6.3%	N/A
2023	12.1%	8.0%	6.5%	N/A

Rate of Return on Actuarial Value of Assets				
Period Ending June 30	Average Annual Effective Rate of Return			
	1 Year	3 Years	5 Years	10 Years
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	13.5%	N/A	N/A	N/A
2018	11.3%	N/A	N/A	N/A
2019	5.8%	10.1%	N/A	N/A
2020	5.8%	7.6%	N/A	N/A
2021	10.7%	7.4%	9.4%	N/A
2022	6.4%	7.6%	8.0%	N/A
2023	5.5%	7.5%	6.8%	N/A



Actual Rate of Return on Assets





Target Allocation and Expected Rate of Return July 1, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
Large Cap Equity	20.00%	5.00%	1.00%
Mid Cap Equity	15.00%	5.30%	0.80%
Small Cap Equity	15.00%	5.30%	0.80%
International Equity	15.00%	6.40%	0.96%
Real Estate/ Timber	15.00%	2.05%	0.31%
Fixed Income	20.00%	4.90%	0.98%
	100.00%		4.85%
Long-Term Inflation Expectation			2.40%
Long-Term Expected Nominal Return			7.25%

**Long-Term Real Returns are provided by Hooker and Holcombe Investment Advisors. The returns are geometric means.*

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the OPEB plan's target asset allocation.

The information above is based on arithmetic means. The investment return assumption was selected using the long term asset allocation shown above. An expected rate of return of 6.75% was used.



Amortization of Unfunded Liability

Schedule of Amortization Bases				
	Date established	Amortization installment	Years remaining	Present value of remaining installments as of July 1, 2023
Initial base	July 1, 2021	\$5,058,411	14	\$54,801,287
2022 base	July 1, 2022	34,528	14	327,237
2023 base	July 1, 2023	<u>(178,641)</u>	15	<u>(1,764,639)</u>
Total		4,914,298		53,363,885



Member Data

The data reported by the Plan Sponsor for this valuation includes 725 active employees who met the Plan's minimum age and service requirements as of July 1, 2023.

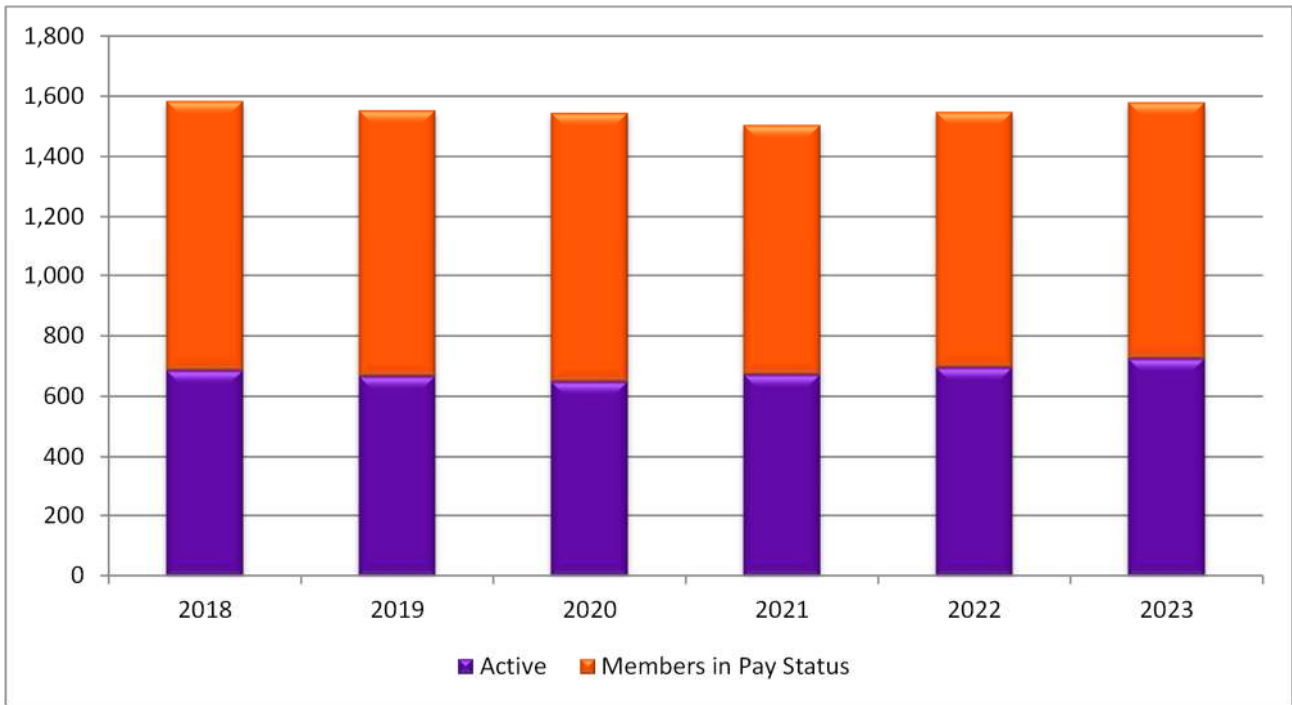
	Fire	Police	Public Works	Water	WPC	Recreation
Total members July 1, 2023						
Active members	93	90	41	41	11	2
Retirees	115	115	9	21	1	2
Dependents of current retirees	91	85	6	12	1	1
Total	299	290	56	74	13	5
Average age July 1, 2023						
Active members	40.9	40.5	49.1	48.2	38.2	55.4
Retirees	70.0	68.3	74.8	72.7	89.0	72.0
Dependents of current retirees	67.8	66.3	74.0	89.0	89.0	74.0
Total members July 1, 2022						
Active members	86	95	37	40	12	2
Retirees	113	113	12	21	1	2
Dependents of current retirees	86	81	7	14	1	1
Total	285	289	56	75	14	5
Average age July 1, 2022						
Active members	41.9	41.7	47.6	47.7	39.3	54.4
Retirees	69.5	67.8	72.1	71.8	88.0	71.0
Dependents of current retirees	64.6	63.3	66.9	66.5	86.0	67.0



	General Government	Planning	Harbor	Equip Operations	School	Total
Total members July 1, 2023						
Active members	39	8	0	0	400	725
Retirees	21	6	0	2	231	523
Dependents of current retirees	8	5	0	2	122	333
Total	68	19	0	4	753	1,581
Average age July 1, 2023						
Active members	51.8	57.5	N/A	N/A	46.2	45.4
Retirees	77.1	77.5	N/A	76.5	73.3	71.7
Dependents of current retirees	70.5	73.8	N/A	76.5	73.0	69.9
Total members July 1, 2022						
Active members	37	9	0	0	378	696
Retirees	21	6	0	2	231	522
Dependents of current retirees	8	5	0	2	126	331
Total	66	20	0	4	735	1,549
Average age July 1, 2022						
Active members	522.0	60.1	N/A	N/A	45.9	45.9
Retirees	76.1	76.5	N/A	75.5	71.0	71.0
Dependents of current retirees	69.5	70.5	N/A	76.0	67.3	67.3



Member Counts by Status





Expected Benefit Payments from Trust Fund

An important consideration in formulating short-term or intermediate-term investment policy is the need for liquidity to meet the payment requirements of the Plan. The Plan's investment advisors may wish to compare expected benefit payments and expenses with anticipated cash income from investments and employer contributions.

The table below presents projected annual benefit payments for the next twenty plan years. The following assumptions are reflected in this table:

- Retirements among active participants will occur consistent with the Plan's retirement assumption.
- Benefits will continue to accrue according to the provisions of the Plan.

Differences between actual experience and that assumed will affect the pattern of benefit payments.

Participant categories reflect status as of July 1, 2023.

Year	Active as of July 1, 2023	Retired and Terminated as of July 1, 2023	Total Benefit Payments
2023	\$202,725	\$7,013,844	\$7,216,569
2024	551,649	7,047,375	7,599,024
2025	941,493	7,177,256	8,118,749
2026	1,298,488	7,184,900	8,483,388
2027	1,627,030	7,141,899	8,768,929
2028	2,010,917	7,226,618	9,237,535
2029	2,270,332	7,422,367	9,692,699
2030	2,705,279	7,448,373	10,153,652
2031	2,987,879	7,219,515	10,207,394
2032	3,161,276	7,061,113	10,222,389
2033	3,555,502	6,928,264	10,483,766
2034	3,600,040	6,733,292	10,333,332
2035	3,681,895	6,563,789	10,245,684
2036	3,858,116	6,461,616	10,319,732
2037	4,028,824	6,350,659	10,379,483
2038	4,221,840	6,174,294	10,396,134
2039	4,279,264	6,090,091	10,369,355
2040	4,464,037	5,913,383	10,377,420
2041	4,633,841	5,707,150	10,340,991
2042	4,763,653	5,472,061	10,235,714



Expected Per Capita Claims (without Medicare Integration)

Others (Pre - 65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$7,916	\$11,033
50	10,338	12,856
55	13,565	14,977
60	17,475	17,468
64	21,341	20,450

School Actives (Pre - 65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$7,498	\$10,451
50	9,792	12,178
55	12,849	14,186
60	16,553	16,546
64	20,214	19,370

School Retirees (Pre - 65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	\$7,932	\$11,056
50	10,358	12,882
55	13,592	15,007
60	17,510	17,503
64	21,384	20,491

Others (Post - 65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	\$4,436	\$4,204
70	5,086	4,815
75	5,529	5,252
80	5,815	5,554
85	5,852	5,591

School Actives (Post - 65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	\$4,758	\$4,509
70	5,455	5,164
75	5,930	5,632
80	6,237	5,956
85	6,276	5,996

School Retirees (Post -65)

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	\$5,009	\$4,747
70	5,742	5,436
75	6,243	5,930
80	6,566	6,271
85	6,607	6,313



Description of Actuarial Methods

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on Market Value over a 5-year period at 20% per year (effective with gains and losses for 2018-19).

Actuarial Cost Method

Changes in Actuarial Cost Method: None.

Description of Current Actuarial Cost Method: Entry Age Normal (level percentage of salary)

Normal Cost: Under this method, the total normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary. The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions). This amount is amortized over 15 years on a closed basis. Effective with the July 1, 2022 valuation, future changes in the unfunded accrued liability are amortized separately, assuming a new 15-year amortization each valuation with level dollar payments.

Experience Gains and Losses: All experience gains and losses (the financial effect of the difference between the actual experience during the prior period and the result expected by the actuarial assumptions for that prior period) appear directly in the past service liability and are amortized at the same rate the plan is amortizing the remaining unfunded past service liability.

In addition, an annual 2.40% amortization increase rate was assumed for the initial base (with level dollar amortization for new bases established effective July 1, 2022 and thereafter).



Description of Actuarial Assumptions

Changes in Actuarial Assumptions

The valuation reflects changes in the actuarial assumptions listed below. (The assumptions used before and after these changes are more fully described in the next section.)

- Healthcare cost trend rates

The assumptions indicated were changed to represent the Enrolled Actuary's current best estimate of anticipated experience of the plan.

Investment rate of return (net of investment-related and administrative expenses)

6.75%.

Rate of compensation increase (including inflation)

Police and Fire: 2.40% per year plus longevity increases of 3.00% after seventh year of employment and 0.50% for each year of employment thereafter through the thirty-first year of employment. No longevity increases are assumed after the thirty-first year of employment.

School and General City: 2.40% per year.

The assumption is based on input from the plan sponsor regarding future expectations, as well as our review of long-term inflation expectations.

Inflation

2.40%.

This assumption is consistent with the Social Security Administration's current best estimate of the ultimate long-term (75-year horizon) annual percentage increase in CPI, as published in the 2023 OASDI Trustees Report.

Mortality

Police and Fire: Pub-2010 Public Retirement Plans Mortality Tables for Public Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

Teachers and Administrators: Pub-2010 Public Retirement Plans Mortality Tables for Teachers, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

School Support Staff and General City: Pub-2010 Public Retirement Plans Mortality Tables for General employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

Mortality Improvement

Projected to date of decrement using Scale MP-2021 (generational).

We have selected this mortality assumption because it is based on the latest published public retirement mortality study released by the Society of Actuaries.



Retirement

Police and Fire: Retirement rates are based on an experience study conducted by Hay Group in 2014:

Years of Service	Probability of Retirement
20	10.00%
21	2.00%
22	2.00%
23	2.00%
24	2.00%
25	50.00%
26	10.00%
27	10.00%
28	10.00%
29	10.00%
30	50.00%
31	20.00%
32	20.00%
33	20.00%
34	20.00%
35+	100.00%

Teachers and Administrators: Rates of retirement are based on an employee's age. Selected ages are listed below.

Age	Retirement Rate	
	Male	Female
45	10.00%	5.00%
50	16.00%	12.00%
55	26.00%	22.00%
60	40.00%	35.00%
62	25.00%	25.00%
65	25.00%	35.00%
70	100.00%	100.00%

School Support Staff and General City: Rates of retirement are based on an employee's age. Selected ages are listed below.

Age	Retirement Rate	
	Male	Female
45	10.00%	10.00%
50	15.00%	10.00%
55	15.00%	15.00%
60	25.00%	20.00%
62	25.00%	30.00%
65	25.00%	30.00%
70	100.00%	100.00%



Termination prior to retirement

Police and Fire: Rates of withdrawal are based on an employee’s length of service, as follows:

Years of Service	Probability of Withdrawal
Less than 1	3.00%
1	2.25%
2	2.00%
3	1.75%
4	1.50%
5	1.25%
6	1.00%
7	0.75%
8	0.50%
9	0.25%
10 or more	0.00%

Teachers and Administrators: Rates of withdrawal are based on an employee’s age. Selected ages are listed below.

Age	Withdrawal Rate	
	Male	Female
20	20.00%	20.00%
25	20.00%	20.00%
30	12.00%	14.00%
35	8.00%	11.30%
40	6.50%	8.60%
45	5.80%	6.00%
50	5.40%	5.00%
55	0.00%	0.00%

School Support Staff and General City: Rates of withdrawal are based on an employee’s age. Selected ages are listed below.

Age	Withdrawal Rate*	
	Male	Female
20	4.14%	4.14%
25	3.15%	3.15%
30	2.52%	2.52%
35	2.10%	2.10%
40	1.95%	1.95%
45	1.73%	1.73%
50	1.44%	1.44%
55	0.00%	0.00%

* Higher rates in effect for first 9 years of service



Disability

Police and Fire: Rates of Disability are based on an employee's age. Selected ages are listed below.

Attained Age	Probability of Disability
25	0.17%
35	0.29%
45	0.72%
55	1.21%

90% of disabilities are assumed to be service related.

Teachers and Administrators: Rates of Disability are based on an employee's age. Selected ages are listed below.

Age	Ordinary Disability		Accidental Disability	
	Male	Female	Male	Female
25	0.015%	0.015%	0.008%	0.008%
30	0.018%	0.018%	0.010%	0.010%
35	0.024%	0.024%	0.013%	0.013%
40	0.036%	0.036%	0.019%	0.019%
45	0.059%	0.059%	0.032%	0.032%
50	0.099%	0.099%	0.054%	0.054%
55	0.165%	0.165%	0.089%	0.089%
60	0.230%	0.230%	0.124%	0.124%

School Support Staff and General City: Rates of Disability are based on an employee's age. Selected ages are listed below.

Age	Ordinary Disability		Accidental Disability	
	Male	Female	Male	Female
25	0.025%	0.036%	0.020%	0.009%
30	0.030%	0.044%	0.025%	0.011%
35	0.041%	0.060%	0.034%	0.015%
40	0.061%	0.088%	0.050%	0.022%
45	0.099%	0.144%	0.081%	0.036%
50	0.168%	0.244%	0.137%	0.061%
55	0.278%	0.404%	0.227%	0.101%
60	0.388%	0.564%	0.317%	0.141%

Utilization

Police and Fire: 100% of current active members will elect medical coverage at retirement.

Teachers and Administrators: 90% of current active members will elect medical coverage at retirement.

School Support Staff: 80% of paraprofessionals and 95% of others will elect medical coverage at retirement.

General City: 100% of AFSCME and NEA and 95% of others will elect medical coverage at retirement.

100% of all pre-65 retirees will continue medical coverage after age 65, if eligible.

100% of future Police retirees are expected to elect life insurance.



Marital Status

Police and Fire: 80% of male and 80% of female active members are assumed to be married and elect spousal benefits at retirement.

Teachers and Administrators: 70% of male and 60% of female active members are assumed to be married and elect spousal benefits at retirement.

School Support Staff: 70% of male and 60% of female active members are assumed to be married and elect spousal benefits at retirement.

General City: 70% of male and 50% of female active members are assumed to be married and elect spousal benefits at retirement.

Spouse’s Age

Husbands are assumed to be 3 years older than wives.

Healthcare Cost Trend Rates

Year Beginning	Trend Rate
2023	6.50%
2024	6.30%
2025	6.10%
2026	5.90%
2027	5.70%
2028	5.50%
2029	5.30%
2030	5.10%
2031	4.90%
2032	4.70%
2033	4.50%
2034+	4.40%

Prior:

Year Beginning	Trend Rate
2022	6.50%
2023	6.30%
2024	6.10%
2025	5.90%
2026	5.70%
2027	5.50%
2028	5.30%
2029	5.10%
2030	4.90%
2031	4.70%
2032	4.50%
2033+	4.40%



Healthcare Cost Trend Rates (cont.)

Medicare Part B is assumed to increase by 3.4% per year.

Healthcare cost trend rates reflect both the current and long-term outlook for increases in healthcare costs. The short-term rates are based on recent industry surveys, plan experience and near-term expectations. The long-term trend rate is based on our general inflation assumption plus an adjustment to reflect expectations for long-term medical inflation.

The trend rates were changed to better reflect anticipated experience.

Payroll Growth Rate

2.40%.

Pre-Age 65 Retirees

Current retirees who are under age 65 are assumed to remain in their current medical plan until age 65.

Current City active employees who are assumed to retire prior to age 65 are valued with a weighted-average premium. This weighted-average premium is based on the medical plan coverage of current retirees under age 65. Current School active employees are assumed to be in the Healthmate CC \$250 Deductible plan if retiring prior to age 65.

Post-Age 65 Retirees

Current grandfathered retirees over age 65 are valued as remaining in their current medical plan; all other retirees (if eligible) are assumed to participate in Plan 65. It is assumed that all future eligible retirees will enroll in Plan 65 upon reaching age 65, except that Teachers in the Extended Benefit Program who retired prior to August 31, 2005 are assumed to remain in their current medical plan.

Please see the Summary of Plan Provisions for Plan 65 eligibility information by group.

Premiums / Allocation Rates

	Single	Dual
Pre-65		
School Active	\$9,534	\$23,030
School Retiree	10,085	24,362
Others - Retiree	10,066	24,313
Post-65		
School Active	5,641	10,372
School Retiree	5,939	11,878
Others - Retiree	5,260	10,520

Premiums were used as the basis for per capita costs. The average premium was derived by reflecting participation among the various plans offered by the employer.

We have not valued any liability for dental benefits as it is our understanding that retirees pay the full cost for these benefits.



Expected Claims Costs

The sample per capita claims costs for plans not integrated with Medicare were developed as follows: Using the total count of active participants eligible for post-retirement medical benefits and retirees currently electing medical coverage in a non-Medicare supplement plan, we calculate the total projected claims by multiplying the total count by the average annual premium. Using the cost increases derived from a study sponsored by the Society of Actuaries prepared by Dale H. Yamamoto from May 2013: "Health Care Costs from Birth to Death", we allocate the total projected claims by age and gender.

The sample per capita claims costs for plans integrated with Medicare were developed as follows: Using the total count of retirees currently electing medical coverage in a Medicare Supplement plan, we calculate the total projected claims by multiplying the total count by the average annual premium. Using the cost increases derived from a study sponsored by the Society of Actuaries prepared by Dale H. Yamamoto from May 2013: "Health Care Costs from Birth to Death", we allocate the total projected claims by age and gender.

Medicare Part B Premium

\$164.90 per month for 2023, assumed to increase 3.40% per year.

Dental Insurance

Premiums paid for retiree pay all dental coverage are assumed to be self-supporting, based on our understanding of the arrangements involved.

Life Insurance

Valued per actual benefit amounts in force.

Employee Contributions (Teachers)

Teacher employees who have elected the Extended Benefit plan contribute 5% of pay while employed. The value of future contributions is not directly reflected in the valuation. The Actuarially Determined Contribution amount is assumed to reflect the overall contribution amount for the fiscal year, with the City's required Normal Cost contribution to be directly reduced by any contribution made by the employees. This treatment is consistent with the entry age normal actuarial cost method. The valuation does not reflect an estimated value of return of contributions for amounts contributed prior to the valuation date.

Patient Protection and Affordable Care Act (PPACA)

For purposes of this valuation, extended coverage for adult children and 100% coverage of preventive care are assumed to be reflected in per capita costs.

For purposes of this valuation, elimination of lifetime maximum benefits and removal of the limits on essential healthcare are assumed to have no impact on plan liabilities.



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. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Plan identification

Single-employer OPEB plan.

All Groups

Participants who retire with a disability receive the same benefits as regular retirees and remain in their chosen plan until age 65, at which time they are enrolled in Plan 65.

Fire

Retirement Eligibility

- Hired on or after July 1, 2011: Age 58 with 10 years of service or 30 years of service
- Hired prior to July 1, 2011: 20 years of service

Vesting Eligibility

10 years of service.

Disability Eligibility

10 years of service.

Medical Coverage

- Healthmate DED 250 (pay the difference if opting for a more expensive plan)
- Blue Cross Plan 65 upon reaching the age of 65
 - Not available for members hired on or after July 1, 2011

Cost Share

- Retire after July 1, 1987 with more than 10 years but less than 25 years of service – City's contribution is reduced 4% per year of service less than 25
- Retire on or after September 13, 2007 and before December 31, 2011 pay 1.0% of their pension (with annual COLA increases; and in addition to bullet #1)
- Retire after December 31, 2011 pay 2.0% of their pension (with annual COLA increases; and in addition to bullet #1)
- Retire on or after January 1, 2016 shall pay an additional 5.0% of coverage cost
- Surviving spouses purchase health insurance coverage at their own expense
- Retire after January 1, 2022 pay a minimum of 10% of premium

Life Insurance

None.



Police

Retirement Eligibility

- Hire date after July 1, 2014: 25 years of service
- Hire date before July 1, 2014: 20 years or service.

Vesting Eligibility

10 years of service.

Disability Eligibility

10 years of service.

Medical Coverage

- Base Plan is Healthmate DED 250 (pay the difference if opting for a more expensive plan)
- Blue Cross Plan 65 upon reaching the age of 65
 - Not available for members hired on or after July 1, 2009

Cost Share

- Retired prior to July 1, 2014 with 25 years of service as of January 1, 2007 shall not make any contribution
- Retired Prior to June 30, 2013 with 20 years of service as of January 1, 2007 shall not make any contribution
- Hired after July 1, 2006 and retired prior to July 1, 2014 with less than 20 Years of Service - City's contribution is reduced 5% per year of service less than 20
- Retired after July 1, 1987 and prior to July 1, 2014 with less than 20 Years of Service – City's contribution is reduced 5% per year of service less than 20
- Retire on or after July 1, 2014 through June 30, 2018 (including members retiring on a job-related accidental disability pension) shall pay 5% of premium.
- Retire on or after July 1, 2018 through June 30, 2019 (including members retiring on a job-related accidental disability pension) shall pay 7.5% of premium.
- Retire after July 1, 2019 (including members retiring on a job-related accidental disability pension) shall pay 10% of premium.
- Surviving spouses purchase health insurance coverage at their own expense

Life Insurance

- \$25,000 effective July 1, 1986
- Retired members shall bear ½ the cost of any increase in life insurance rates effective July 1, 1993



Teachers

Retirement Eligibility

- Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's Article 7 Retirement Date (described in Rhode Island's ERSRI Valuation Report) and the retirement age applicable to members hired after June 30, 2012 in bullet #1 above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's Article 7 Retirement Date. The minimum retirement age is 59.
- Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their Article 7 Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits you have accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.
- Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current RIRSA date described in bullets #1 - #3 above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.
- A member who is within five years of reaching their retirement eligibility date, described in this section, and has 20 or more years of service, may elect to retire at any time with a reduced benefit. The reduction is 9% for year 1, 8% for year 2, and 7% for each year thereafter.

Vesting Eligibility

As of July 1, 2012, 5 years of contributing service.

Disability Eligibility

5 years of service.

Medical Coverage

- Healthmate Coast to Coast plan until age 65
- Extended Health Care Benefit Plan – Plan 65 (we rely upon data provided by the client to determine who is eligible for post-65 coverage)
 - As of 2006-2007 school year, not available for new members.
 - 25 years of service as of June 30, 2015 and not retired by June 30, 2018 shall be offered a single individual post-65 coverage (not available for retiree's spouse)
- Medicare Part B – retired before July 1, 2011 shall be reimbursed upon becoming Medicare eligible



Cost Share

- Effective September 1, 2012, future retiree who does not participate in the Extended Health Care Benefit Plan, pay 20% of the premium cost
- Employed effective on or after July 1, 1998 and retired as of August 31, 2005, pay a cost share of 5% of the annual premium
- Retired from July 1, 2012 to June 30, 2014, 20% for Healthmate Coast to Coast plan and 5% for Extended Health Care Benefit Plan
- Retire prior to July 1, 1998, no cost until Medicare eligible and 3% for Extended

Retirement Date	Premium Cost Share	Extended Benefits
Prior to 6/30/2005	0%	4%
7/1/2005 – 6/30/2006	3%	5%
7/1/2006 – 6/30/2007	5%	5%
7/1/2007 – 6/30/2008	7%	5%
7/1/2008 – 6/30/2009	10%	5%
7/1/2009 – 6/30/2010	10.5%	5%
7/1/2010 – 6/30/2011	12%	5%
7/1/2011 – 6/30/2012	15%	5%
After 7/1/2012	20%	5%

Life Insurance

\$50,000 coverage until age 65 for those grandfathered. As of September 1, 2015, continuation of life insurance coverage if at retiree's expense.

School Administrators

Retirement Eligibility

- Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's Article 7 Retirement Date (described in Rhode Island's ERSRI Valuation Report) and the retirement age applicable to members hired after June 30, 2012 in bullet #1 above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's Article 7 Retirement Date. The minimum retirement age is 59.
- Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their Article 7 Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits you have accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.
- Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current RIRSA date described in bullets #1 - #3 above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.
- A member who is within five years of reaching their retirement eligibility date, described in this section, and has 20 or more years of service, may elect to retire at any time with a reduced benefit. The reduction is 9% for year 1, 8% for year 2, and 7% for each year thereafter.



Vesting Eligibility

As of July 1, 2012, 5 years of contributing service to the defined benefit pension plan.

Disability Eligibility

5 years of service.

Medical Coverage

- Healthmate Coast to Coast plan until age 65
- Extended Health Care Benefit Plan – Plan 65 (we rely upon data provided by the client to determine who is eligible for post-65 coverage)
 - Not available for members hired after July 1, 2012
- Medicare Part B reimbursement – not available

Cost Share

Retirement Date	Premium Cost Share	Extended Benefits
Prior to 6/30/2004	0%	3%
7/1/2004 – 6/30/2008	10%	3%
7/1/2008 – 6/30/2010	12.5%	3%
7/1/2010 – 6/30/2012	20%	3%
After 7/1/2012	20%	N/A

The cost share at the time of retirement remains in place until age 65.

Life Insurance

\$50,000 coverage until age 65.

Schools Support Staff

Retirement Eligibility

- Members with less than 5 years of contributory service as of June 30, 2012 and members hired on or after June 30, 2012 are eligible for retirement on or after their Social Security normal retirement age.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member’s prior Retirement Date, described in bullet #6 below, and the retirement age applicable to members hired after June 30, 2012 in bullet #1 above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member’s prior Retirement Date. The minimum retirement age is 59.
- Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date.
- Effective July 1, 2015, members will be eligible to retire at the earlier of above or upon reaching age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service or age 62 with 33 years of service.
- A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.
- Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.



Vesting Eligibility

As of July 1, 2012, 5 years of contributing service to the defined benefit pension plan.

Disability Eligibility

5 years of service.

Medical Coverage

- Healthmate Coast to Coast plan until age 65
- Extended Health Care Benefit Plan – Plan 65 (we rely upon data provided by the client to determine who is eligible for post-65 coverage)
 - Not available for members hired after July 1, 2012
- Medicare Part B reimbursement for those that retired before July 1, 2012 and had 15 or more years of service.

Cost Share

Retirement Date	Premium Cost Share	Extended Benefits
Prior to 6/30/2006	0%	3%
7/1/2006 – 6/30/2007	3%	4%
7/1/2007 – 6/30/2008	5%	5%
7/1/2008 – 6/30/2009	7%	5%
7/1/2009 – 6/30/2012	10%	5%
7/1/2012 – 6/30/2013	12%	5%
7/1/2013 – 6/30/2016	15%	5%
7/1/2016 – 6/30/2017	15.5%	5%
7/1/2017 – 6/30/2019	16%	5%
After 7/1/2019	20%	5%

Para-educators who retire pay 50% of premium as cost share.

Life Insurance

\$50,000 coverage until age 65.

General Employees

Retirement Eligibility

- Members with less than 5 years of contributory service as of June 30, 2012 and members hired on or after June 30, 2012 are eligible for retirement on or after their Social Security normal retirement age.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member’s prior Retirement Date, described in bullet #6 below, and the retirement age applicable to members hired after June 30, 2012 in bullet #1 above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member’s prior Retirement Date. The minimum retirement age is 59.
- Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date.
- Effective July 1, 2015, members will be eligible to retire at the earlier of above or upon reaching age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service or age 62 with 33 years of service.



Retirement Eligibility (cont.)

- A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.
- Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.
- For all NEA employees retiring effective July 1, 2019 and thereafter, City health insurance coverage shall no longer be provided after retirement.

Vesting Eligibility

As of July 1, 2012, 5 years of contributing service.

Disability Eligibility

5 years of service.

Medical Coverage

- Healthmate DED 250 (pay the difference if opting for a more expensive plan)
- Blue Cross Plan 65 upon reaching the age of 65 and plan supplementation will be provided at no cost to retirees
- For AFSCME and NEA - retired on or after June 1, 2009, no post-65 benefit.
- For all others, retiree and spouse are covered for lifetime.

Cost Share

- Retired on or after July 1, 2009, 3.0% of the premium (April 9, 2009 for NEA)
- Retired on or after January 1, 2017, 5.0% of the premium (January 1, 2016 for NEA)
- Non-union Municipal Supervisory employees who retire between July 1, 2004 and July 31, 2010 pay 10% of the premium as a cost share. Those retired on or after August 1, 2010 pay 15% of the premium as a cost share. Those retired before July 1, 2004 do not incur a cost.
- AFSCME employees who retire on or after January 1, 2023 pay 10% of the premium as a cost share.
- All AFSCME retirees, regardless of their date of hire, will pay 10% of the premium effective January 1, 2023 for coverage at ages 65 and later.