

City of Meriden and Meriden Board of Education

*Actuarial Valuation and Review of Other Postemployment
Benefits (OPEB) as of June 30, 2006
In Accordance with GASB Statements Number 43 and 45*

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February 22, 2008

*Caroline A. Beitman, Esquire
Personnel Director
City of Meriden
City Hall
142 East Main Street
Meriden, CT 06450*

Dear Ms. Beitman:

We are pleased to submit this report on our actuarial valuation of postemployment welfare benefits as of June 30, 2006 under GASB Statements Number 43 and 45. It establishes the liabilities of the postemployment welfare benefit plan in accordance with GASB Statements Number 43 and 45 for the fiscal year beginning July 1, 2006 and summarizes the actuarial data.

This report is based on information received from the City and Board of Education. The actuarial projections were based on the assumptions and methods described in Exhibit II and on the plan of benefits as summarized in Exhibit III.

We look forward to discussing this material with you at your convenience.

Sincerely,

THE SEGAL COMPANY

By: *Thomas P. Dawidowicz*
Thomas P. Dawidowicz, FSA, MAAA, FCA
Vice President and Consulting Actuary

6158396v1/00764.015

Daniel J. Rhodes
Daniel J. Rhodes
Senior Health Benefits Analyst



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SECTION 1: Introduction for City of Meriden and Meriden Board of Education June 30, 2006 Measurement under GASB

PURPOSE

This report presents the results of our actuarial valuation of the City of Meriden and Meriden Board of Education postemployment welfare benefit program as of June 30, 2006. The results are in accordance with the Governmental Accounting Standards (as if they were effective July 1, 2006), which prescribe an accrual methodology for accumulating the value of postemployment welfare benefits over participants' active working lifetimes. The accounting standard supplements cash accounting, under which the expense for postemployment benefits is equal to benefit and administrative costs paid on behalf of retirees and their dependents (*i.e.*, a pay-as-you-go basis).

Actuarial computations under GASB are for purposes of fulfilling certain accounting requirements. The calculations reported in this report have been made on a basis consistent with our understanding of GASB. Determinations for purposes other than meeting the financial accounting requirements of GASB may differ significantly from the results reported here.

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members.

Actuarial calculations reflect a long-term perspective, and the methods and assumptions use techniques designed to reduce short term volatility in accrued liabilities and the actuarial value of assets, if any.

The calculation of an accounting obligation does not, in and of itself, imply that there is any legal liability to provide the benefits valued, nor is there any implication that the Town is required to implement a funding policy to satisfy the projected expense.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.



SECTION 1: Introduction for City of Meriden and Meriden Board of Education June 30, 2006 Measurement under GASB

ACCOUNTING REQUIREMENTS

The Governmental Accounting Standards Board (GASB) issued Statement Number 43 -- *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement Number 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Under these statements, all state and local government entities that provide other post employment benefits (OPEB) are required to report the cost of these benefits on their financial statements.

The statements include postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. These benefits, referred to as OPEB, are typically financed on a pay-as-you-go basis. The new standard introduces an accrual-basis accounting requirement; thereby recognizing the employer cost of postemployment benefits over an employee's career. The standards also introduce a consistent accounting requirement for both pension and non-pension benefits.

The total cost of providing postemployment benefits is projected, taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions. This amount is then discounted to determine the actuarial present value of the total projected benefits (APB). The actuarial accrued liability (AAL) is the portion of the present value of the total projected benefits allocated to years of employment prior to the measurement date. The unfunded actuarial accrued liability (UAAL) is the difference between the AAL and actuarial value of assets in the Plan.

Once the UAAL is determined, the Annual Required Contribution (ARC) is determined as the normal cost (the APB allocated to the current year of service) and the amortization of the UAAL. This ARC is compared to actual contributions made and any difference is reported as the net OPEB obligation (NOO). In addition, required supplementary information (RSI) is required. This information includes historical information about the UAAL and the progress in funding the Plan.



**SECTION 2: Valuation Results for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

HIGHLIGHTS OF THE VALUATION

The results of the valuation show a significant increase in expense for OPEB compared to the current accounting method.

The GASB statements provide the method for selecting the investment return assumption (discount rate). If the benefits are pre-funded, the discount rate should be based on the estimated long-term investment yield on the investments expected to be used to finance the payment of benefits. A pre-funded discount rate is used when the City's funding policy is to contribute consistently an amount at least equal to the ARC. If financing continues to be primarily pay-as-you-go, the discount rate should be based on the expected yield on the assets of the employer. For the purpose of this valuation, we have used 8.0% and 4.0%, respectively, for pre-funded and pay-as-you-go. We note that while the City has accumulated some assets for pre-funding retiree health benefits through active employee payroll contributions and the demutualization of Anthem, the assets are significantly less than the OPEB liabilities, as shown on the following page.

Because pay-as-you-go accounting assumes a lower interest rate to discount the liabilities, the liabilities appear larger and the expense allocated to the current fiscal year is higher. The lower expense shown for the pre-funded approach is based on the assumption of a higher rate of investment return, which ultimately means more benefits are provided by investment earnings and fewer benefits are provided by City/BOE contributions.

The GASB statements allow the use of one of six funding methods to determine the actuarial liabilities. For this report, we are calculating the ARC under the projected unit credit cost method (which is the cost method required under

Financial Accounting Standards Board Statement No. 106 concerning OPEB accounting for private sector plans).

To determine the amortization payment on the unfunded actuarial accrued liability (UAAL), an amortization period and amortization method must be selected. We have used a 30-year amortization of the UAAL (the maximum permitted by the GASB statements).

The GASB statements permit either level dollar or level percentage of payroll amortization. We have calculated the amortization payments assuming level dollar payments.

Assets set aside to fund OPEB liabilities must be held in a trust or equivalent arrangement, through which assets are accumulated and benefits are paid as they come due. Employer contributions to the plan are irrevocable, plan assets are dedicated to providing benefits to retirees and their spouses in accordance with the terms of the plan, and plan assets are legally protected from creditors of the employer.

During the fiscal year ending June 30, 2007, we project the City and Board of Education will pay claims and expenses (net of retiree contributions) on behalf of all retired employees of about \$5,296,000. Under current accounting rules, this is the "cost" of those benefit programs for retirees. Under the new accounting rules, the annual "cost" is projected to increase significantly, depending on the discount rate. On page 5 we show the calculation of two ARCs in the amount of \$11,289,000 (pre-funded) and \$16,702,000 (pay-as-you-go).

SECTION 2: Valuation Results for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB

SUMMARY OF VALUATION RESULTS

ALL DEPARTMENTS

The key results and significant assumptions for the current year are shown on a pre-funded basis and a pay-as-you-go basis.

	Pre-funded (8.0% interest rate)	Pay-as-you-go (4.0% interest rate)
Actuarial Accrued Liability (AAL) by Participant Category		
1. Current retirees, beneficiaries and dependents	\$58,901,334	\$88,574,312
2. Current active members	<u>64,812,771</u>	<u>142,904,329</u>
3. Total AAL as of July 1, 2006: (1) + (2)	\$123,714,105	\$231,478,641
4. Assets as of July 1, 2006	\$3,172,002	\$3,172,002
5. Unfunded Actuarial Accrued Liability as of July 1, 2006: (3) – (4)	\$120,542,103	\$228,306,639
Annual Required Contribution for Fiscal Year Ending June 30, 2007		
6. Normal cost as of July 1, 2006	\$1,692,498	\$4,426,193
7. Expected employee contributions	(743,923)	(743,923)
8. Adjustment for timing	<u>37,213</u>	<u>72,924</u>
9. Normal cost adjusted for timing: (6) + (7) + (8)	\$985,788	\$3,755,194
Level Dollar Amortization Payments		
10. 30-year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2006	\$9,914,301	\$12,695,188
11. Adjustment for timing	<u>388,943</u>	<u>251,414</u>
12. Amortization payment adjusted for timing: (10) + (11)	\$10,303,244	\$12,946,602
13. Total Annual Required Contribution (ARC): (9) + (12)	\$11,289,032	\$16,701,796

Note: Adjustment for timing assumes payment in the middle of the fiscal year.



SECTION 2: Valuation Results for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB

DEPARTMENT RESULTS

CITY: POLICE

	Pre-funded (8.0% interest rate)	Pay-as-you-go (4.0% interest rate)
Actuarial Accrued Liability (AAL) by Participant Category		
1. Current retirees, beneficiaries and dependents	\$16,098,270	\$26,240,516
2. Current active members	<u>11,546,175</u>	<u>29,660,319</u>
3. Total AAL as of July 1, 2006: (1) + (2)	\$27,644,445	\$55,900,835
4. Assets as of July 1, 2006	\$519,014	\$519,014
5. Unfunded Actuarial Accrued Liability as of July 1, 2006: (3) – (4)	\$27,125,431	\$55,381,821
Annual Required Contribution for Fiscal Year Ending June 30, 2007		
6. Normal cost as of July 1, 2006	\$333,784	\$1,115,125
7. Expected employee contributions	(127,762)	(127,762)
8. Adjustment for timing	<u>8,082</u>	<u>19,554</u>
9. Normal cost adjusted for timing: (6) + (7) + (8)	\$214,104	\$1,006,917
Level Dollar Amortization Payments		
10. 30-year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2006	\$2,231,002	\$3,079,554
11. Adjustment for timing	<u>87,523</u>	<u>60,987</u>
12. Amortization payment adjusted for timing: (10) + (11)	\$2,318,525	\$3,140,541
13. Total Annual Required Contribution (ARC): (9) + (12)	\$2,532,629	\$4,147,458

Note: Adjustment for timing assumes payment in the middle of the fiscal year.



**SECTION 2: Valuation Results for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

CITY: FIRE

	Pre-funded	Pay-as-you-go
	(8.0% interest rate)	(4.0% interest rate)
Actuarial Accrued Liability (AAL) by Participant Category		
1. Current retirees, beneficiaries and dependents	\$10,457,291	\$15,566,433
2. Current active members	<u>10,705,468</u>	<u>22,818,941</u>
3. Total AAL as of July 1, 2006: (1) + (2)	\$21,162,759	\$38,385,374
4. Assets as of July 1, 2006	\$174,476	\$174,476
5. Unfunded Actuarial Accrued Liability as of July 1, 2006: (3) – (4)	\$20,988,283	\$38,210,898
Annual Required Contribution for Fiscal Year Ending June 30, 2007		
6. Normal cost as of July 1, 2006	\$339,358	\$933,944
7. Expected employee contributions	(70,688)	(70,688)
8. Adjustment for timing	<u>10,540</u>	<u>17,096</u>
9. Normal cost adjusted for timing: (6) + (7) + (8)	\$279,210	\$880,352
Level Dollar Amortization Payments		
10. 30-year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2006	\$1,726,236	\$2,124,750
11. Adjustment for timing	<u>67,721</u>	<u>42,078</u>
12. Amortization payment adjusted for timing: (10) + (11)	\$1,793,957	\$2,166,828
13. Total Annual Required Contribution (ARC): (9) + (12)	\$2,073,167	\$3,047,180

Note: Adjustment for timing assumes payment in the middle of the fiscal year.



**SECTION 2: Valuation Results for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

CITY: OTHER

	Pre-funded	Pay-as-you-go
	(8.0% interest rate)	(4.0% interest rate)
Actuarial Accrued Liability (AAL) by Participant Category		
1. Current retirees, beneficiaries and dependents	\$17,781,214	\$24,877,903
2. Current active members	<u>14,821,438</u>	<u>29,829,472</u>
3. Total AAL as of July 1, 2006: (1) + (2)	\$32,602,652	\$54,707,375
4. Assets as of July 1, 2006	\$2,375,346	\$2,375,346
5. Unfunded Actuarial Accrued Liability as of July 1, 2006: (3) – (4)	\$30,227,306	\$52,332,029
Annual Required Contribution for Fiscal Year Ending June 30, 2007		
6. Normal cost as of July 1, 2006	\$669,893	\$1,572,471
7. Expected employee contributions	(522,768)	(522,768)
8. Adjustment for timing	<u>5,772</u>	<u>20,788</u>
9. Normal cost adjusted for timing: (6) + (7) + (8)	\$152,897	\$1,070,491
Level Dollar Amortization Payments		
10. 30-year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2006	\$2,486,124	\$2,909,968
11. Adjustment for timing	<u>97,532</u>	<u>57,629</u>
12. Amortization payment adjusted for timing: (10) + (11)	\$2,583,656	\$2,967,597
13. Total Annual Required Contribution (ARC): (9) + (12)	\$2,736,553	\$4,038,088

Notes: Adjustment for timing assumes payment in the middle of the fiscal year.

Assets and employee contributions allocated between City: Other and Board of Education: Other based on AAL.



**SECTION 2: Valuation Results for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

BOARD OF EDUCATION: TEACHERS

	Pre-funded	Pay-as-you-go
	(8.0% interest rate)	(4.0% interest rate)
Actuarial Accrued Liability (AAL) by Participant Category		
1. Current retirees, beneficiaries and dependents	\$14,392,348	\$21,685,178
2. Current active members	<u>26,495,900</u>	<u>58,683,625</u>
3. Total AAL as of July 1, 2006: (1) + (2)	\$40,888,248	\$80,368,803
4. Assets as of July 1, 2006	\$0	\$0
5. Unfunded Actuarial Accrued Liability as of July 1, 2006: (3) – (4)	\$40,888,248	\$80,368,803
Annual Required Contribution for Fiscal Year Ending June 30, 2007		
6. Normal cost as of July 1, 2006	\$257,640	\$643,958
7. Expected employee contributions	0	0
8. Adjustment for timing	<u>10,107</u>	<u>12,753</u>
9. Normal cost adjusted for timing: (6) + (7) + (8)	\$267,747	\$656,711
Level Dollar Amortization Payments		
10. 30-year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2006	\$3,362,961	\$4,468,977
11. Adjustment for timing	<u>131,931</u>	<u>88,503</u>
12. Amortization payment adjusted for timing: (10) + (11)	\$3,494,892	\$4,557,480
13. Total Annual Required Contribution (ARC): (9) + (12)	\$3,762,639	\$5,214,191

Note: Adjustment for timing assumes payment in the middle of the fiscal year.



SECTION 2: Valuation Results for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB

BOARD OF EDUCATION: OTHER

	Pre-funded	Pay-as-you-go
	(8.0% interest rate)	(4.0% interest rate)
Actuarial Accrued Liability (AAL) by Participant Category		
1. Current retirees, beneficiaries and dependents	\$172,211	\$204,282
2. Current active members	<u>1,243,790</u>	<u>1,911,972</u>
3. Total AAL as of July 1, 2006: (1) + (2)	\$1,416,001	\$2,116,254
4. Assets as of July 1, 2006	\$103,166	\$103,166
5. Unfunded Actuarial Accrued Liability as of July 1, 2006: (3) – (4)	\$1,312,835	\$2,013,088
Annual Required Contribution for Fiscal Year Ending June 30, 2007		
6. Normal cost as of July 1, 2006	\$91,823	\$160,695
7. Expected employee contributions	(22,705)	(22,705)
8. Adjustment for timing	<u>2,712</u>	<u>2,733</u>
9. Normal cost adjusted for timing: (6) + (7) + (8)	\$71,830	\$140,723
Level Dollar Amortization Payments		
10. 30-year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2006	\$107,978	\$111,939
11. Adjustment for timing	<u>4,236</u>	<u>2,217</u>
12. Amortization payment adjusted for timing: (10) + (11)	\$112,214	\$114,156
13. Total Annual Required Contribution (ARC): (9) + (12)	\$184,044	\$254,879

Notes: Adjustment for timing assumes payment in the middle of the fiscal year.

Assets and employee contributions allocated between City: Other and Board of Education: Other based on AAL



February, 2008

ACTUARIAL CERTIFICATION

This is to certify that The Segal Company has conducted an actuarial valuation of certain benefit obligations of the City of Meriden and Meriden Board of Education other postemployment benefit programs as of June 30, 2006, in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Number 43 and 45 for the determination of the liability for postemployment benefits other than pensions.

The actuarial valuation is based on the plan of benefits verified by the City and Board of Education and on participant, claims and expense data provided by the City, Board of Education, and from vendors employed by both.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security at termination or adequacy of funding an ongoing plan.

To the best of our knowledge, this report is complete and accurate and in our opinion presents the information necessary to comply with GASB Statements Number 43 and 45 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries, and other professional actuarial organizations and collectively meet their "General Qualification Standards for Statements of Actuarial Opinions" to render the actuarial opinion contained herein.



Thomas P. Dawidowicz, FSA, MAAA, FCA
Vice President and Consulting Actuary



Howard Atkinson, Jr., ASA, MAAA, FCA
Vice President and Health Actuary



**SECTION 3: Valuation Details for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

CHART 1

**Required Supplementary Information – Schedule of Employer Contributions
Pay-As-You-Go Assumptions (4.0%)**

Fiscal Year Ended June 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
2007	\$16,701,796	\$--	--%



**SECTION 3: Valuation Details for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

This schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CHART 2

**Required Supplementary Information – Schedule of Funding Progress
Pay-As-You-Go Assumptions (4.0%)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
6/30/2006	\$3,172,002	\$231,478,641	\$228,306,639	1.4%	N/A	N/A



CHART 3

Required Supplementary Information – Net OPEB Obligation (NOO)
 Pay-As-You-Go Assumptions (4.0%)

Fiscal Year Ended June 30,	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost (a) + (b) + (c) (d)	Actual Contribution Amount (e)	Net Increase in NOO (d) - (e) (f)	NOO as of Following Date (g)
2007	\$16,701,796	\$0	\$0	\$16,701,796	--	--	--



SECTION 3: Valuation Details for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB

CHART 4

Required Supplementary Information

Valuation date	June 30, 2006
Actuarial cost method	Projected Unit Credit
Amortization method	Level Payments
Remaining amortization period	30 years as of July 1, 2006
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	4.0%, pay-as-you-go scenario
Inflation rate	4.5%
Medical/drug cost trend rate	10.0% graded to 5.0% over 5 years
Dental cost trend rate	5.0%
Plan membership:	
Current retirees*	1,135
Current active members	<u>1,513</u>
Total	2,648

* Does not include spouses of retirees.



**SECTION 4: Supporting Information for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

*This exhibit summarizes
the participant data
used for the current
valuation.*

**EXHIBIT I
Summary of Participant Data**

	City			Board of Education		Total
	Police	Fire	Other	Teachers	Other	
Active employees as of July 1, 2006						
Number of Employees						
Male	109	92	169	521	78	969
Female	<u>7</u>	<u>2</u>	<u>154</u>	<u>176</u>	<u>205</u>	<u>544</u>
Total	116	94	323	697	283	1,513
Average Age	39.9	43.5	49.1	43.8	49.5	45.7
Average Service	13.2	17.0	14.4	12.3	11.3	12.9
Retired employees* as of July 1, 2006						
Number of Individuals	120	99	645	216	55	1,135
Average Age	65.4	68.4	74.3	67.0	71.3	71.3

**Counts do not include spouses of retirees.*



EXHIBIT II

Actuarial Assumptions and Actuarial Cost Method

Data: Detailed census data, claim premium rates, and summary plan descriptions for postemployment welfare benefits were provided by the City of Meriden, Meriden Board of Education, and from vendors employed by both.

Actuarial Cost Method: Projected Unit Credit

Per Capita Cost Development:

Medical and Prescription Drug

Per capita claims costs were based on actual paid claim experience furnished by the City and Board of Education and their carrier, Anthem Blue Cross Blue Shield, for the period July 1, 2005, through June 30, 2006. Claims were separated by plan design, then adjusted as follows:

- actual large claims were replaced by the *expected* amount of large claims using the stop loss premiums to smooth out random fluctuations in experience,
- total claims were divided by the number of adult members to yield a per capita claim,
- the per capita claim was trended to the midpoint of the valuation year at assumed trend rates, and
- the per capita claim was adjusted for the effect of any plan changes.

Per capita claims and a manual rate based on national data were then combined by taking a weighted average. The weights used in this average account for a number of factors including each plan year's volatility of claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Per capita claims costs for the group's Medicare Major Medical and Medicare Rx Waiver plans for Medicare-eligible retirees were based on the premium rates for the plans as of July 1, 2006. Actuarial factors were applied to the premium cost to estimate individual retiree and spouse costs by age and by gender.



SECTION 4: Supporting Information for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB

Per capita claims costs for the group's BC-65 High Option and BS-65 Plan 82 and Plan 83 were based on the premium rates for the plans as of July 1, 2006. These products are "pooled" and do not reflect the experience of only the group's participants.

Dental

Per capita claims costs were based on actual paid claim experience furnished by the City and Board of Education its carrier, Anthem Blue Cross Blue Shield, for the period July 1, 2005, through June 30, 2006. Total claims were divided by the number of adult members to yield a per capita claim.

Administrative Fees

Per capita administrative costs were based on actual paid administration fees paid by City and Board of Education for the period July 1, 2005, through June 30, 2006. Total fees were divided by the number of adult members to yield a per capita fee.



**SECTION 4: Supporting Information for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

Measurement Date: June 30, 2006
Discount Rate: 8.0% prefunding and 4.0% pay-as-you-go

Postretirement Mortality Rates:

City and Non-Teacher BOE 1994 Group Annuity Mortality Table
Police and Fire RP-2000 Combined Healthy Blue Collar Mortality Table
Teachers (Healthy) RP-2000 Combined Healthy Mortality Table projected 19 years with Scale AA and set back 2 years
Pre-Retirement (Disabled) RP-2000 Combined Healthy Mortality Table projected 19 years with Scale AA and set forward 8 years

Termination Rates before Retirement:

Age	City/Non-Teacher BOE - Rate (%)					
	Mortality		Disability*		Withdrawal	
	Male	Female	Male	Female	Male	Female
20	0.05	0.03	0.03	0.03	5.44	5.44
25	0.07	0.03	0.03	0.03	5.29	5.29
30	0.08	0.04	0.03	0.03	5.07	5.07
35	0.09	0.05	0.03	0.03	4.70	4.70
40	0.11	0.07	0.05	0.05	4.19	4.19
45	0.16	0.10	0.09	0.09	3.54	3.54
50	0.26	0.14	0.20	0.20	2.48	2.48
55	0.44	0.23	0.43	0.43	0.94	0.94
60	0.80	0.44	0.87	0.87	0.09	0.09

*25% of disabilities are service connected



**SECTION 4: Supporting Information for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

Termination Rates before Retirement (continued):

Age	Police - Rate (%)					
	Mortality*		Disability*		Withdrawal	
	Male	Female	Male	Female	Male	Female
20	0.03	0.02	0.12	0.12	0.00	0.00
25	0.04	0.02	0.17	0.17	0.00	0.00
30	0.07	0.03	0.22	0.22	0.00	0.00
35	0.11	0.05	0.29	0.29	0.00	0.00
40	0.14	0.09	0.44	0.44	0.00	0.00
45	0.18	0.14	0.72	0.72	0.00	0.00
50	0.24	0.20	1.21	1.21	0.00	0.00
55	0.42	0.28	2.02	2.02	0.00	0.00
60	0.83	0.49	3.25	3.25	0.00	0.00

Age	Fire - Rate (%)					
	Mortality*		Disability*		Withdrawal	
	Male	Female	Male	Female	Male	Female
20	0.03	0.02	0.06	0.06	0.00	0.00
25	0.04	0.02	0.09	0.09	0.00	0.00
30	0.07	0.03	0.11	0.11	0.00	0.00
35	0.11	0.05	0.15	0.15	0.00	0.00
40	0.14	0.09	0.22	0.22	0.00	0.00
45	0.18	0.14	0.36	0.36	0.00	0.00
50	0.24	0.20	0.61	0.61	0.00	0.00
55	0.42	0.28	1.01	1.01	0.00	0.00
60	0.83	0.49	1.63	1.63	0.00	0.00

* For police and fire, 25% of deaths prior to retirement and 100% of the disabilities with less than 10 years of service are assumed to be service connected.



SECTION 4: Supporting Information for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB

Termination Rates before Retirement
(continued):

Age	Teachers - Rate (%)			
	Mortality		Disability	
	Male	Female	Male	Female
20	0.02	0.01	0.05	0.05
25	0.02	0.01	0.05	0.05
30	0.03	0.01	0.05	0.04
35	0.04	0.02	0.05	0.04
40	0.06	0.03	0.07	0.07
45	0.08	0.05	0.16	0.12
50	0.10	0.08	0.33	0.26
55	0.15	0.13	0.72	0.44
60	0.29	0.27	1.28	0.50

Withdrawal					
Service-Based Withdrawal			Age-Based Withdrawal		
Service	Male	Female	Age	Male	Female
0	14.0	12.0	25	1.2	3.5
1	8.5	9.0	30	1.2	3.5
2	5.5	7.0	35	1.2	3.5
3	4.5	6.0	40	1.2	2.3
4	3.5	5.5	45	1.3	1.3
5	2.5	5.0	50	2.0	1.3
6	2.4	4.5	55	3.4	1.6
7	2.3	3.5			
8	2.2	3.0			
9	2.1	2.5			



**SECTION 4: Supporting Information for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

Retirement Rates:

City - Rate (%)			
Age	Rate	Age	Rate
55	10.0	61	7.0
56	2.0	62	13.0
57	3.0	63	9.0
58	4.0	64	9.0
59	3.0	65	100.0
60	6.0		

Police - Rate (%)		Fire - Rate (%)	
Years of Service	Rate	Years of Service	Rate
20	10.0	25	20.0
21-24	5.0	26-29	10.0
25	10.0	30	25.0
26-29	5.0	31-34	15.0
30	100.0	35	100.0



**SECTION 4: Supporting Information for the for City of Meriden and Meriden Board of Education June 30, 2006
Measurement under GASB**

Retirement Rates: (Continued)

Age	Teachers - Rate (%)			
	Before Normal Retirement Age*		After Normal Retirement Age	
	Male	Female	Male	Female
50 – 51	2.0	2.0	27.5	15.0
52	3.0	4.0	27.5	15.0
53	3.0	4.5	27.5	15.0
54	5.0	5.5	27.5	15.0
55	5.0	7.5	38.5	30.0
56	7.0	8.5	38.5	30.0
57	10.0	9.5	38.5	30.0
58	11.0	10.0	38.5	30.0
59	12.0	10.0	38.5	30.0
60	6.0	5.4	22.0	20.0
61	6.0	7.2	25.3	22.5
62	15.0	9.9	25.3	22.5
63-64	10.0	7.2	27.5	22.5
65	20.0	13.5	36.3	30.0
66	20.0	10.8	27.5	30.0
67	20.0	13.5	27.5	30.0
68	20.0	10.8	27.5	30.0
69	35.0	10.8	27.5	30.0
70 – 73	35.0	10.8	100.0	40.0
74 – 79	40.0	18.0	100.0	40.0
80	100.0	100.0	100.0	100.0

* Normal Retirement Age is age 60 with 20 years of service, or any age with 35 years of service.

