

Town and Board of Education of Hamden Other Post-Employment Benefits Plan

**Governmental Accounting Standards Board (GASB)
Statements No. 74 and 75 Actuarial Valuation and
Review of Other Postemployment Benefits (OPEB) as
of June 30, 2022**



This report has been prepared at the request of the Town and Board of Education of Hamden to assist in administering the Plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Town and Board of Education of Hamden and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

Copyright © 2022 by The Segal Group, Inc. All rights reserved.

Segal



30 Waterside Drive, Suite 300
Farmington, CT 06032-3069
segalco.com
T 860.678.3000

November 3, 2022

Mr. Curtis Eatman
Finance Director
Hamden Government Center
2750 Dixwell Avenue
Hamden, CT 06518

Dear Mr. Eatman:

We are pleased to submit this Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2022 under Governmental Accounting Standards Board Statements No. 74 and No. 75. The report summarizes the actuarial data used in the valuation, discloses the Net OPEB Liability (NOL), and analyzes the preceding year's experience. This report was based on the census data provided by Town and Board of Education. The actuarial calculations were completed under the supervision of Samuel Boustani, ASA, MAAA, Consulting Actuary.

Sincerely,

Segal

A handwritten signature in black ink that reads "S. Boustani".

Samuel Boustani, ASA, MAAA
Consulting Actuary

A handwritten signature in black ink that reads "Theodore LaBorde".

Theodore LaBorde
Consultant

Table of Contents

Section 1: Actuarial Valuation Summary	4
Purpose and basis	4
Highlights of the valuation	5
Summary of key valuation results	6
Important information about actuarial valuations	7
Actuarial Certification	9
Section 2: GASB Information	10
General information about the OPEB plan	10
Net OPEB liability	11
Determination of discount rate and investment rates of return	12
Sensitivity	13
Schedule of changes in Net OPEB Liability – Last two fiscal years	14
Deferred outflows of resources and deferred inflows of resources	16
Schedule of recognition of change in total Net OPEB Liability	17
OPEB expense	21
Schedule of reconciliation of Net OPEB Liability	22
Schedule of contributions – Last ten fiscal years	23
Actuarially Determined Contribution	25
Statement of Fiduciary Net Position	26
Section 3: Supporting Information	27
Exhibit I: Summary of Participant Data	27
Exhibit II: Actuarial Assumptions, Methods and Models	28
Exhibit III: Summary of Plan	44
Appendix A: Definition of Terms	57
Appendix B: Accounting Requirements	59
Appendix C: GASB 74/75 Concepts	60

Section 1: Actuarial Valuation Summary

Purpose and basis

This report presents the results of our actuarial valuation of The Town and Board of Education of Hamden (the “Employer”) OPEB plan as of June 30, 2022, required by Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The actuarial computations made are for purposes of fulfilling plan accounting and funding requirements. Determinations for purposes other than meeting financial accounting and funding requirements may be significantly different from the results reported here. This valuation is based on:

- The benefit provisions of the OPEB Plan;
- The characteristics of covered active members, retired members and beneficiaries as of July 1, 2021, provided by Town and Board of Education of Hamden;
- The assets of the Plan as of June 30, 2022, provided by the Town and Board of Education of Hamden;
- Economic assumptions regarding future salary increases and investment earnings;
- Health care assumptions regarding per capita costs, trend rates and participation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Section 1: Actuarial Valuation Summary

Highlights of the valuation

Accounting and Financial Reporting

1. The Total OPEB Liability (TOL) as of June 30, 2022 is \$576,113,481, a decrease of \$55,698,460, from the prior valuation TOL of \$631,811,941. The TOL had been expected to increase by \$8,545,419 due to normal plan operations. The difference between actual and expected TOL was the net effect of several factors:
 - An actuarial experience loss increased the TOL by \$15,071,319. This was the net result of gains and losses due to demographic changes and actual 2022 benefit payments that were different from expected. We have taken these actuarial gains and losses into account in reviewing our assumptions for the current valuation.
 - Valuation assumption changes decreased the TOL by \$79,315,198. This was a net result of (1) a decrease due to raising the discount rate from 2.16% to 3.54%, offset by (2) an increase due to updating the health cost trend rates and per capita health costs, and (3) an increase due to updating the demographic assumptions related to the most recent experience studies for the Connecticut State Teachers' Retirement System and the Connecticut Municipal Employees Retirement System and updating the mortality and retirement assumptions for participants in the Employees Retirement Plan of the Town of Hamden. The complete set of assumptions are shown in Exhibit II of Section 3.
2. The Plan Fiduciary Net Position (PFNP, or assets of the plan) as of June 30, 2022 is (\$133,115), an increase from (\$1,645,651) as of June 30, 2021. The net investment income for the year was \$1,069, which was \$38,151 less than expected, leading to an investment experience loss.
3. The Net OPEB Liability (NOL) as of June 30, 2022 is \$576,246,596, a decrease of \$57,210,996, from the prior valuation NOL of \$633,457,592.
4. As of June 30, 2022, the ratio of assets to the TOL (the funded ratio) is (0.02%). This is based on the market value of assets at this point in time.
5. The Annual OPEB Expense decreased to \$26,748,039 for the year ending June 30, 2022. The expense was \$40,403,552 last year.
6. The Actuarially Determined Contribution (ADC) is equal to the normal cost plus a 17-year amortization of the unfunded liability. This resulted in an ADC toward OPEB benefits of \$51,296,681 for the year ending June 30, 2022 using a 2.50% discount rate.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Reporting Date for Employer under GASB 75		June 30, 2022	June 30, 2021
Measurement Date		June 30, 2022	June 30, 2021
Disclosure elements for fiscal year ending June 30:	• Total OPEB Liability	\$576,113,481	\$631,811,941
	• Plan Fiduciary Net Position (Assets)	(133,115)	(1,645,651)
	• Net OPEB Liability	576,246,596	633,457,592
	• Plan Fiduciary Net Position as a percentage of Total OPEB Liability	(0.02%)	(0.26%)
	• OPEB Expense	26,748,039	40,403,552
	• Service Cost at Beginning of Year	12,479,363	11,890,162
	• Total Payroll	N/A	N/A
Schedule of contributions for fiscal year ending June 30:	• Actuarially determined contributions	51,296,681	45,055,272
	• Actual contributions	17,651,473	18,291,485
	• Contribution deficiency / (excess)	33,645,208	26,763,787
	• Benefit Payments	17,660,917	20,057,828

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to defining future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the Town to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the market value of assets as of the valuation date, as provided by the Town.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The actuarial valuation is prepared for use by the Town and Board of Education of Hamden. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.

If the Town or Board of Education of Hamden is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

Sections of this report include actuarial results that are not rounded, but that does not imply precision.

Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.

Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Town and Board of Education of Hamden should look to their other advisors for expertise in these areas.

While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.

Segal's report shall be deemed to be final and accepted by the Town and Board of Education of Hamden upon delivery and review. The Town and Board of Education of Hamden should notify Segal immediately of any questions or concerns about the final content.

As Segal has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Section 1: Actuarial Valuation Summary

Actuarial Certification

November 3, 2022

This is to certify that Segal has conducted an actuarial valuation of certain benefit obligations of Town and Board of Education of Hamden Other Post-Employment Benefits Plan's other postemployment benefit programs as of June 30, 2022, 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 74 and 75 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 Town and reliance on participant, premium, claims and expense data provided by the Town or from vendors employed by the Town. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

The actuarial computations made are for purposes of fulfilling plan accounting and funding 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 of the plan, or determining short-term cash flow requirements.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience or rates of return on assets differing from that anticipated by the assumptions; changes in 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); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. The scope of the assignment did not include performing an analysis of the potential change of such future measurements except where noted.

To the best of my knowledge, this report is complete and accurate and in my opinion presents the information necessary to comply with GASB Statements 74 and 75 with respect to the benefit obligations addressed. The signing actuary is a member of the Society of Actuaries, the American Academy of Actuaries, and other professional actuarial organizations and meets the "General Qualification Standards for Statements of Actuarial Opinions" to render the actuarial opinion contained herein.



Samuel Boustani, ASA, MAAA
Consulting Actuary

Section 2: GASB Information

General information about the OPEB plan

Plan Description

Plan administration. The Town administers the OPEB plan—a single OPEB plan that is used to provide postemployment benefits other than pensions for all eligible employees. Management of the OPEB plan is governed by the Town.

Plan membership. At July 1, 2021, Town plan membership consisted of the following:

	July 1, 2021
Retired members or beneficiaries currently receiving benefits (including covered spouses)	1,570
Active members	<u>970</u>
Total	2,540

Benefits provided. See Section 3, Exhibit III for a full description of the benefits provided by the plan.

Section 2: GASB Information

Net OPEB liability

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
Components of the Net OPEB Liability		
Total OPEB Liability	\$576,113,481	\$631,811,941
Plan Fiduciary Net Position	(133,115)	(1,645,651)
Net OPEB Liability	576,246,596	633,457,592
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability*	(0.02%)	(0.26%)

* These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

The Net OPEB Liability was measured as of June 30, 2022 and 2021. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of July 1, 2021 and 2018, respectively.

Actuarial assumptions. The Total OPEB Liability as of June 30, 2022 was measured by an actuarial valuation as of July 1, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Payroll Growth	3.50%
Discount rate	3.54% as of June 30, 2022 and 2.16% as of June 30, 2021
Healthcare cost trend rates	
Medical (Non-Medicare)	6.50%, reduced by 0.25% per year, 4.50% ultimate rate
Medical (Medicare)	5.00%, reduced by 0.25% per year, 4.50% ultimate rate
Prescription drug	8.00%, reduced by 0.25% per year, 4.50% ultimate rate
Dental	3.50%
Administrative expenses	3.00%
Contributions	Retiree contributions are expected to increase with average benefit trend.
Mortality rates	Varies by group.

Detailed information regarding all actuarial assumptions can be found in Section 3, Exhibit II.

Section 2: GASB Information

Determination of discount rate and investment rates of return

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 rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Short Term / Cash	100.00%	(0.10%)
Total	100.00%	

*Net of expected inflation of 2.30%

Nature of Assets: The OPEB Trust is split between a Wells Fargo account and a Webster account.

The long-term expected rate of return on OPEB trust assets is 2.50%.

Discount rate. The discount rate is typically a blend of the long-term expected rate of return on OPEB trust assets and a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher (3.54% as of June 30, 2022 and 2.16% as of June 30, 2021). The blending is based on the sufficiency of projected assets to make projected benefit payments. Since assets do not cover even one year of benefit payments, the discount rate is the bond rate.

Section 2: GASB Information

Sensitivity

The following presents the NOL of the Town as well as what the Town's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB Liability (Asset)	\$669,832,100	\$576,246,596	\$501,983,614
	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB Liability (Asset)	\$492,788,095	\$576,246,596	\$682,763,814

Section 2: GASB Information

Schedule of changes in Net OPEB Liability – Last two fiscal years

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
Total OPEB Liability		
Service cost	\$12,479,363	\$11,890,162
Interest	13,726,973	13,861,884
Change of benefit terms	--	--
Differences between expected and actual experience	15,071,319	(3,566,445)
Changes of assumptions	(79,315,198)	4,365,670
Benefit payments, including refunds of member contributions	<u>(17,660,917)</u>	<u>(20,057,828)</u>
Net change in Total OPEB Liability	(\$55,698,460)	\$6,493,443
Total OPEB Liability – beginning	<u>631,811,941</u>	<u>625,318,498</u>
Total OPEB Liability – ending	<u>\$576,113,481</u>	<u>\$631,811,941</u>
Plan Fiduciary Net Position		
Contributions – employer	\$17,651,473	\$18,291,485
Contributions – employee	1,520,911	1,654,849
Net investment income	1,069	(144)
Benefit payments, including refunds of member contributions	(17,660,917)	(20,057,828)
Administrative expense	--	--
Other	--	--
Net change in Plan Fiduciary Net Position	\$1,512,536	(\$111,638)
Plan Fiduciary Net Position – beginning	(1,645,651)	1,784,013
Adjustment reflecting beginning of the year receivable	--	<u>250,000</u>
Plan Fiduciary Net Position – ending	(\$133,115)	(\$1,645,651)
Net OPEB Liability (deficit)– ending	<u>\$576,246,596</u>	<u>\$633,457,592</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	(0.02%)	(0.26%)
Assumed money-weighted rate of return on investments, net of expenses	0.044%	(0.007%)
Covered payroll ¹	N/A	N/A
Plan Net OPEB Liability as percentage of covered payroll	N/A	N/A

¹ Covered payroll was not provided.

Section 2: GASB Information

Notes to Schedule:

Changes in Plan Provisions:

Changes as of June 30, 2021:

- None.

Changes as of June 30, 2022:

- None.
-

Changes in Actuarial Assumptions:

Changes as of June 30, 2021:

- The discount rate was lowered from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

Changes as of June 30, 2022:

- The per capita health costs were updated to reflect current experience.
 - The trend assumptions were revised to better reflect current experience and future expectations.
 - The discount rate was increased from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.
 - The mortality, retirement, turnover and disability assumptions for BOE Certified members were updated based on the Connecticut State Teachers' Retirement System Experience Study for the Five-Year Period Ending June 30, 2019.
 - The mortality and retirement assumptions were updated for participants in the Employees Retirement Plan of the Town of Hamden. These updates are consistent with the most recent pension valuation and better reflect current experience and future expectations.
 - The mortality, retirement, turnover and disability assumptions for participants in the Connecticut Municipal Employees' Retirement System (CMERS) were updated based on the most recent CMERS Experience Study for the Five- Year Period Ending June 30, 2017.
-

Section 2: GASB Information

Deferred outflows of resources and deferred inflows of resources

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
Changes of assumptions or other inputs	\$45,669,520	\$65,167,698
Net difference between projected and actual earnings on OPEB plan investments	63,329	53,932
Difference between expected and actual experience in the Total OPEB Liability	<u>23,508,771</u>	<u>20,840,138</u>
Total Deferred Outflows of Resources	\$69,241,620	\$86,061,768
Deferred Inflows of Resources		
Changes of assumptions or other inputs	\$72,567,639	\$21,054,146
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	<u>4,636,749</u>	<u>6,662,828</u>
Total Deferred Inflows of Resources	\$77,204,388	\$27,716,974
Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:		
Reporting Date for Employer under GASB 75 Year Ended June 30:		
2022	N/A	\$16,338,965
2023	3,579,062	17,816,194
2024	4,427,718	18,664,850
2025	(8,757,587)	5,479,545
2026	(7,211,961)	45,240
2027	0	0
Thereafter	0	0

The average of the expected service lives of all employees as of July 1, 2021 is 4.51 years and was determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Section 2: GASB Information

Schedule of recognition of change in total Net OPEB Liability

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total OPEB Liability

Reporting Date for Employer under GASB 75 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	Thereafter
2012	\$0	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	0	0.00	0	0	0	0	0	0	0	0
2014	0	0.00	0	0	0	0	0	0	0	0
2015	0	0.00	0	0	0	0	0	0	0	0
2016	0	0.00	0	0	0	0	0	0	0	0
2017	0	0.00	0	0	0	0	0	0	0	0
2018	(2,365,223)	5.64	(419,366)	(419,366)	(268,393)	0	0	0	0	0
2019	48,022,928	5.30	9,060,930	9,060,930	9,060,930	2,718,278	0	0	0	0
2020	(4,949,136)	5.30	(933,799)	(933,799)	(933,799)	(933,799)	(280,141)	0	0	0
2021	(3,566,445)	5.30	(672,914)	(672,914)	(672,914)	(672,914)	(672,914)	(201,875)	0	0
2022	15,071,319	4.51	<u>N/A</u>	<u>3,341,756</u>	<u>3,341,756</u>	<u>3,341,756</u>	<u>3,341,756</u>	<u>1,704,295</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in OPEB expense			N/A	\$10,376,607	\$10,527,580	\$4,453,321	\$2,388,701	\$1,502,420	\$0	\$0

Section 2: GASB Information

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer under GASB 75 Year Ended June 30	Assumption Changes	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	Thereafter
2012	\$0	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	0	0.00	0	0	0	0	0	0	0	0
2014	0	0.00	0	0	0	0	0	0	0	0
2015	0	0.00	0	0	0	0	0	0	0	0
2016	0	0.00	0	0	0	0	0	0	0	0
2017	0	0.00	0	0	0	0	0	0	0	0
2018	(20,857,617)	5.64	(3,698,159)	(3,698,159)	(2,366,822)	0	0	0	0	0
2019	(34,540,249)	5.30	(6,517,028)	(6,517,028)	(6,517,028)	(1,955,109)	0	0	0	0
2020	98,974,673	5.30	18,674,467	18,674,467	18,674,467	18,674,467	5,602,338	0	0	0
2021	4,365,670	5.30	823,711	823,711	823,711	823,711	823,711	247,115	0	0
2022	(79,315,198)	4.51	<u>N/A</u>	<u>(17,586,518)</u>	<u>(17,586,518)</u>	<u>(17,586,518)</u>	<u>(17,586,518)</u>	<u>(8,969,126)</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in OPEB expense			N/A	(\$8,303,527)	(\$6,972,190)	(\$43,449)	(\$11,160,469)	(\$8,722,011)	\$0	\$0

Section 2: GASB Information

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Projected and Actual Earnings on OPEB Plan Investments

Reporting Date for Employer under GASB 75 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	Thereafter
2012	\$0	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	0	0.00	0	0	0	0	0	0	0	0
2014	0	0.00	0	0	0	0	0	0	0	0
2015	0	0.00	0	0	0	0	0	0	0	0
2016	0	0.00	0	0	0	0	0	0	0	0
2017	0	0.00	0	0	0	0	0	0	0	0
2018	25,409	5.00	5,082	5,081	0	0	0	0	0	0
2019	29,129	5.00	5,826	5,826	5,826	0	0	0	0	0
2020	18,325	5.00	3,665	3,665	3,665	3,665	0	0	0	0
2021	32,757	5.00	6,553	6,551	6,551	6,551	6,551	0	0	0
2022	38,151	5.00	<u>N/A</u>	<u>7,631</u>	<u>7,630</u>	<u>7,630</u>	<u>7,630</u>	<u>7,630</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in OPEB expense			N/A	\$28,754	\$23,672	\$17,846	\$14,181	\$7,630	\$0	\$0

Section 2: GASB Information

Total Increase (Decrease) in OPEB Expense

Reporting Date for Employer under GASB 75 Year Ended June 30	Total Increase (Decrease) in OPEB Expense	2021	2022	2023	2024	2025	2026	2027	Thereafter
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0
2018	(23,197,431)	(4,112,443)	(4,112,444)	(2,635,215)	0	0	0	0	0
2019	13,511,808	2,549,728	2,549,728	2,549,728	763,169	0	0	0	0
2020	94,043,862	17,744,333	17,744,333	17,744,333	17,744,333	5,322,197	0	0	0
2021	831,982	157,350	157,348	157,348	157,348	157,348	45,240	0	0
2022	(64,205,728)	N/A	(14,237,131)	(14,237,132)	(14,237,132)	(14,237,132)	(7,257,201)	0	0
Net increase (decrease) in OPEB expense		N/A	\$2,101,834	\$3,579,062	\$4,427,718	(\$8,757,587)	(\$7,211,961)	\$0	\$0

Section 2: GASB Information

OPEB expense

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
Components of OPEB Expense		
Service cost	\$12,479,363	\$11,890,162
Interest on the Total OPEB Liability	13,726,973	13,861,884
Current-period benefit changes	--	--
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	3,341,756	(672,914)
Expensed portion of current-period changes of assumptions or other inputs	(17,586,518)	823,711
Member contributions	(1,520,911)	(1,654,849)
Projected earnings on plan investments	(39,220)	(32,613)
Expensed portion of current-period differences between actual and projected earnings on plan investments	7,631	6,553
Administrative expense	--	--
Other	--	--
Recognition of beginning of year deferred outflows of resources as OPEB expense	28,580,231	27,749,970
Recognition of beginning of year deferred inflows of resources as OPEB expense	<u>(12,241,266)</u>	<u>(11,568,352)</u>
OPEB Expense	\$26,748,039	\$40,403,552

Section 2: GASB Information

Schedule of reconciliation of Net OPEB Liability

Reporting Date for Employer under GASB 75	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021
Beginning Net OPEB Liability	\$633,457,592	\$627,102,511
Adjustment reflecting beginning of year receivable	--	(250,000)
OPEB expense	26,748,039	40,403,552
Employer contributions	(17,651,473)	(18,291,485)
New net deferred inflows/outflows	(49,968,597)	674,632
Recognition of prior deferred inflows/outflows	<u>(16,338,965)</u>	<u>(16,181,618)</u>
Ending Net OPEB Liability	\$576,246,596	\$633,457,592

Section 2: GASB Information

Schedule of contributions – Last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	--	--	--	--	--
2014	--	--	--	--	--
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	\$32,492,119	\$14,350,000	\$18,142,119	N/A	N/A
2018	34,444,433	16,050,000	18,394,433	N/A	N/A
2019	38,269,611	17,818,722	20,450,889	N/A	N/A
2020	40,511,698	16,746,644	23,765,054	N/A	N/A
2021	45,055,272	18,291,485	26,763,787	N/A	N/A
2022	51,296,681	17,651,473	33,645,208	N/A	N/A

See accompanying notes to this schedule on next page.

Section 2: GASB Information

Notes to Schedule:

Methods and assumptions used to establish “actuarially determined contribution” rates:

Valuation date	Actuarially Determined Contributions for fiscal year ended June 30, 2022 was determined with the July 1, 2021 actuarial valuation.
Actuarial cost method	Entry Age Normal, level percent of pay
Amortization method	Payments increasing at 3.50% closed, 30 years
Remaining amortization period	17 years as of July 1, 2021
Asset valuation method	Market value.
Investment rate of return	2.50%
Non-Medicare medical cost trend rate	6.50%, reduced by 0.25% per year, 4.50% ultimate rate
Medicare medical cost trend rate	5.00%, reduced by 0.25% per year, 4.50% ultimate rate
Prescription drug cost trend rate	8.00%, reduced by 0.25% per year, 4.50% ultimate rate
Dental cost trend rate	3.50%
Healthcare cost administrative expense trend rate	3.00%
Mortality rates	Varies by group

Section 2: GASB Information

Actuarially Determined Contribution

	July 1, 2021 - June 30, 2022	% of Payroll	July 1, 2020 - June 30, 2021	% of Payroll
Normal Cost	\$14,457,282	N/A	\$10,614,901	N/A
Actuarial Accrued Liability	664,393,977	N/A	632,244,859	N/A
Assets	(1,645,651)	N/A	(1,534,013)	N/A
Unfunded Actuarial Accrued Liability	666,039,628	N/A	633,778,872	N/A
Amortization of Unfunded Actuarial Accrued Liability	36,209,968	N/A	33,779,377	N/A
Interest	629,431		660,994	
Total Actuarially Determined Contribution	51,296,681	N/A	45,055,272	N/A
Total Payroll	N/A		N/A	

Section 2: GASB Information

Statement of Fiduciary Net Position

June 30, 2022

Assets	
Cash and deposits	\$2,038,338
Receivables	
• Accounts Receivable	250,000
• Due from broker for investments sold	--
• Investment income	--
Total receivables	\$250,000
Investments:	
Total investments	--
Total Assets	<u>\$2,288,338</u>
Liabilities	
Payables:	
• External balances	1,351,453
• Other Liabilities	1,070,000
Total liabilities	<u>\$2,421,453</u>
Net position restricted for OPEB (deficit)	(\$133,115)

Section 3: Supporting Information

Exhibit I: Summary of Participant Data

	As of July 1, 2021
Number of retirees	1,197
Average age of retirees	73.98
Number of spouses	271
Average age of spouses	71.18
Number of surviving spouses	102
Average age	76.42
Number of actives	970
Average age	47.36
Average service	13.70

Section 3: Supporting Information

Exhibit II: Actuarial Assumptions, Methods and Models

Data:	Detailed census data, premium data and/or claim experience, and summary plan descriptions for OPEB were provided by the Town and by Anthem.
Actuarial Cost Method:	Entry Age Normal—level percent of pay
Asset Valuation Method:	Market Value
Measurement Date:	June 30, 2022
Actuarial Valuation Date:	July 1, 2021
Discount Rate:	3.54% as of June 30, 2022; 2.16% as of June 30, 2021
Expected Return and Funding Discount Rate:	2.50%
Payroll Growth Rate:	3.50%

Section 3: Supporting Information

Mortality Rates:

BOE Certified:

Employee: PubT-2010 Employee Table projected generationally with MP-2019

Healthy Retiree: PubT-2010 Healthy Retiree Table adjusted by 105% for males and 103% for females at ages 82 and above with a geometric phase-in of these adjustments beginning at age 78, projected generationally using Scale MP-2019

Disabled Retiree: PubT-2010 Disabled Retiree Table projected generationally with Scale MP-2019

Beneficiary: PubT-2010 Contingent Survivor Table set forward one year for males and females, projected generationally with Scale MP-2019

Police and Fire on the Employee Retirement Plan of the Town of Hamden:

Employee: PubS-2010 Safety Employee Headcount-Weighted Mortality Tables, sex-distinct, projected 21 years from 2010 with Scale MP-2021

Healthy Retiree: PubS-2010 Safety Healthy Retiree Headcount-Weighted Mortality Tables, sex-distinct, projected 21 years from 2010 with Scale MP-2021

Disabled Retiree: PubS-2010 Safety Disabled Retiree Headcount-Weighted Mortality Tables, sex-distinct, projected 21 years from 2010 with Scale MP-2021

Beneficiary: PubS-2010 Safety Contingent Survivor Headcount-Weighted Mortality Tables, sex-distinct, projected 21 years from 2010 with Scale MP-2021

All other employees on the Employee Retirement Plan of the Town of Hamden:

Employee: PubG-2010 General Employee Headcount-Weighted Mortality Tables, sex-distinct, projected 21 years from 2010 with Scale MP-2021

Healthy Retiree: PubG-2010 General Healthy Retiree Headcount-Weighted Mortality Tables, sex-distinct, projected 21 years from 2010 with Scale MP-2021

Disabled Retiree: PubNS-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables, sex-distinct, projected 21 years from 2010 with Scale MP-2021

Beneficiary: PubG-2010 General Contingent Survivor Headcount-Weighted Mortality Tables, sex-distinct, projected 21 years from 2010 with Scale MP-2021

Section 3: Supporting Information

Mortality Rates (continued):

Police and Fire on the CMERS Pension Plan:

Healthy: RP-2014 (adjusted to 2006) Blue Collar Employee and Healthy Annuitant tables projected to 2015 using Scale MP-2017 and projected to 2022 using Scale BB

Disabled: RP-2014 Disabled tables (adjusted back to 2006) projected to 2020 using Scale BB

All other employees on the CMERS Pension Plan:

Healthy: RP-2014 Employee and Healthy Annuitant tables (adjusted back to 2006) projected to 2015 using Scale MP-2017 and projected to 2022 using Scale BB

Disabled: RP-2014 Disabled tables (adjusted back to 2006) projected to 2020 using Scale BB

The rates for BOE Certified were developed by the Connecticut State Teachers' Retirement System Experience Study for the Five-Year period ending June 30, 2019 dated June 24, 2020.

The rates for participants in CMERS were developed by the Connecticut Municipal Employees' Retirement System Experience Study for the Five-Year Period Ending June 30, 2017 dated September 11, 2018.

These tables reasonably reflect the projected mortality experience of the Plan as of the measurement date. As shown above some of the tables have an explicit mortality improvement projection which was made to reasonably reflect future mortality improvement. Other tables, those noted with static projection, includes a margin for mortality improvement beyond the valuation date.

Section 3: Supporting Information

Termination Rates before Retirement:

BOE Certified:

Service Years	Withdrawal						Disability		
	Less than 10 years of service			10 or more years of service					
	Rate (%)		Age	Rate (%)		Age	Rate (%)		
	Male	Female		Male	Female		Male	Female	
0	15.00	12.00	25	1.80	6.00	25	0.02	0.02	
1	11.00	11.00	30	1.80	6.00	30	0.02	0.02	
2	8.50	9.50	35	1.80	4.25	35	0.02	0.03	
3	7.00	8.00	40	1.80	2.50	40	0.03	0.06	
4	5.50	7.50	45	1.80	2.00	45	0.08	0.09	
5	4.50	7.00	50	2.25	2.40	50	0.15	0.15	
6	4.00	6.50	55	4.00	3.90	55	0.15	0.17	
7	3.50	6.00	60	0.00	0.00	60	0.15	0.15	
8	3.50	5.50							
9	3.50	5.00							

Rates are based on the most recent experience study of the Connecticut State Teachers' Retirement System.

Section 3: Supporting Information

Termination Rates before Retirement (continued):

Participants in the Employees Retirement Plan of the Town of Hamden:

Age	Rate (%)			
	Police and Fire		All Other	
	Disability	Withdrawal	Disability	Withdrawal
35	0.29	2.35	0.15	7.05
40	0.44	1.13	0.22	3.38
45	0.72	0.27	0.36	0.80
50	1.21	0.00	0.61	0.00
55	2.02	0.00	1.01	0.00
60	3.25	0.00	1.63	0.00

Rates are based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgement.

Participants in CMERS:

Age	Rates(%)				
	Police and Fire		Disability	All Other	
	Disability	Withdrawal ¹		Male	Female
20	0.10	5.00	0.02	12.00	18.00
25	0.10	5.00	0.02	12.00	18.00
30	0.10	4.00	0.02	10.00	12.00
35	0.14	2.50	0.03	8.00	10.00
40	0.22	2.00	0.04	5.75	8.00
45	0.30	1.50	0.06	5.00	6.00
50	0.64	0.00	0.09	4.50	4.50
55	2.40	0.00	0.40	0.00	0.00
60	4.80	0.00	1.00	0.00	0.00

Rates are based on the most recent experience study of the Connecticut Municipal Employees' Retirement System.

¹ These rates are for participants with 5 or more years of service.

Section 3: Supporting Information

Retirement Rates:

BOE Certified: Rates based on age, eligibility for pension benefits, and gender.

Age	Rate (%)							
	Unreduced				Proratable		Early	
	Less than 35 Years of Service		35 or More Years of Service		Male	Female	Male	Female
	Male	Female	Male	Female				
50-52			35.00	30.00			1.50	1.25
53			35.00	30.00			1.50	1.75
54			35.00	30.00			2.00	2.25
55			35.00	30.00			3.00	3.00
56			35.00	30.00			4.00	3.75
57			35.00	30.00			5.00	4.50
58			35.00	30.00			6.50	5.50
59			35.00	30.00			8.00	7.00
60	20.00	20.00	30.00	30.00	6.00	5.00		
61	20.00	20.00	30.00	30.00	6.00	6.00		
62	22.50	20.00	30.00	30.00	6.00	7.00		
63	22.50	20.00	30.00	30.00	9.00	8.00		
64	25.00	25.00	30.00	30.00	12.00	9.00		
65	27.50	32.50	35.00	37.50	15.00	12.00		
66	27.50	30.00	35.00	37.50	18.00	15.00		
67-68	27.50	30.00	30.00	32.50	18.00	15.00		
69-74	27.50	30.00	30.00	32.50	28.50	15.00		
75-79	100.00	100.00	100.00	100.00	28.50	15.00		
80	100.00	100.00	100.00	100.00	100.00	100.00		

Rates are based on the most recent experience study of the Connecticut State Teachers' Retirement System.

Section 3: Supporting Information

Retirement Rates (continued):

Participants in the Employees Retirement Plan of the Town of Hamden:

Rates(%)			
Police and Fire ¹		All Other ²	
Age	Rate	Age	Rate
45-47	8	55-57	5
48-49	15	58-61	10
50-59	4	62	20
60-64	16	63-65	10
65	100	66-67	25
		68-71	35
		72	100

Rates are based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgement.

¹ Rates begin at 20 years of service, but no retirement is assumed before age 45.

² These rates are increased by 20% in the first year after achieving 30 years of service.

Section 3: Supporting Information

Retirement Rates (continued):	<i>Participants in CMERS:</i>			
	Police & Fire ¹		All Other ²	
	Age	Rate (%)	Age	Rate(%)
	45	25.0	45 – 52	13.0
	46 – 47	20.0	53 – 54	12.0
	48 – 52	15.0	55	7.5
	53 – 55	13.0	56	7.0
	56 – 58	10.0	57	6.5
	59	12.0	58	6.0
	60	15.0	59	6.5
	61	18.0	60	9.0
	62 – 64	23.0	61	10.0
	65	100.0	62	11.0
			63	13.0
			64	14.0
			65 – 74	18.0
			75	100.0
Missing Participant Data:	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.			
Participation Election:	For employees contributing 100% of premiums, 80%. For all others, 90% of employees who currently have medical coverage were assumed to elect medical and dental insurance coverage. 100% of employees were assumed to elect life insurance coverage.			

¹ The rate starting at the age at which the participant first reaches age 55 and 10 years of service is 15%, or 40% at 25 years of service, if earlier. Policemen and Firemen's rates are based on the most recent experience study of the Connecticut Municipal Employees' Retirement System.

² The rate starting at the age at which the participant first reaches either 25 years of service or age 55 and 10 years of service is 15%. General Employees' rates are based on the most recent experience study of the Connecticut Municipal Employees' Retirement System.

Section 3: Supporting Information

Coverage Election:	<p>Pre-65: All claims are self-funded</p> <p>Current Post-65: All current retirees over age 65 are valued on actual elections.</p> <p>Future Post-65 Retirees: All current retirees under age 65 and future retirees are assumed to stay on the self-funded plan, with the exception of Custodians who are assumed to join the fully Pooled and Major Medical Plans.</p>
Medicare Eligibility:	<p>All current retirees under age 65 and future retirees are assumed to be eligible for Medicare.</p> <p>Claims for current retirees age 65 and over are blended based on current Medicare participation for this group.</p>
Dependents:	<p>Demographic data was available for spouses of current retirees. For future retirees, husbands assumed to be three years older than their wives. Of those future retirees who elect to continue their health coverage at retirement, 60% of future males and 40% of future females were assumed to have an eligible spouse who also opts for health coverage at that time.</p>
Per Capita Cost Development:	
Self Funded Plans:	<p>Per capita costs were based on projected per-retiree costs as shown in the Hamden: Town and Board of Education Budget Projections Fiscal Years Ending June 30 2022, 2023, & 2024 dated March 23, 2022. The costs were converted from per-subscriber to per-adult member. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.</p>
Insured Plans:	<p>Per capita costs were based on the average of the fully insured premium rates effective January 1, 2021 and January 1, 2022. Actuarial factors were then applied to the weighted average cost to individual retiree and spouse costs by age and by gender.</p>
Dental Plan:	<p>Per capita costs were based on actual premium rates with no age adjustments. It is assumed that there is no implicit rate of subsidy associated with these benefits.</p>

Section 3: Supporting Information

Per Capita Health Costs: 2021-2022 medical and prescription drug claims costs, excluding assumed expenses are shown in the tables below and on the following pages for retirees and for spouses at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Non-Medicare Participants

Self-Funded Benefits—Town:

Age	Medical				Prescription Drug			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
50	\$10,113	\$11,519	\$7,064	\$9,249	\$3,060	\$3,486	\$2,138	\$2,799
55	12,010	12,399	9,452	10,705	3,634	3,752	2,860	3,240
60	14,263	13,365	12,653	12,416	4,316	4,044	3,829	3,757
65	16,939	14,398	16,939	14,398	5,126	4,357	5,126	4,357
70	19,632	15,516	19,632	15,516	5,941	4,695	5,941	4,695
75	21,157	16,702	21,157	16,702	6,402	5,054	6,402	5,054
80	22,783	18,006	22,783	18,006	6,894	5,449	6,894	5,449

Self-Funded Benefits—BOE:

Age	Medical				Prescription Drug			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
50	\$9,968	\$11,354	\$6,963	\$9,117	\$3,475	\$3,958	\$2,427	\$3,178
55	11,838	12,222	9,317	10,553	4,126	4,260	3,248	3,678
60	14,059	13,174	12,473	12,239	4,900	4,592	4,348	4,266
65	16,697	14,192	16,697	14,192	5,820	4,947	5,820	4,947
70	19,352	15,294	19,352	15,294	6,745	5,331	6,745	5,331
75	20,855	16,463	20,855	16,463	7,269	5,739	7,269	5,739
80	22,457	17,749	22,457	17,749	7,828	6,187	7,828	6,187

Section 3: Supporting Information

Medicare Participants

Self-Funded Benefits – Town:

Age	Medical				Prescription Drug			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$4,579	\$3,892	\$4,579	\$3,892	\$5,126	\$4,357	\$5,126	\$4,357
70	5,307	4,194	5,307	4,194	5,941	4,695	5,941	4,695
75	5,719	4,515	5,719	4,515	6,402	5,054	6,402	5,054
80	6,159	4,867	6,159	4,867	6,894	5,449	6,894	5,449

Self-Funded Benefits—BOE:

Age	Medical				Prescription Drug			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
65	\$4,673	\$3,972	\$4,673	\$3,972	\$5,820	\$4,947	\$5,820	\$4,947
70	5,416	4,280	5,416	4,280	6,745	5,331	6,745	5,331
75	5,836	4,607	5,836	4,607	7,269	5,739	7,269	5,739
80	6,285	4,967	6,285	4,967	7,828	6,187	7,828	6,187

Section 3: Supporting Information

Medicare Participants (continued):

Insured Benefits:

Experience-Rated Major Medical:

Age	Retiree		Spouse	
	Male	Female	Male	Female
65	\$2,528	\$2,149	\$2,528	\$2,149
70	2,930	2,316	2,930	2,316
75	3,157	2,493	3,157	2,493
80	3,400	2,687	3,400	2,687

Fully Pooled Plans:

- BC65 Low Option with BS65 Plan 83:

Age	Retiree		Spouse	
	Male	Female	Male	Female
65	\$1,237	\$1,051	\$1,237	\$1,051
70	1,433	1,133	1,433	1,133
75	1,545	1,219	1,545	1,219
80	1,663	1,314	1,663	1,314

- BC65 High Option with BS65 Plan 81:

Age	Retiree		Spouse	
	Male	Female	Male	Female
65	\$2,539	\$2,158	\$2,539	\$2,158
70	2,943	2,326	2,943	2,326
75	3,171	2,503	3,171	2,503
80	3,415	2,699	3,415	2,699

Dental Costs:

Town:	\$388
Board of Education:	\$423

Section 3: Supporting Information

Weighted Average Annual Retiree Premium Per Adult:	Retiree	Spouse
Self-Funded – Medical & Rx (Town)	\$14,873	\$14,873
Self-Funded – Medical & Rx (BOE)	12,803	12,803
Experience Rated (Medicare) – Major Medical	2,927	2,927
Fully Pooled (Medicare) – Low Option/Plan 83	1,432	1,432
Fully Pooled (Medicare) – High Option/Plan 81	2,940	2,940
Dental (Town)	388	388
Dental (BOE)	423	423

Section 3: Supporting Information

Health Care Cost Trend Rates:

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are “net” and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that is applied to that year’s cost to yield the next year’s projected cost.

Year Ending June 30	Rate (%)					
	Non-Medicare Medical	Medicare Medical	Prescription Drug	Dental	Administrative Expenses	Medicare Part B prem
2022	6.50*	5.00*	8.00*	3.50*	3.00*	4.50*
2023	6.25	4.75	7.75	3.50	3.00	4.50
2024	6.00	4.50	7.50	3.50	3.00	4.50
2025	5.75	4.50	7.25	3.50	3.00	4.50
2026	5.50	4.50	7.00	3.50	3.00	4.50
2027	5.25	4.50	6.75	3.50	3.00	4.50
2028	5.00	4.50	6.50	3.50	3.00	4.50
2029	4.75	4.50	6.25	3.50	3.00	4.50
2030	4.50	4.50	6.00	3.50	3.00	4.50
2031	4.50	4.50	5.75	3.50	3.00	4.50
2032	4.50	4.50	5.50	3.50	3.00	4.50
2033	4.50	4.50	5.25	3.50	3.00	4.50
2034	4.50	4.50	5.00	3.50	3.00	4.50
2035	4.50	4.50	4.75	3.50	3.00	4.50
2036 & Later	4.50	4.50	4.50	3.50	3.00	4.50

*Trend rates used to roll backward for purposes of the Entry Age Normal Actuarial Cost Method

The trend rate assumptions were developed using Segal’s internal guidelines, which are established each year using data sources such as the annual Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers, and CPI statistics published by the Bureau of Labor Statistics.

Retiree Contribution Increase Rate:

Retiree contributions were assumed to increase with the same trend as the cost they are offsetting.

Section 3: Supporting Information

Administrative Expenses:	For self-funded plans, an administrative expense load of \$298 per Town participant and \$332 per Board of Education participant was added to projected incurred claim costs in developing the benefit obligations. For insured plans, administrative expenses were built into the health costs.
Plan Design:	Development of plan liabilities was based on the substantive plan of benefits in effect as described in Exhibit III.
Actuarial Models:	<p>Segal accounting results are based on proprietary actuarial modeling software. The accounting valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary .</p> <p>The results are also based on models for cost projections developed by Segal actuaries and programmers. The client team customizes and validates the models, and reviews the results, under the supervision of the responsible actuary.</p> <p>The blended discount rate used for calculating total OPEB liability is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.</p> <p>Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.</p>
Health Care Reform:	The valuation does not reflect the potential impact of any future changes due to prior or pending legislation.

Section 3: Supporting Information

Justification for Assumption Changes Since Prior Valuation:

Based on past experience and future expectations, the following actuarial assumptions were changed:

- The per capita health costs were updated to reflect current experience.
- The trend assumptions were revised to better reflect current experience and future expectations.
- The discount rate was increased from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.
- The mortality, retirement, turnover and disability assumptions for BOE Certified members were updated based on the Connecticut State Teachers' Retirement System Experience Study for the Five-Year Period Ending June 30, 2019.
- The mortality and retirement assumptions were updated for participants in the Employees Retirement Plan of the Town of Hamden. These updates are consistent with the most recent pension valuation and better reflect current experience and future expectations.
- The mortality, retirement, turnover and disability assumptions for participants in the Connecticut Municipal Employees' Retirement System (CMERS) were updated based on the most recent CMERS Experience Study for the Five- Year Period Ending June 30, 2017.

Section 3: Supporting Information

Exhibit III: Summary of Plan

This exhibit summarizes the major benefit provisions as included in the valuation. To the best of our knowledge, the summary represents the substantive plans as of the measurement date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Benefit Types:	Medical, Prescription Drug, Dental and Life Insurance
Duration of Coverage:	Lifetime.
Plan Provisions by Group:	Eligibility, retiree contributions, spouse coverage, life insurance amounts and other benefit offerings as of July 1, 2021 are summarized as follows:
Hamden Board of Education – Hamden Education Association	
Eligibility:	Normal Retirement: completion of 35 years of service at any age, or age 60 with 20 years of service; Early Retirement: age 60 with 10 years of service, or completion of 25 years of service at any age, or age 55 with 20 years of service.
Retiree Contributions:	If hired prior to 7/1/1999 and retire with 20 years of service, retiree shall pay the same as active employees at time of retirement with no percentage increase (currently: 16% as of 7/1/2021), any employee hired after 7/1/1989 shall pay 100% for spouse coverage. If hired after 7/1/1999, retirees can continue coverage for self and spouse at own expense.
Spouse Coverage:	Yes
Survivor Coverage:	Yes
Life Insurance:	Available for grandfathered retirees
Hamden Board of Education – The Association of Hamden Public School Administrators	
Eligibility:	Normal Retirement: completion of 35 years of service at any age, or age 60 with 20 years of service; Early Retirement: age 60 with 10 years of service, or completion of 25 years of service at any age, or age 55 with 20 years of service.
Retiree Contributions:	If hired prior to 7/1/2000 and retire with 20 years of service, retiree shall pay the same as active employees at time of retirement (currently: 20% as of 7/1/2022), any employee hired after 7/1/1991 shall pay 100% for spouse coverage. If hired after 7/1/2000, retirees can continue coverage for self and spouse at own expense.
Spouse Coverage:	Yes
Survivor Coverage:	Yes
Life Insurance:	Available for grandfathered retirees

Section 3: Supporting Information

Hamden Board of Education – UPSEU, Local 424 Unit 51 (Supervisors)

Eligibility:	Age 55 and 15 years of service, closed to anyone hired after 9/13/2019
Retiree Contributions:	Retirees shall contribute the same percentage cost-share contributed at the time of their retirement, for employees hired after 8/1/2012, retiree shall contribute the same premium cost share as current active employees pay each year (currently: 16% as of 7/1/2020).
Medicare Part B Premium is Reimbursed to the Retiree:	\$1,782 in 2021
Spouse Coverage:	Yes, if date of hire prior to 7/1/2001, otherwise 100% retiree paid
Survivor Coverage:	Yes, if date of hire prior to 7/1/2001, otherwise 100% retiree paid
Life Insurance:	Available for grandfathered retirees

Hamden Board of Education – United Public Service Employees Union Local 424 Unit 3 (Nurses)

Eligibility:	Age 55 and 15 years of service
Retiree Contributions:	Retirees pay 0% of plan premium if hired before 7/1/2000. Retirees hired on or after 7/1/2000 contribute the same percentage contributed by active employees at the time of their retirement (currently: 16.5% as of 7/1/2021). Retirees hired on or after 7/1/2007 shall have the same medical coverage as active employees.
Spouse Coverage:	Yes
Survivor Coverage:	Yes
Life Insurance:	\$2,500 if hired before 5/8/2018, otherwise none

Section 3: Supporting Information

Hamden Board of Education – United Public Service Employees Union Local 424 Unit 2 (Secretarial, Clerical, Paraprofessionals)

Eligibility:	Age 55 and 15 years of service. The retiree benefit provisions only apply to secretaries, clerks, and paraprofessionals hired before 3/6/2019.						
Retiree Contributions:	Retirees pay: <ul style="list-style-type: none">• 9% of plan premium if retired before 7/1/2010;• 0% of plan premium if retired on or after 7/1/2010 and before 7/1/2013;• 5% of plan premium if retired and on or after 7/1/2013 and before 7/1/2014; If retired on or after 7/1/2014, same as active employees at the time of retirement, as summarized below: <table><thead><tr><th>Date</th><th>Contribution Percentage</th></tr></thead><tbody><tr><td>July 1, 2020</td><td>17.5%</td></tr><tr><td>July 1, 2023 and beyond</td><td>18.5%</td></tr></tbody></table>	Date	Contribution Percentage	July 1, 2020	17.5%	July 1, 2023 and beyond	18.5%
Date	Contribution Percentage						
July 1, 2020	17.5%						
July 1, 2023 and beyond	18.5%						
Medicare Part B Premium is Reimbursed to the Retiree:	\$1,782 in 2021						
Spouse Coverage:	Yes, if date of hire prior to 7/1/2000, otherwise 100% retiree paid						
Survivor Coverage:	Yes, If date of hire prior to 7/1/2000, otherwise 100% retiree paid						
Life Insurance:	Available for grandfathered retirees						

Section 3: Supporting Information

Hamden Board of Education – MEUI Local 506, SEIU, AFL – CIO, CLC (Security)

Eligibility:	Age 55 and 15 years of service
Retiree Contributions:	Retirees pay 100% of plan premium
Spouse Coverage:	Yes
Survivor Coverage:	Yes
Life Insurance:	Available for grandfathered retirees

Hamden Board of Education – Local 431 of CT Council 4 AFSCME, AFL-CIO (Custodians & Maintenance Workers)

Eligibility:	Age 55 and 15 years of service. Employees hired on or after ratification of agreement that expires on June 30, 2022, shall not be eligible for retiree health benefits.
Retiree Contributions:	Retirees pay 0% of plan premium
Spouse Coverage:	Yes, if date of hire prior to 7/1/2000, otherwise 100% retiree-paid
Survivor Coverage:	Yes, if date of hire prior to 7/1/2000, otherwise 100% retiree-paid
Life Insurance:	Available for grandfathered retirees
Medicare Part B Premium is Reimbursed to the Retiree:	\$1,782 in 2021 (only for employees retired prior to 7/1/2017)

For Custodian & Maintenance employees who retire after 7/1/2017, retiree health insurance coverage may change, but shall be no less than that received by active employees.

Hamden Board of Education – Non-Bargaining Administrators

Eligibility:	Age 55 and 20 years of service
Retiree Contributions:	Retirees pay the same percentage of premium contributed by active employees at the time of their retirement (currently: 20% as of 7/1/2022)
Spouse Coverage:	Yes
Survivor Coverage:	Yes
Life Insurance:	Available for grandfathered retirees

Section 3: Supporting Information

Town of Hamden – UPSEU Local 424 Unit 63 (Dispatchers)

Eligibility:	Age 55 with 10 years of service, if hired prior to 1/1/1982; age 55 with 15 years of service, if hired on or after 1/1/1982.																		
Retiree Contributions:	<p>Town pays 100%, if date of retirement is before June 30, 2011. Employees who retire on or after June 30, 2011 shall pay the same premium contribution toward health insurance as active employees capped at the amount the employee was paying at the time of retirement. The current schedule is summarized below:</p> <p style="text-align: center;">A. Century Preferred PPO Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021</td> <td>19%</td> <td>No cap</td> </tr> <tr> <td>July 1, 2022 & over</td> <td>20%</td> <td>No cap</td> </tr> </tbody> </table> <p style="text-align: center;">B. HDHP / HSA Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021</td> <td>12.5%</td> <td>3,800</td> </tr> <tr> <td>July 1, 2022 & over</td> <td>13.0%</td> <td>4,000</td> </tr> </tbody> </table> <p>Retirees enrolled in the Medicare Supplement Plan F with PDP rider shall pay 5% of the total cost.</p>	Date	Contribution Percentage	Annual cap	July 1, 2021	19%	No cap	July 1, 2022 & over	20%	No cap	Date	Contribution Percentage	Annual cap	July 1, 2021	12.5%	3,800	July 1, 2022 & over	13.0%	4,000
Date	Contribution Percentage	Annual cap																	
July 1, 2021	19%	No cap																	
July 1, 2022 & over	20%	No cap																	
Date	Contribution Percentage	Annual cap																	
July 1, 2021	12.5%	3,800																	
July 1, 2022 & over	13.0%	4,000																	
Spouse Coverage:	Yes																		
Survivor Coverage:	Yes																		
Life Insurance:	\$4,000 of life insurance																		
Deductible Funding:	The Town will contribute 50% towards the deductible for those enrolled in the HDHP plan.																		

Section 3: Supporting Information

Town of Hamden – Hamden Professional Firefighters IAFF, Local 2687

Eligibility:	Retire under the Employees Retirement Plan of the Town of Hamden or under Connecticut Municipal Employees Retirement System								
Retiree Contributions:	<p>Town pays 100%, if retired prior to July 1, 2010. If retired on or after July 1, 2010, the retiree pays:</p> <ul style="list-style-type: none"> • 12% of premium if enrolled in the Century Preferred Plan; • 10% of premium if enrolled in the Blue Care Point of Service Plan; and • 4% of premium if enrolled in the Blue Care Point of Entry Plan. <p>If retired on or after June 30, 2015, the retiree pays:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2020</td> <td>17.0%</td> <td>3,600</td> </tr> </tbody> </table> <p>Retirees enrolled in the Medicare Supplement Plan F with PDP rider shall pay 5% of the total cost.</p>			Date	Contribution Percentage	Annual cap	July 1, 2020	17.0%	3,600
Date	Contribution Percentage	Annual cap							
July 1, 2020	17.0%	3,600							
Deductible Funding:	The Town will contribute 50% towards the deductible for those enrolled in the HDHP plan.								
Spouse Coverage:	Yes								
Survivor Coverage:	Yes								
Life Insurance	\$5,000 of life insurance								

Section 3: Supporting Information

Town of Hamden – Local 1303-115 of Council #4, AFSCME, AFL-CIO (Library)

Eligibility:	Age 55 and 10 years of service, if hired prior to 1/1/1982; age 55 with 15 years of service if hired on or after 1/1/1982.																		
Retiree Contributions:	<p>Town pays 100%, if date of hire is before August 15, 1999. If date of hire is on or after August 15, 1999, then the retiree will contribute according to the bargaining agreement. The current schedule is summarized below:</p> <p style="text-align: center;">A. Century Preferred PPO Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021</td> <td>19%</td> <td>No cap</td> </tr> <tr> <td>July 1, 2022 & over</td> <td>20%</td> <td>No cap</td> </tr> </tbody> </table> <p style="text-align: center;">B. HDHP / HSA Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021</td> <td>12.5%</td> <td>3,800</td> </tr> <tr> <td>July 1, 2022 & over</td> <td>13.0%</td> <td>4,000</td> </tr> </tbody> </table> <p>The retiree's contribution is capped at the amount he or she was paying at the time of retirement. Retirees enrolled in the Medicare Supplement Plan F with PDP rider shall pay 5% of the total cost.</p>	Date	Contribution Percentage	Annual cap	July 1, 2021	19%	No cap	July 1, 2022 & over	20%	No cap	Date	Contribution Percentage	Annual cap	July 1, 2021	12.5%	3,800	July 1, 2022 & over	13.0%	4,000
Date	Contribution Percentage	Annual cap																	
July 1, 2021	19%	No cap																	
July 1, 2022 & over	20%	No cap																	
Date	Contribution Percentage	Annual cap																	
July 1, 2021	12.5%	3,800																	
July 1, 2022 & over	13.0%	4,000																	
Spouse Coverage:	Yes																		
Survivor Coverage:	Yes																		
Life Insurance:	\$2,500 of life insurance																		
Deductible Funding:	The Town will contribute 50% towards the deductible for those enrolled in the HDHP plan.																		

Section 3: Supporting Information

Town of Hamden – UPSEU, Local 424 Unit 36 (Parks & Recreation)

Eligibility:	Age 55 and 10 years of service, if hired prior to 1/1/1982; age 55 with 15 years of service if hired on or after 1/1/1982.																		
Retiree Contributions:	<p>Retirees shall pay the same premium contribution as active employees capped at the amount the employee was paying at the time of retirement. The current schedule is summarized below:</p> <p style="text-align: center;">A. Century Preferred PPO Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021</td> <td>18%</td> <td>No cap</td> </tr> <tr> <td>July 1, 2022 & over</td> <td>18%</td> <td>No cap</td> </tr> </tbody> </table> <p style="text-align: center;">B. HDHP / HSA Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021</td> <td>12.5%</td> <td>3,800</td> </tr> <tr> <td>July 1, 2022 & over</td> <td>13.0%</td> <td>4,000</td> </tr> </tbody> </table> <p>Retirees enrolled in the Medicare Supplement Plan F with PDP rider shall pay 5% of the total cost.</p>	Date	Contribution Percentage	Annual cap	July 1, 2021	18%	No cap	July 1, 2022 & over	18%	No cap	Date	Contribution Percentage	Annual cap	July 1, 2021	12.5%	3,800	July 1, 2022 & over	13.0%	4,000
Date	Contribution Percentage	Annual cap																	
July 1, 2021	18%	No cap																	
July 1, 2022 & over	18%	No cap																	
Date	Contribution Percentage	Annual cap																	
July 1, 2021	12.5%	3,800																	
July 1, 2022 & over	13.0%	4,000																	
Spouse Coverage:	Yes																		
Survivor Coverage:	Yes																		
Life Insurance:	N/A																		
Deductible Funding:	The Town will contribute 50% towards the deductible for those enrolled in the HDHP plan.																		

Section 3: Supporting Information

Town of Hamden – UPSEU/COPS, Local 062 (The Hamden Police Department)

Eligibility:	Retire under the Employees Retirement Plan of the Town of Hamden or under Connecticut Municipal Employees Retirement System									
Retiree Contributions:	<p>Town pays 100%, if date of hire is before January 1, 2000. If date of hire is on or after January 1, 2000, then the retiree will contribute according to the bargaining agreement. The current schedule is summarized below:</p> <table border="1"> <thead> <tr> <th colspan="3">HDHP / HSA Plan</th> </tr> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021 & over</td> <td>18%</td> <td>\$3,800</td> </tr> </tbody> </table> <p>The retiree's contribution is capped at the amount he or she was paying at the time of retirement. Retirees enrolled in the Medicare Supplement Plan F with PDP rider shall pay 5% of the total cost.</p>	HDHP / HSA Plan			Date	Contribution Percentage	Annual cap	July 1, 2021 & over	18%	\$3,800
HDHP / HSA Plan										
Date	Contribution Percentage	Annual cap								
July 1, 2021 & over	18%	\$3,800								
Medicare Part B Premium is reimbursed to the retiree:	\$1,782 in 2021									
Spouse Coverage:	Yes									
Survivor Coverage:	Yes									
Life Insurance:	\$10,000, reduced to \$4,000 at age 70.									
Deductible Funding:	The Town will contribute 75% towards the deductible for those enrolled in the HDHP plan.									

Section 3: Supporting Information

Town of Hamden – United Public Service Employees Union Local 424 Unit 1 (Public Works Employees)

Eligibility:	Age 55 with 15 years of service, or age 65 with 10 years of service.																					
Retiree Contributions:	Retirees will contribute according to the bargaining agreement. The current schedule is summarized below: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="3" style="text-align: center;">A. Century Preferred PPO Plan</th> </tr> <tr> <th style="text-align: center;">Date</th> <th style="text-align: center;">Contribution Percentage</th> <th style="text-align: center;">Annual cap</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">July 1, 2020 & over</td> <td style="text-align: center;">18%</td> <td style="text-align: center;">No cap</td> </tr> </tbody> </table> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="3" style="text-align: center;">B. HDHP / HSA Plan</th> </tr> <tr> <th style="text-align: center;">Date</th> <th style="text-align: center;">Contribution Percentage</th> <th style="text-align: center;">Annual cap</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">July 1, 2021</td> <td style="text-align: center;">13.0%</td> <td style="text-align: center;">3,800</td> </tr> <tr> <td style="text-align: center;">July 1, 2022 & over</td> <td style="text-align: center;">13.5%</td> <td style="text-align: center;">4,000</td> </tr> </tbody> </table> <p style="margin-left: 40px;">Health insurance capped at the amount in effect at retirement. Employees enrolled in the HDHP/HSA plan at retirement will have the cost share rate, cap, and employer deductible funding locked in at retirement. Retirees enrolled in the Medicare Supplement Plan F with PDP rider shall pay 5% of the total cost.</p>	A. Century Preferred PPO Plan			Date	Contribution Percentage	Annual cap	July 1, 2020 & over	18%	No cap	B. HDHP / HSA Plan			Date	Contribution Percentage	Annual cap	July 1, 2021	13.0%	3,800	July 1, 2022 & over	13.5%	4,000
A. Century Preferred PPO Plan																						
Date	Contribution Percentage	Annual cap																				
July 1, 2020 & over	18%	No cap																				
B. HDHP / HSA Plan																						
Date	Contribution Percentage	Annual cap																				
July 1, 2021	13.0%	3,800																				
July 1, 2022 & over	13.5%	4,000																				
Spouse Coverage:	Yes																					
Survivor Coverage:	Yes																					
Life Insurance:	\$5,000 of life insurance																					
Deductible Funding:	The Town will contribute 50% towards the deductible for those enrolled in the HDHP plan.																					

Section 3: Supporting Information

Town of Hamden – United Public Service Employees Union Local 424 Unit 23 (Supervisors)

Eligibility:	Age 55 and 10 years of service, if hired prior to 1/1/1982; age 55 with 15 years of service, if hired on or after 1/1/1982.															
Retiree Contributions:	<p>Town pays 100%, if date of retirement is before July 1, 2012. All employees who retire on or after June 30, 2012 shall pay the same premium contribution as active employees, capped at their contribution amount at retirement. The current schedule is summarized below:</p> <p style="text-align: center;">A. Century Preferred PPO Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2020 & over</td> <td>18%</td> <td>No cap</td> </tr> </tbody> </table> <p style="text-align: center;">B. HDHP / HSA Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021</td> <td>12.5%</td> <td>3,800</td> </tr> <tr> <td>July 1, 2022 & over</td> <td>13.0%</td> <td>4,000</td> </tr> </tbody> </table> <p>Retirees enrolled in the Medicare Supplement Plan F with PDP rider shall pay 5% of the total cost.</p>	Date	Contribution Percentage	Annual cap	July 1, 2020 & over	18%	No cap	Date	Contribution Percentage	Annual cap	July 1, 2021	12.5%	3,800	July 1, 2022 & over	13.0%	4,000
Date	Contribution Percentage	Annual cap														
July 1, 2020 & over	18%	No cap														
Date	Contribution Percentage	Annual cap														
July 1, 2021	12.5%	3,800														
July 1, 2022 & over	13.0%	4,000														
Spouse Coverage:	Yes															
Survivor Coverage:	Yes															
Life Insurance:	\$5,000 of life insurance															
Deductible Funding:	The Town will contribute 50% towards the deductible for those enrolled in the HDHP plan.															

Section 3: Supporting Information

Town of Hamden – Local 2863, Council #4, AFSCME, AFL-CIO (Town Hall Employees and Crossing Guards)

Eligibility:	Age 55 with 15 years of service, or age 65 with 10 years of service.																		
Retiree Contributions:	<p>Town pays 100%, if date of retirement is before July 1, 2013. Employees who retire on or after June 30, 2013 shall pay the same premium contribution as active employees capped at the amount paid at time of retirement. The current schedule is summarized below:</p> <p style="text-align: center;">A. Century Preferred PPO Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021</td> <td>17.0%</td> <td>No Cap</td> </tr> <tr> <td>July 1, 2022 & over</td> <td>18.0%</td> <td>No Cap</td> </tr> </tbody> </table> <p style="text-align: center;">B. HDHP / HSA Plan</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Contribution Percentage</th> <th>Annual cap</th> </tr> </thead> <tbody> <tr> <td>July 1, 2021</td> <td>12.5%</td> <td>3,800</td> </tr> <tr> <td>July 1, 2022 & over</td> <td>13.0%</td> <td>4,000</td> </tr> </tbody> </table> <p>Retirees enrolled in the Medicare Supplement Plan F with PDP rider shall pay 5% of the total cost.</p>	Date	Contribution Percentage	Annual cap	July 1, 2021	17.0%	No Cap	July 1, 2022 & over	18.0%	No Cap	Date	Contribution Percentage	Annual cap	July 1, 2021	12.5%	3,800	July 1, 2022 & over	13.0%	4,000
Date	Contribution Percentage	Annual cap																	
July 1, 2021	17.0%	No Cap																	
July 1, 2022 & over	18.0%	No Cap																	
Date	Contribution Percentage	Annual cap																	
July 1, 2021	12.5%	3,800																	
July 1, 2022 & over	13.0%	4,000																	
Spouse Coverage:	Yes																		
Survivor Coverage:	Yes																		
Life Insurance:	\$5,000 of life insurance (Town Hall Employees only)																		
Deductible Funding:	The Town will contribute 50% towards the deductible for those enrolled in the HDHP plan.																		

Section 3: Supporting Information

Town of Hamden – Non-bargaining Employees

Eligibility:	Age 55 and 10 years of service, if hired prior to 1/1/1982; age 55 with 15 years of service, if hired on or after 1/1/1982.
Retiree Contributions:	Town pays 100%, if date of hire is before July 1, 2000. If date of hire is on or after July 1, 2000, then the retiree will contribute according to the bargaining agreement. The retiree's contribution is capped at the amount he or she was paying at the time of retirement. Retirees enrolled in the Medicare Supplement Plan F with PDP rider shall pay 5% of the total cost.
Spouse Coverage:	Yes
Survivor Coverage:	Yes
Life Insurance:	None
Plan Changes Since Last Valuation:	None

Section 3: Supporting Information

Appendix A: Definition of Terms

Definitions of certain terms as they are used in Statement 75. The terms may have different meanings in other contexts.

Actuarially Determined Contribution:	A target or recommended contribution to an OPEB plan for the reporting period based on the most recent measurement available.
Assumptions or Actuarial Assumptions:	The estimates on which the cost of the Plan is calculated including: <ol style="list-style-type: none">Investment return — the rate of investment yield that the Plan will earn over the long-term future;Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;Retirement rates — the rate or probability of retirement at a given age;Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.
Covered Payroll:	The payroll of the employees that are provided OPEB benefits
Discount Rate:	The single rate of return, that when applied to all projected benefit payments results in an actuarial present value that is the sum of the following: <ol style="list-style-type: none">the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, andthe actuarial present value of projected benefit payments that are not included in (1) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Entry Age Actuarial Cost Method:	An actuarial cost method where the present value of the projected benefits for an individual is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age
Healthcare Cost Trend Rates:	The rate of change in per capita health costs over time
Net OPEB Liability:	The Total OPEB Liability less the Plan Fiduciary Net Position
Plan Fiduciary Net Position:	Market Value of Assets
Real Rate of Return:	The rate of return on an investment after removing inflation
Service Cost:	The amount of contributions required to fund the benefit allocated to the current year of service.

Section 3: Supporting Information

Total OPEB Liability:	Present value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.
Valuation Date:	The date at which the actuarial valuation is performed

Section 3: Supporting Information

Appendix B: Accounting Requirements

The Governmental Accounting Standards Board (GASB) issued Statement Number 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and Statement Number 75 – 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 are required to report the cost of these benefits on their financial statements. The accounting standards supplement 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).

The statements cover postemployment benefits of medical, prescription drugs, 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. The benefits valued in this report are limited to those described in Exhibit III of Section 3, which are based on those 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. The projection of benefits is not limited by legal or contractual limits on funding the plan unless those limits clearly translate into benefit limits on the substantive plan being valued.

The new standards prescribe an accrual-basis accounting requirement, thereby recognizing the employer cost of postemployment benefits over an employee's career. The standards also prescribe 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. These assumptions are summarized in Exhibit II of Section 3. This amount is then discounted to determine the Total OPEB Liability. The Net OPEB Liability (NOL) is the difference between the Total OPEB Liability and market value of assets in the Plan, called the Plan Fiduciary Net Position.

Once the NOL is determined, the Annual OPEB Expense is determined as the change in NOL from the prior year with deferred recognition of certain elements. In addition, Required Supplementary Information (RSI) must be reported, including historical information about the Net OPEB Liability and the contributions made to the Plan. Appendices A and C of Section 3 contain a definition of terms as well as more information about GASB 74/75 concepts.

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 Employer is required to implement a funding policy to satisfy the projected expense.

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.

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 3: Supporting Information

Appendix C: GASB 74/75 Concepts

The following graph illustrates why a significant accounting obligation may exist even though the retiree contributes most or all of the blended premium cost of the plan. The average cost for retirees is likely to exceed the average cost for the whole group, leading to an implicit subsidy for these retirees. The accounting standard requires the employer to identify and account for this implicit subsidy as well as any explicit subsidies the employer may provide.

