



TOWN OF COLCHESTER OTHER POST-EMPLOYMENT BENEFITS PROGRAM

July 1, 2019 Actuarial Valuation

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Certification

We have performed an actuarial valuation of the Town of Colchester Other Post-Employment Benefits Program as of July 1, 2019. The results of this valuation, along with supporting data, are set forth in the following report. These valuation results will form the basis for GASB 75 reporting for fiscal years ending June 30, 2020 and June 30, 2021.

The ultimate cost of an OPEB plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. OPEB costs are met by contributions and by investment return on plan assets, if any. The principal purpose of this report is to set forth an actuarial determination of plan liabilities. In addition, this report provides:

- Review of plan experience since the last valuation to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Comments on any other matters which may be of assistance in the operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section. No attempt is being made to offer any accounting opinion or advice. The calculations reported herein have been made on a basis consistent with our understanding of the plan provisions. Additional determinations may be needed for other purposes. Information needed to assist in meeting financial reporting requirements will be contained in separately issued reports at the close of each fiscal year.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law or accounting standards. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

In preparing this report, we relied on employee census data, claims and premium information as of the valuation date, furnished by the Town. We performed a limited review of the information used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

In our opinion, each assumption used is individually reasonable (taking into account the experience of the plan and reasonable expectations) and, in combination, offer our best estimate of anticipated experience under the plan. On the basis of the foregoing, we hereby certify that to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

The valuation results were developed using models employing standard actuarial techniques. In addition to the models described previously, Milliman has developed certain models to estimate the claim costs and trend used in this analysis. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models, including all input, calculations, and output may not be appropriate for any other purpose.

Milliman's work is prepared solely for the internal business use of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third-party may be conditioned on the third-party signing a Release, subject to the following exception(s): (a) The Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) The Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

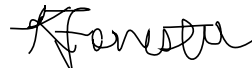
No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



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Discussion of Experience

This valuation reflects a number of changes relative to the July 1, 2017 valuation:

Demographic Changes and Plan Experience

From July 1, 2017 to July 1, 2019, the overall membership increased from 361 to 483. The number of active members increased from 335 to 459, and the number of inactive members decreased from 26 to 24. The large increase in the number of active members is because individuals who have waived medical coverage are now included in the valuation. Please see below for updated assumptions related to this change.

The average age of active members decreased slightly from 49.8 to 49.7, and the average age of retired members increased from 62.8 to 64.7.

We updated expected claims costs based on our analysis of the claims experience and premium information that was provided to us for this valuation. Per capita healthcare costs did not increase as much as expected, which decreased liabilities by about \$830,000.

Assumption Changes

This valuation reflects the adoption of the Pub-2010 mortality table with generational projection of future improvements per the MP-2019 Ultimate Table. We also updated retirement, disability and turnover rates to reflect the assumptions used in the June 30, 2018 Connecticut Municipal Employees Retirement System. For BOE Certified members, we updated all demographic assumptions to reflect those used in the June 30, 2018 Pension Actuarial Valuation Report for the Connecticut State Teachers' Retirement System.

We lowered the election rate for active BOE Certified employees from 95% to 90% and for active Police and Fire employees from 90% to 85% to reflect that we are applying this assumption to all employees, including those who have currently waived coverage.

We are also no longer valuing the future implementation of the excise tax on medical benefits, as it has been officially repealed as of December 20, 2019.

We updated the medical trend so that it decreases from 6.40% to 4.10% over 54 years. We also updated the dental trend to 4.00%.

Given the substantial uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of our projections, we have chosen not to make an adjustment in the expected plan costs. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

Lastly, we lowered the discount rate from 4.00% to 3.50% since this is the discount rate that was used to measure the Total OPEB Liability at FYE 2019 for purposes of GASB 75.

The combined effect of these changes was an increase in the Accrued Liability of about \$599,000.

Other Significant Changes

None.

The Valuation Process

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates: How likely is it that an employee will qualify for post-employment benefits and when will they start?

Medical growth and claims costs assumptions: When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption: How long is a retiree likely to receive the benefits?

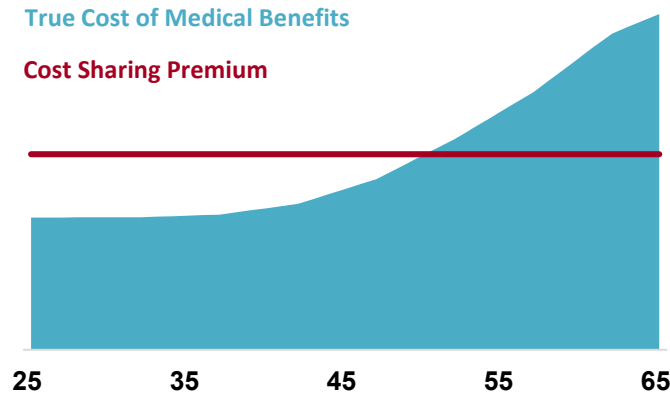
Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Town, the present value is divided into three pieces: the part that is attributed to past years (the "Accrued Liability" or "Past Service Liability"), the part that is being earned this year (the "Normal Cost"), and the part that will be earned in future years (the "Future Service Liability").

Implicit Rate Subsidies

In many cases, the cost sharing premium is lower than the true cost of providing the medical benefits, for two reasons:

- The cost sharing premium is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:



- The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit rate subsidy." GASB 74 and 75 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by Milliman's health actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed in Appendix B. We term this amount the "gross liability."

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the Other Post-Employment Benefits Plan – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors. We term this amount the "offset liability."

Finally, the net liability for the Town is calculated as the difference between the gross liability and the offset liability.

Accrued Liability

We have calculated the Accrued Liability for Town employees who are eligible for OPEB benefits. We have broken the accrued liability into several pieces: benefits that are expected to be paid prior to age 65 (i.e., prior to Medicare) and after age 65 (i.e., after Medicare) to current active members and their covered dependents after retirement, and the same figures for members who have already retired and are currently receiving benefits. In all cases, the Accrued Liability only reflects benefits that are paid for by the Town, taking into account any implicit rate subsidies.

Accrued Liability at July 1, 2019

	Police and Fire	Town	BOE Certified	BOE Non- Certified	Total
Current active members					
Employees under age 65	\$153,175	\$218,305	\$2,515,663	\$62,049	\$2,949,192
Employees over age 65	0	0	494,723	0	494,723
Dependents under age 65	12,274	68,904	542,470	10,714	634,362
Dependents over age 65	0	0	<u>259,671</u>	0	<u>259,671</u>
Total	165,449	287,209	3,812,527	72,763	4,337,948
Current retired members					
Employees under age 65	0	15,770	332,324	23,360	371,454
Employees over age 65	0	0	2,532,974	0	2,532,974
Dependents under age 65	0	0	53,591	0	53,591
Dependents over age 65	0	0	<u>19,895</u>	0	<u>19,895</u>
Total	0	15,770	2,938,784	23,360	2,977,914
Total Accrued Liability	165,449	302,979	6,751,311	96,123	7,315,862

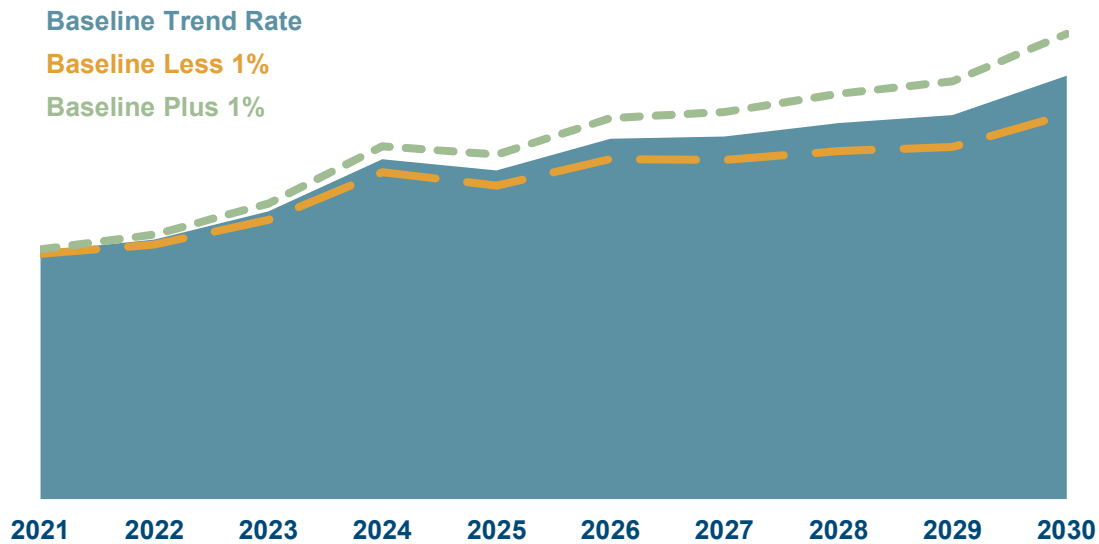
Accrued Liability Sensitivity

	1% Decrease	Baseline	1% Increase
Discount Rate	8,129,819	7,315,862	6,617,529
Trend Rate	6,455,400	7,315,862	8,355,251

Projected Payouts

The table and graph below show the expected annual payments for OPEB benefits for the next 10 years, based on a closed group projection.

Fiscal Year Ending	Baseline Less 1%	Baseline Trend Rate	Baseline Plus 1%
2021	\$332,183	\$335,336	\$338,488
2022	345,088	351,679	358,332
2023	378,530	389,459	400,596
2024	443,027	460,202	477,871
2025	424,551	445,254	466,758
2026	460,828	487,953	516,395
2027	459,236	490,948	524,518
2028	471,658	509,086	549,087
2029	477,213	520,044	566,259
2030	521,220	573,474	630,395



Summary of Census Data

The following were included in our analysis based on information provided as of July 1, 2019 by the Town.

Number of members	Police and Fire	Town	BOE Certified	BOE Non- Certified	Total
Active	17	64	224	154	459
Retirees	0	1	18	1	20
Spouses of retirees	0	0	4	0	4
Beneficiaries	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	17	65	246	155	483
Average age					
Active	40.2	52.5	48.0	52.2	49.7
Inactive members	0.0	62.6	64.9	61.9	64.7
Average Service					
Active	13.0	12.4	14.2	11.6	13.0
Covered Payroll	\$1,337,133	\$3,943,243	\$18,437,848	\$5,621,240	\$29,339,464

Where complete census data was not available, we have made assumptions which we believe to be reasonable.

Current Premiums

The annual medical premiums are shown below.

Medical Plan	Employee	Spouse	Effective Date
HSA Premium	\$11,015.04	\$11,019.00	7/1/2019
PPO Premium	13,308.48	13,316.28	7/1/2019

Dental Plan	Employee	Spouse	Effective Date
Town Dental Premium	\$509.40	\$530.04	7/1/2019
BOE Dental Premium	454.44	470.52	7/1/2019

Expected Healthcare Costs

Milliman's Health Cost Guidelines were used to develop the expected true cost of healthcare benefits by age and gender, separately for employees and spouses. Representative healthcare cost factors are shown in the table below. These factors were then applied to the plan's healthcare rates for the year beginning July 1, 2019 to arrive at the expected annual per capita claims costs for a 65-year-old, which are also shown below.

Medical

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.60300	0.91640	0.45940	0.57580
50	0.66020	0.85320	0.54270	0.64970
55	0.71760	0.80310	0.62950	0.72530
60	0.82100	0.85780	0.75450	0.80620
65	1.00000	1.00000	1.00000	1.00000
70	1.23590	1.20160	1.38950	1.32920
75	1.48680	1.39930	1.75170	1.61160
80	1.71040	1.57660	2.01530	1.81590
85	1.93180	1.76840	2.27610	2.03680
90	2.12880	1.94210	2.50820	2.23690

Age 65 per capita claims cost

HSA	\$20,951.48	\$20,030.02	\$17,782.28	\$17,390.51
PPO	25,329.88	24,215.85	21,498.39	21,024.75

Dental

Age	Employee		Spouse	
	Male	Female	Male	Female
45	0.63680	0.74960	0.63680	0.74960
50	0.69790	0.80740	0.69790	0.80740
55	0.79510	0.88340	0.79510	0.88340
60	0.90270	0.95680	0.90270	0.95680
65	1.00000	1.00000	1.00000	1.00000
70	1.07940	1.02060	1.07940	1.02060

Age 65 per capita claims cost

Town	\$703.06	\$687.07	\$703.06	\$687.07
BOE	625.88	611.65	625.88	611.65

Glossary

Actuarial Cost Method - This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Actuarial Accrued Liability and the Normal Cost. The statement assumes a closed group of employees and other participants unless otherwise stated; that is, no new entrants are assumed. Entry Age Normal is required under GASB 75.

Accrued Liability - This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).

Actuarial Assumptions - With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the discount rate, medical cost inflation, and rates of mortality, turnover and retirement.

Actuarial Present Value of Benefits - This is the value, as of the applicable date, of future payments for benefits and expenses under the Plan, where each payment is: a) Multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) Discounted at the assumed discount rate.

Attribution Period - The period of an employee's service to which the expected postretirement benefit obligation for that employee is assigned. The beginning of the attribution period is the employee's date of hire and costs are spread across all employment.

Benefit Payments - The monetary or in-kind benefits or benefit coverage to which participants may be entitled under a post-employment benefit plan, including health care benefits and life insurance not provided through a pension plan.

Discount Rate - GASB 75 requires that the interest rate used to discount future benefit payments back to the present day be based on a municipal bond index at the measurement date.

Implicit Rate Subsidy - This is the excess of the expected health care cost per retired member over the gross premium charged for that coverage. In most cases, the gross premium charged to a retiree is less than the expected health care cost, since the premium is a blended average rate that does not fully reflect the above-average, increasing costs by age that apply during retirement.

Normal Cost - This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.

Other Post-Employment Benefits ("OPEB") - This refers to post-employment benefits other than pension benefits, including healthcare benefits regardless of the type of plan that provides them, and all other post-employment benefits provided separately from a pension plan, excluding benefits defined as termination benefits or offers.

Substantive Plan - The terms of the postretirement benefit plan as understood by an employer that provides postretirement benefits and the employees who render services in exchange for those benefits. The substantive plan is the basis for the accounting for the plan.

Trend Rate - This is the rate at which medical or dental costs are assumed to increase over time.

Actuarial Method

The actuarial funding method used is the **Entry Age Normal Cost Method**.

The **Normal Cost** is determined by calculating the present value of future benefits for present Active Members. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the **Accrued Liability**. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The **Normal Cost** and **Accrued Liability** are derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgement regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Discount Rate 3.50% (based on the Bond Buyer General Obligation 20-Bond Municipal Index as of June 30, 2019).

Inflation Rate 2.60%

Medical Trend 6.40% - 4.10% over 54 years.

Dental / Vision Trend 4.00%

Salary Scale **Teachers and Administrators[#]**

Service	Rate
0-1	6.50%
2-9	6.25%
10-11	5.50%
12-14	5.00%
15	4.75%
16	4.50%
17	4.25%
18	4.00%
19	3.75%
20	3.50%
21+	3.25%

All Others 3.50%

Healthy Mortality **Teachers and Administrators[#]:** For healthy retirees and beneficiaries, the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. This assumption does not include a margin for mortality improvement beyond the valuation date. (Prior: RP-2000 projected forward 19 years using scale AA, with a two-year age setback.)

Police and Fire: PubS-2010 Mortality Table with generational projection per MP ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date. (Prior: RP-2000 Combined Healthy Mortality Table with generational projection per scale AA)

Actuarial Assumptions

Healthy Mortality

All Others: PubG-2010 Mortality Table with generational projection per MP ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date. (Prior: RP-2000 Combined Healthy Mortality Table with generational projection per scale AA.)

Disabled Mortality

Teachers and Administrators#: RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale. This assumption does not include a margin for mortality improvement beyond the valuation date. (Prior: RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with an eight-year age set forward for males and females.)

All Others: N/A.

Turnover

Teachers and Administrators#: rates based on gender and length of service for the first ten years and gender and age thereafter:

Service	Male	Female
0-1	14.00%	12.00%
1-2	11.00%	10.50%
2-3	8.00%	8.75%
3-4	6.50%	7.50%
4-5	4.50%	6.75%
5-6	3.50%	6.00%
6-7	3.00%	5.25%
7-8	2.75%	4.75%
8-9	2.50%	4.25%
10+	2.50%	4.00%
Age	Male	Female
25	1.50%	4.00%
35	1.50%	3.50%
45	1.59%	1.50%
55	3.44%	2.50%

Police: None.

All Others: Rates based on age:

Age	Rate
20	14.00%
25	10.20%
30	7.07%
35	5.53%
40	4.55%
45	3.85%
50	2.70%
55	0.00%

Actuarial Assumptions

Retirement

Teachers and Administrators[#]: rates based on age, eligibility for pension benefits, and gender:

Age	Unreduced		Proratable		Reduced	
	Male	Female	Male	Female	Male	Female
50	27.50%	27.50%			1.00%	1.00%
51	27.50%	27.50%			1.00%	1.25%
52	27.50%	27.50%			1.00%	1.75%
53	27.50%	27.50%			2.00%	2.25%
54	27.50%	27.50%			3.00%	2.75%
55	38.50%	27.50%			4.00%	4.75%
56	38.50%	27.50%			6.00%	6.25%
57	38.50%	27.50%			7.00%	6.75%
58	38.50%	27.50%			8.00%	7.25%
59	38.50%	27.50%			11.00%	8.50%
60	22.00%	27.50%	6.00%	5.50%		
61	25.30%	27.50%	6.00%	6.50%		
62	25.30%	27.50%	9.00%	7.50%		
63	27.50%	27.50%	11.00%	7.50%		
64	27.50%	27.50%	10.00%	8.00%		
65	36.30%	32.50%	13.00%	12.50%		
66-67	27.50%	32.50%	20.00%	12.50%		
68	27.50%	32.50%	20.00%	12.00%		
69	27.50%	32.50%	30.00%	14.50%		
70-73	100.00%	32.50%	30.00%	14.50%		
74-79	100.00%	32.50%	30.00%	18.00%		
80	100.00%	100.00%	100.00%	100.00%		

Police: 10% of employees are assumed to retire when first eligible for normal retirement. 5% of employees are assumed to retire in the years thereafter. 100% of employees are assumed to retire at 24 years of service.

All Others: Rates based on age:

Age	First Year Eligible	All Other Ages
55	15%	6%
56	15%	6%
57	15%	7%
58-59	15%	7%
60-61	15%	10%
62-64	15%	15%
65	25%	25%
66-69	20%	20%
70	100%	100%

Actuarial Assumptions

Disability **Teachers, Administrators and Central Office Administrators[#]:** Rates based on age and gender:

Age	Male	Female
20	0.0341%	0.0500%
30	0.0341%	0.0410%
40	0.0536%	0.0720%
50	0.2438%	0.2630%
60	0.9604%	0.5000%

Police: None.

All Others: The 1952 Disability Study of the Society of Actuaries, Period 2, Benefit 5 rates.

Future Retiree Coverage 90% of **Teachers** and **Administrators** (prior: 95%), 85% of **Police** and **Fire** (prior: 90%), 70% of **Town** and 10% of **BOE Non-Certified** active members are assumed to elect coverage at retirement.

Future Dependent Coverage Current active members are assumed to elect dependent coverage at retirement as follows. All female spouses are assumed to be three years younger than males.

	Male	Female
Teachers and Administrators	60%	50%
Police, Fire and Town	50%	50%
BOE Non-Certified	50%	25%

Future Post-65 Coverage **Teachers and Administrators:** 90% of current actives and pre-65 retirees are assumed either to enroll in retiree health coverage through the Connecticut State Teachers' Retirement System at age 65, or transfer to a Medicare Supplement Plan. 92% of current actives and pre-65 retirees are assumed to be Medicare-eligible. (Prior: 95%)

All Others: N/A.

[#] Certain actuarial demographic assumptions for Teachers and Administrators are based on the assumptions used in the June 30, 2018 valuation of the Connecticut State Teachers' Retirement System.

Summary of Plan Provisions

This summary is intended only to describe our understanding of the essential features of the benefits that will be provided to future retirees based on copies of bargaining agreements, applicable personnel rules and the benefits being currently provided to retired members. All eligibility requirements and benefit amounts shall be determined in strict accordance with the relevant plan documents. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility

BOE Certified (Teachers and Administrators)

A Teacher or Administrator retiring shall be eligible to receive health benefits for self and spouse.

Normal Retirement for Teachers and Administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

BOE Non-Certified – Custodians and Maintenance

Retired employee shall be eligible to receive health benefits for self and spouse.

BOE Non-Certified – Central Office, Education Personnel, Nurses, Office Professionals and Non-Union

Employee retiring with at least 20 years of service shall be eligible to receive health benefits for self and spouse.

Police

Members who have retired on or after July 1, 2000 under the Colchester Police Department Pension Plan with at least 10 years of service shall be eligible to receive health benefits for self and spouse. Normal Retirement for Police Officers is 20 years of service.

Town Hall Local 1303 and Library

Employee hired prior to July 1, 2009 and retiring on or after July 1, 2009 with at least 10 years of service shall be eligible to receive health benefits for self and spouse.

Town MEUI Local 506

Employee retiring on or after July 1, 1999 (July 1, 1998 for Town Administrators) shall be eligible to receive health benefits for self and spouse.

Fire and Town Non-Union

Members who have retired on or after July 1, 2000 with at least 10 years of service shall be eligible to receive health benefits for self and spouse.

Summary of Plan Provisions

Cost Sharing

BOE Certified (Teachers and Administrators)

Retiree/Spouse – 100% retiree-paid (less \$1,320 annual Connecticut Teachers' Retirement Board subsidy).

BOE Non-Certified

Retiree/Spouse – 100% retiree-paid.

Police, Fire and Town

Retiree/Spouse – 100% retiree-paid for a period not to exceed 5 years. Coverage is pre-65 only.

Post-65 – Eligible retiree is offered Medicare risk plan at own expense.