

Key Benefit Concepts, LLC

City of West Allis



Accounting and Sample Funding Report of
Liabilities for Participants' Post Employment
Benefits as of January 1, 2008

February 2009

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Background and Certification

The Government Accounting Standards Board (GASB) considers other post employment benefits, like pension benefits, as part of the compensation employees earn each year although they are not received until after employment ends. GASB has finalized Statement No. 43 (Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans) and Statement No. 45 (Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions). These Statements establish standards for the measurement, recognition, and display of Other Post Employment Benefits (OPEB) expense/expenditures and related liabilities.

This valuation and report were prepared by Key Benefit Concepts, LLC (KBC) based upon:

- Our understanding of GASB's current Statements
- The Summary of Benefits and Eligibility determined by the bargaining and other City agreements, as outlined herein
- The accuracy and completeness of information and data as provided by the City.

The calculations of cost and liabilities illustrated were determined according to generally accepted actuarial principles and standards. Specific assumptions and actuarial methodology for the study are defined within the report.

Ted W. Windsor is an actuary meeting the qualifications of the American Academy of Actuaries required to provide the actuarial opinion detailed in this report.

Ted W. Windsor, ASA, EA, MAAA

February 27, 2009

Introduction

The actuarial present value of the other post employment benefit (OPEB) liabilities is the value of all benefits estimated to be payable to plan members discounted at the assumed discount interest rate back to the valuation date. The actuarial present value is comprised of:

- Benefits employees have already earned, and
- Benefits expected to be earned by employees in the future.

Presented in this report are the results of our study of the post employment benefits and the associated liabilities and costs. The study includes the following:

- Actuarial Accrued Liability (AAL): The portion of the actuarial present value of benefits allocated to all periods prior to the valuation date also known as the accrued benefit.
- Normal Cost (NC): The portion of the actuarial present value of benefits allocated to the valuation year.
- Unfunded Actuarial Accrued Liability (UAAL): The difference between the actuarial accrued liability and the actuarial value of assets. This amount may also be negative indicating the presence of a surplus of actuarial assets over actuarial accrued liabilities
- Annual Required Contribution (ARC): The employer's annual contribution comprised of the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the valuation year.

City OPEB Benefits

For the City of West Allis (the "City"), the other post employment benefit liability consists of several interdependent pieces arising from the rules of the plan. These interdependent pieces are as follows:

1. The amount paid by the City for continued medical care, for all classifications that are entitled to a benefit, is outlined below. A full description of the eligibilities and benefits for all eligible classifications can be found in the OPEB Technical Appendix.

All City Employees: A minimum of 10 years of service and at least age 50 for Protective Services and age 55 for Non-Protective Services; the City will contribute 95% of the retiree's medical premium amount during their first year of retirement. Thereafter, the retiree will be responsible for any premium increases until age 65, at which time, the City will contribute 50% of the medical premiums. The City will continue its contributions until such time that the retiree ceases to pay their portion of the premiums or until their death.

Note: The City will pay either 50% of the PPO medical premiums or 50% of the standard plan medical premiums after reducing the standard plan by the major medical portion.

2. In a standard OPEB valuation, the GASB guidelines require that the OPEB benefit to be based upon the *value* of the health care benefit. Thus, when the benefits are insured, the value above the premium cost of benefits must be determined. This applies to all classifications and arises from the value of benefits in excess of the payments made by the City during the guaranteed period. This amount is determined and incorporated in the determined liability of the medical care benefit.

Additionally, since GASB guidelines require the OPEB benefit to be based upon the *value* of the medical care benefit, when an individual self-pays 100% of the premium cost, the valuation also includes the difference between the premium cost and the value cost of the benefit. This is known as the Implicit Rate Subsidy.

Implicit Rate Subsidy exists when an employer's retirees and current employees are covered together as a group wherein the premium rate or premium equivalent rate paid by the retirees may be lower than they would be if the retirees were rated separately. The final GASB Statements declare that even if the retirees pay 100% of the premium, without a contribution from the employer, the employer is required to treat the implicit rate subsidy as an other post employment benefit (OPEB) liability. This is a reversal of GASB's initial opinion.

As used above, *value* refers to the cost to the plan for providing coverage, which is greater than the aggregate premium charged for older participants. *Amount* refers to the dollar amount of premiums paid from the escrow account.

The census provided by the City included 37 active employees that are currently not participating in the City's group medical plan. For these 37 employees, it was assumed that throughout the remainder of their employment with and retirement from the City, they would continue not to participate in the City's group medical plan and as such will not receive a post-employment benefit upon their retirement. Thus, these 37 employees were not included in the valuation and no OPEB liability was calculated on their behalf.

All City employees may choose to remain on the group medical plan, upon their retirement, provided that they pay their required portion of premiums. Therefore, it was assumed that 15% of future retirees (current actives) and current pre-Medicare retirees would choose to no longer participate in the City's group medical plan upon reaching Medicare-eligibility. Note that when an individual becomes Medicare-eligible, their premium rates are adjusted to represent the expected cost of coverage (i.e. no implicit rate subsidy is incurred).

Amortization Method

The current guidelines allow two amortization methods:

Level Dollar Amortization Method – The amount to be amortized is divided into equal dollar amounts to be paid over a given number of years; part of each payment is interest and part is principal (similar to a mortgage payment on a building). Because payroll can be expected to increase as a result of inflation, level dollar payments generally represent a decreasing percentage of the payroll over time.

Level Percentage of Projected Payroll Amortization Method – Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan participants over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; however as a percentage of the total payroll the payments can be expected to remain level.

Note: OPEB Table D provides the 30-year amortization of unfunded actuarial accrued liability based upon the level percentage of projected payroll amortization method.

City OPEB Liability

Based upon actuarial assumptions and projections described herein as determined by the census, benefit and premium data provided by the City, the post employment medical care liabilities resulting from implicit rate subsidy as of January 1, 2008 are as follows:

City's Other Post Employment Liability		
1	Normal Cost with interest to end of year	\$ 4,456,380
2	Accrued Liability as of 1/1/2008	\$ 128,614,356
3	30-yr. Amortization of Accrued Liability	\$ 5,696,726
4	Annual Required Contribution (ARC)	\$ 10,153,106

Detailed calculations for the above results can be found in the OPEB Tables C and D.

Discussion of Valuation Methods and Assumptions

The valuation was based upon the data provided by the City. In performing this study we utilized the medical claims as well as the premium equivalent rate history of the City's self-funded medical plan and projected a stream of expected premium equivalent rates for each year in the future based on the data as of January 1, 2008. For those individuals covered under the City's medical plan, the first year (calendar year 2008) trends and expected future costs were derived from historical premium equivalent rates for actives and retirees.

Trend and retirement age are the most sensitive assumptions. Changes in these assumptions have the largest impact on the amount of liabilities.

All of the demographic assumptions used for this report (i.e. other than trend, salary, payroll growth, expected discount rate, percent electing coverage and percent electing family coverage) are approximately the same as those used in the December 31, 2005 Wisconsin Retirement System's (WRS) annual report. The assumptions are shown in the OPEB Technical Appendix.

This is the City's first actuarial valuation of its post-employment benefits and as such, it has not funded for the OPEB liability. Thus, OPEB Tables C-H reflect the unfunded actuarial accrued liability equal to that of the total actuarial accrued liability.

A discount rate of 5% (as the expected yield on general assets) was used in this valuation in calculating the OPEB liabilities. It was assumed that the City would continue to fund its retiree medical benefits out of its general fund assets rather than establish a trust to fund its liability.

Should the City choose to establish a fund in the future and pre-fund one hundred percent (100%) of their retiree medical benefits in accordance with the ARC, then a higher discount rate (as the expected yield on long-term investments) may be more appropriate.

OPEB Tables

OPEB Table A

City of West Allis
Active Employees as of January 1, 2008

Age	Years of Service in City of West Allis									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 or more		
Under 20	1	-	-	-	-	-	-	-	-	-
20 - 24	13	-	-	-	-	-	-	-	-	13
25 - 29	34	8	1	-	-	-	-	-	-	43
30 - 34	16	29	7	-	-	-	-	-	-	52
35 - 39	12	19	23	5	-	-	-	-	-	59
40 - 44	6	11	23	29	11	-	-	-	-	80
45 - 49	8	11	20	35	56	25	2	-	-	157
50 - 54	3	8	15	21	20	33	7	-	-	107
55 - 59	2	4	3	10	12	9	2	2	-	44
60 - 64	3	-	2	1	5	7	1	1	-	20
65 and over	-	-	-	1	1	-	-	-	-	2
Total	98	90	94	102	105	74	12	3	3	578

Averages:

Age: 44.2

Service: 14.7

OPEB Table B

City of West Allis
Members by Medical Coverage as of January 1, 2008

Medical Plan Enrollment				
	Single	Family	None	Total
Clerical	24	55	11	90
Elected Officials	2	10	1	13
Engineers	2	8	-	10
Fire Fighters	14	85	4	103
Non-Union	9	79	5	93
Nurses	3	5	2	10
Police	28	85	4	117
Public Works	27	105	4	136
Others	-	-	6	6
Total Actives	109	432	37	578
Retirees	232	292	98	622
Overall Total	341	724	135	1,200

Notes:

- 1- No liability was calculated for those listed under 'None' or classified as 'Other'.
- 2- It was assumed that 15% of future retirees (current actives) as well as current retirees that have yet to reach Medicare-eligibility that are currently enrolled in the medical plan would choose to no longer participate in the City's group medical plan upon reaching Medicare-eligibility.
- 3- It was assumed that 15% of current retirees that have yet to reach Medicare-eligibility and enrolled in the group medical plan would choose to no longer participate in the City's group medical plan upon reaching Medicare-eligibility.

OPEB Table C - Group 1

City of West Allis

Determination of Normal Cost, Actuarial Accrued Liability
and Unfunded Actuarial Accrued Liability as of 1/1/2008 **for Group 1**

Total Incurred OPEB Liabilities - Group 1

	Clerical	Elected	Engine	Fire	Non-Union	Total Liability
1. Normal cost as of 1/1/2008						
a. Value of OPEB benefits	\$711,944	\$146,537	\$93,269	\$1,508,776	\$1,016,089	\$3,476,615
b. Future retiree paid portion of	273,445	59,929	33,772	527,265	370,981	1,265,392
c. Total normal cost [#1a - #1b]	438,499	86,608	59,497	981,511	645,108	2,211,223
2. Accrued liability as of 1/1/2008						
a. Retiree value of OPEB benefits	0	0	0	0	0	0
b. Retiree paid portion of premiums	0	0	0	0	0	0
c. Future retiree value of OPEB benefits	10,339,562	2,407,408	756,576	25,331,265	19,269,031	58,103,842
d. Future retiree paid portion of	3,968,297	990,855	271,377	8,863,505	6,895,379	20,989,413
e. Total accrued liability [(#2a - #2b) + (#2c - #2d)]	6,371,265	1,416,553	485,199	16,467,760	12,373,652	37,114,429
3. Actuarial value of assets	0	0	0	0	0	0
4. Unfunded accrued liability [#2e - #3]	\$6,371,265	\$1,416,553	\$485,199	\$16,467,760	\$12,373,652	\$37,114,429

OPEB Table D - Group 1

City of West Allis

Determination of 2008 Calendar Year Annual Required Contribution (ARC) **for Group 1**

Total Incurred OPEB Liabilities - Group 1

	Clerical	Elected	Engine	Fire	Non-Union	Total Liability
1. Normal cost						
a. Beginning of year	\$438,499	\$86,608	\$59,497	\$981,511	\$645,108	\$2,211,223
b. With interest to end of year [1(a) x 1.050]	460,424	90,938	62,472	1,030,587	677,363	2,321,784
2. Expected payroll for 2008 calendar year	n/a	n/a	n/a	n/a	n/a	n/a
3. Unfunded accrued liability	6,371,265	1,416,553	485,199	16,467,760	12,373,652	37,114,429
4. 30 year amortization of unfunded accrued liability as a level percentage of payroll method						
a. Dollars	282,203	62,743	21,491	729,408	548,067	1,643,912
b. Percent of payroll	n/a	n/a	n/a	n/a	n/a	n/a
5. Annual required contribution (ARC)						
a. Normal cost	460,424	90,938	62,472	1,030,587	677,363	2,321,784
b. Amortization	282,203	62,743	21,491	729,408	548,067	1,643,912
c. Total contribution [a + b]	\$742,627	\$153,681	\$83,963	\$1,759,995	\$1,225,430	\$3,965,696

OPEB Table C - Group 2

City of West Allis

Determination of Normal Cost, Actuarial Accrued Liability
and Unfunded Actuarial Accrued Liability as of 1/1/2008 **for Group 2**

Total Incurred OPEB Liabilities - Group 2

	Nurse	Police	Works	Retirees	Total Liabilities
1. Normal cost as of 1/1/2008					
a. Value of OPEB benefits	\$71,822	\$1,621,267	\$1,470,573	\$0	\$3,163,662
b. Future retiree paid portion of premiums	29,105	567,281	534,327	0	1,130,713
c. Total normal cost [#1a - #1b]	42,717	1,053,986	936,246	0	2,032,949
2. Accrued liability as of 1/1/2008					
a. Retiree value of OPEB benefits	0	0	0	105,238,659	105,238,659
b. Retiree paid portion of premiums	0	0	0	44,096,561	44,096,561
c. Future retiree value of OPEB benefits	1,333,781	21,629,855	24,251,386	0	47,215,022
d. Future retiree paid portion of premiums	538,363	7,571,559	8,747,271	0	16,857,193
e. Total accrued liability [(#2a - #2b) + (#2c - #2d)]	795,418	14,058,296	15,504,115	61,142,098	91,499,927
3. Actuarial value of assets	0	0	0	0	0
4. Unfunded actuarial accrued liability [#2e - #3]	\$795,418	\$14,058,296	\$15,504,115	\$61,142,098	\$91,499,927

OPEB Table D - Group 2

City of West Allis

Determination of 2008 Calendar Year Annual Required Contribution (ARC) *for Group 2*

Total Incurred OPEB Liabilities - Group 2

	Nurse	Police	Works	Retirees	Total Liabilities
1. Normal cost					
a. Beginning of year	\$42,717	\$1,053,986	\$936,246	\$0	\$2,032,949
b. With interest to end of year [1(a) x 1.050]	44,853	1,106,685	983,058	0	2,134,596
2. Expected payroll for 2008 calendar year	n/a	n/a	n/a	n/a	n/a
3. Unfunded actuarial accrued liability	795,418	14,058,296	15,504,115	61,142,098	91,499,927
4. 30 year amortization of unfunded accrued liability as a level percentage of payroll method					
a. Dollars	35,232	622,685	686,725	2,708,172	4,052,814
b. Percent of payroll	n/a	n/a	n/a	n/a	n/a
5. Annual required contribution (ARC)					
a. Normal cost	44,853	1,106,685	983,058	0	2,134,596
b. Amortization	35,232	622,685	686,725	2,708,172	4,052,814
c. Total contribution [a + b]	\$80,085	\$1,729,370	\$1,669,783	\$2,708,172	\$6,187,410

OPEB Table C - Total

City of West Allis

Determination of Normal Cost, Actuarial Accrued Liability
and Unfunded Actuarial Accrued Liability as of 1/1/2008

Total Incurred OPEB Liability

	Group 1	Group 2	Total Liability
1. Normal cost as of 1/1/2008			
a. Value of OPEB benefits	\$3,476,615	\$3,163,662	\$6,640,277
b. Future retiree paid portion of premiums	1,265,392	1,130,713	2,396,105
c. Total normal cost [#1a - #1b]	2,211,223	2,032,949	4,244,172
2. Accrued liability as of 1/1/2008			
a. Retiree value of OPEB benefits	0	105,238,659	105,238,659
b. Retiree paid portion of premiums	0	44,096,561	44,096,561
c. Future retiree value of OPEB benefits	58,103,842	47,215,022	105,318,864
d. Future retiree paid portion of premiums	20,989,413	16,857,193	37,846,606
e. Total accrued liability [(#2a - #2b) + (#2c - #2d)]	37,114,429	91,499,927	128,614,356
3. Actuarial value of assets	0	0	0
4. Unfunded accrued liability [#2e - #3]	\$37,114,429	\$91,499,927	\$128,614,356

Group 1: Clerical, Elected, Engine, Fire & Non-Union

Group 2: Nurse, Police, Works & Retirees

OPEB Table D - Total

City of West Allis

Determination of 2008 Calendar Year Annual Required Contribution (ARC)

Total Incurred OPEB Liability

	Group 1	Group 2	Total Liability
1. Normal cost			
a. Beginning of year	\$2,211,223	\$2,032,949	\$4,244,172
b. With interest to end of year [1(a) x 1.050]	2,321,784	2,134,596	4,456,380
2. Expected payroll for 2008 calendar year	n/a	n/a	n/a
3. Unfunded accrued liability	37,114,429	91,499,927	128,614,356
4. 30 year amortization of unfunded accrued liability as a level percentage of payroll method			
a. Dollars	1,643,912	4,052,814	5,696,726
b. Percent of payroll	n/a	n/a	n/a
5. Annual required contribution (ARC)			
a. Normal cost	2,321,784	2,134,596	4,456,380
b. Amortization	1,643,912	4,052,814	5,696,726
c. Total contribution [a + b]	\$3,965,696	\$6,187,410	\$10,153,106

Group 1: Clerical, Elected, Engine, Fire & Non-Union

Group 2: Nurse, Police, Works & Retirees

OPEB Table E

City of West Allis

Annual OPEB Cost and Net OPEB Obligation for the Year Ending December 31, 2008

	<u>Total</u>
Annual required contribution	\$10,153,106
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	\$10,153,106
Contributions made	n/a
Increase in net OPEB obligation	n/a
Net OPEB obligation - beginning of year	0
Net OPEB obligation - end of year	n/a

Three Year History of OPEB Cost, Percentage Of Annual Contribution and Net OPEB Obligation

Calendar Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2006	n/a	n/a	n/a
12/31/2007	n/a	n/a	n/a
12/31/2008	\$10,153,106	n/a	n/a

OPEB Table F

City of West Allis
 Required Supplementary Information
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(c)	((b-a) / c)
1/1/2006	n/a	n/a	n/a	n/a	n/a
1/1/2007	n/a	n/a	n/a	n/a	n/a
1/1/2008	\$0	\$128,614,356	\$128,614,356	n/a	n/a

OPEB Table G

City of West Allis
Significant Methods and Assumptions

Actuarial valuation date	1/1/2008
Actuarial cost method	Unit credit
Amortization method	30 year open level percentage of projected payroll
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial Assumptions	
Investment rate of return *	5.00%
Projected payroll increases (for level percent amortization of pay only)	3.00%
Medical care trend*	10.00% decreasing by 1.00% per year down to 5.00%

* Implicit in these rates is an assumed rate of inflation of 4.00%

OPEB Table H

City of West Allis

Historical Development of Annual Net OPEB Obligation

Total OPEB Liabilities Incurred on Behalf of All Eligible Classifications

Calendar Year Ending	ARC	Interest on Net OPEB Obligation	ARC Adjustment	Amort. Factor	OPEB Cost	Contribution	Change in Net OPEB Obligation	Net OPEB Obligation Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
12/31/2008	\$10,153,106	0	0	22.58	\$10,153,106	n/a	n/a	n/a

OPEB Technical Appendix

City of West Allis

Post Employment Benefit Summary

All City Employees

Eligibility	OPEB Benefit
<p>Must have a minimum of 10 years of service with the City and receiving a pension annuity from the City of West Allis;</p> <p>Eligible for coverage at age 55 (age 50 for Protective Service or earlier for disability retirement)</p>	<p><u>Continuing Medical Insurance:</u> The City will contribute 95% of the monthly medical premiums, on behalf of the retiree, during their first year of retirement. Any increases in premium costs are passed on to the retiree.</p> <p>At age 65, the City's contributions will be adjusted to either 50% of the PPO medical premium cost or 50% of the standard plan medical premium after reducing the standard plan by the major medical portion.</p> <p>This coverage will continue until the retiree stops paying his/her portion of the premiums or until the death of the retiree. Upon death of the retiree, a survivor benefit is offered until such time that the surviving spouse remarries at which time the City obligation will cease.</p>
<p>Note: <i>Disabled employees participating in the plan that also receive a pension shall have their City contributions set at the earliest year of eligible retirement and once set shall follow the same rules as any other retiree.</i></p>	

Actuarial Assumptions for OPEB Benefits

1. Actuarial valuation date	January 1, 2008
2. Actuarial cost method	<u>Unit Credit</u> : The calculation of retirement plan benefits is based upon the accumulation of “benefit units” earned from such things as salary and/or service years. A Plan’s normal cost is determined by the present value of benefits allocated to the valuation year. A Plan’s accrued liability is the present value of benefits allocated to all periods prior to the valuation year.
3. Interest rate	Discount rate for valuing liabilities – 5.00% Interest rate on plan assets – 5.00% Implicit in these rates is a 4.00% assumed rate of inflation
4. Payroll increase	3.00% increase to total payroll – used only for level amortization of Unfunded Actuarial Accrued Liability
5. Amortization method	30 year open level percent method
6. Remaining amortization period	30 years
7. Asset valuation method	Market Value

8. Retirement

Early Retirement – General Pattern

<u>Age</u>	<u>Male</u>	<u>Female</u>
55	8%	6%
56	8	6
57	4	5
58	6	5
59	6	5
60	8	8
61	8	8
62	20	18
63	20	18
64	15	14
65	100	100

Regular Retirement – General Pattern (30 or more years of service)

<u>Age</u>	<u>Male</u>	<u>Female</u>
57	28%	27%
58	28	27
59	28	25
60	28	25
61	30	25
62	40	30
63	40	35
64	35	35
65	100	100

Retirement – Protective Pattern

<u>Age</u>	<u>Male & Female</u>
50	6%
51	7
52	7
53	38
54	20
55	20
56	25
57	20
58	20
59	20
60	20
61	20
62	20
63	30
64	20
65	100

9. Mortality	Group Annuity Reserve Unisex Table 1994 projected to 2002 set forward 3 years for males and set back 3 years for females. Approximation to the Wisconsin Retirement System tables used in the pension valuation.																																																																													
10. Separation rates	<p>Select and ultimate termination rates at sample ages and years of service are shown below:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2"></th> <th colspan="2" style="text-align: center;">Other</th> </tr> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Service</u></th> <th style="text-align: center;"><u>Male</u></th> <th style="text-align: center;"><u>Female</u></th> </tr> </thead> <tbody> <tr><td></td><td style="text-align: center;">0</td><td style="text-align: center;">18.0%</td><td style="text-align: center;">18.0%</td></tr> <tr><td></td><td style="text-align: center;">1</td><td style="text-align: center;">10.0</td><td style="text-align: center;">11.0</td></tr> <tr><td></td><td style="text-align: center;">2</td><td style="text-align: center;">8.0</td><td style="text-align: center;">9.0</td></tr> <tr><td></td><td style="text-align: center;">3</td><td style="text-align: center;">6.0</td><td style="text-align: center;">7.0</td></tr> <tr><td></td><td style="text-align: center;">4</td><td style="text-align: center;">5.0</td><td style="text-align: center;">6.0</td></tr> <tr><td style="text-align: center;">25</td><td style="text-align: center;">5 or more</td><td style="text-align: center;">5.0</td><td style="text-align: center;">5.5</td></tr> <tr><td style="text-align: center;">35</td><td></td><td style="text-align: center;">2.8</td><td style="text-align: center;">3.6</td></tr> <tr><td style="text-align: center;">45</td><td></td><td style="text-align: center;">1.6</td><td style="text-align: center;">2.2</td></tr> <tr><td style="text-align: center;">55</td><td></td><td style="text-align: center;">1.3</td><td style="text-align: center;">2.0</td></tr> </tbody> </table> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2"></th> <th style="text-align: center;">Protective</th> </tr> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Service</u></th> <th style="text-align: center;"><u>Male & Female</u></th> </tr> </thead> <tbody> <tr><td></td><td style="text-align: center;">0</td><td style="text-align: center;">11.0%</td></tr> <tr><td></td><td style="text-align: center;">1</td><td style="text-align: center;">6.0</td></tr> <tr><td></td><td style="text-align: center;">2</td><td style="text-align: center;">3.5</td></tr> <tr><td></td><td style="text-align: center;">3</td><td style="text-align: center;">3.2</td></tr> <tr><td></td><td style="text-align: center;">4</td><td style="text-align: center;">3.2</td></tr> <tr><td style="text-align: center;">25</td><td style="text-align: center;">5 or more</td><td style="text-align: center;">1.6</td></tr> <tr><td style="text-align: center;">35</td><td></td><td style="text-align: center;">1.3</td></tr> <tr><td style="text-align: center;">45</td><td></td><td style="text-align: center;">1.1</td></tr> <tr><td style="text-align: center;">55</td><td></td><td style="text-align: center;">0.6</td></tr> </tbody> </table>			Other		<u>Age</u>	<u>Service</u>	<u>Male</u>	<u>Female</u>		0	18.0%	18.0%		1	10.0	11.0		2	8.0	9.0		3	6.0	7.0		4	5.0	6.0	25	5 or more	5.0	5.5	35		2.8	3.6	45		1.6	2.2	55		1.3	2.0			Protective	<u>Age</u>	<u>Service</u>	<u>Male & Female</u>		0	11.0%		1	6.0		2	3.5		3	3.2		4	3.2	25	5 or more	1.6	35		1.3	45		1.1	55		0.6
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12. Medical trends <i>(Annual Increases)</i>	<u>Year</u> 1 2 3 4 5 6 7 8 9 10 11 12 13 & over	<u>Medical Trend</u> 10.0% 9.0 8.0 7.0 6.0 5.0 5.0 5.0 5.0 5.0 5.0
13. Age related health care cost	Health care costs are assumed to increase at 2.5% per year of age separate from trend due to increased cost of older participants.	
14. Percent elected family coverage at retirement	100% of active participants currently electing family coverage	
15. Percent with coverage at retirement	100% of active participants currently electing coverage	
16. Percent electing coverage beyond Medicare	85% of active participants currently electing coverage	
17. Spouse's age	Males are assumed to be three years older than their spouses	