Key Benefit Concepts, LLC

Oneida County

Accounting Report of Liabilities for Participants' Other Post Employment Benefits (OPEB)

Valuation as of December 31, 2016
Liabilities measured as of December 31, 2017

April 2018

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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. 74 (Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans) and Statement No. 75 (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. The County's post-employment benefits require compliance with the new GASB Statements for the fiscal year beginning 7/1/17; therefore, this valuation was performed and this report reflects compliance with these new statements.

Key Benefit Concepts, LLC (KBC) is an independent actuarial and employee benefits consulting firm providing actuarial services to clients who sponsor qualified retirement and other post-employment benefits. We maintain no relationships with any client that might impair the objectivity of our work. This valuation and report were prepared by KBC based upon:

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

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. Each material assumption is, in the actuaries' opinion, individually reasonable and falls within the best estimate range, taking into account past experience and reasonable future expectations, and is consistent with each other material assumption. Given that actual experience may vary from the actuarial assumptions projected, developing liabilities and costs may differ from those estimated in this report. Furthermore, in the event of any inaccuracies in the information or data provided, upon which these calculations were based, revisions may be needed.

This report was prepared solely for the purposes of providing information required by GASB for the entity's financial reporting. KBC assumes neither responsibility nor any liability for use of this report for any other purposes.

The valuation was prepared in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The actuaries certifying this valuation meet the qualifications of the American Academy of Actuaries required to provide the actuarial opinion detailed in this report. Their opinion and certification is provided in accordance with an agreement with Key Benefit Concepts, LLC.

Steven L. Diess, EA, MAAA | Elizabeth A. Moore, FSA, EA, MAAA

April 6, 2018

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. Our previous studies were performed in accordance with GASB Statements 43 and 45. These statements have been superseded with GASB Statements 74 & 75, which use different terminology. A comparison of the terminology used under each statement is as follows:

GASB Change in Terminology

OPEB GASB 43/45	OPEB GASB 74/75
• 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.	• Total OPEB Liability (TOL): The portion of the actuarial present value of projected benefit payments attributed to past periods of employee service also known as the accrued benefit. • Service Cost: The portion of the actuarial present value of benefits allocated to the valuation year. • Net OPEB Liability (NOL): The difference between the Total OPEB Liability and Plan Fiduciary Net Position. This amount may also be negative indicating the presence of a surplus of actuarial assets over TOL. • OPEB Expense: The expected cost of OPEB benefits attributed to the measurement period. • Actuarially Determined Contribution (ADC): The employer's annual contribution comprised of the service cost plus the portion of the net OPEB liability to be amortized in the valuation year.

County OPEBs

For Oneida County (the "County"), the other post-employment benefit liability consists of several interdependent pieces arising from the rules of the plan. The amounts paid by the County for continued health care for all classifications that are entitled to a benefit are briefly outlined below. A full description of the eligibilities and benefits for eligible classifications can be found in the OPEB Technical Appendix.

A. All County Employees:

   i. Retiring between the age of 55 and Medicare eligibility with less than 20 years of service with Oneida County and is receiving an annuity from WRS:

      (Implicit Rate Subsidy Only) Retirees may choose to remain on the County's group hospital and surgical insurance plan provided they pay the full (100%) amount of required premiums until Medicare eligibility.

   ii. Hired Prior to January 1, 2010: At least age 55 with a minimum of 20 years of service with Oneida County and applies to begin receiving an annuity from WRS:

      Retirees may remain on the County's group hospital and surgical insurance plan and the County will provide an amount equal to the single plan rate, which is modified by percentage of time worked. For those retiring with 25 years of service who were eligible as of December 31, 2010, the County will provide an additional $75 to be applied to the health plan premium cost of a single plus one or family plan. The contributions will continue for a specific number of years based upon when they're eligible to retire, ranging from 7-10 years or until Medicare eligibility, whichever occurs first.

Notes:

- *Retirees may continue their retiree health insurance coverage for an additional 36 months, provided they pay fifty percent of the monthly premium not to exceed a total of 10 years of coverage or Medicare eligibility).*
- *Those retiring on or before December 31, 2013, along with those eligible under the Grandfather Clause retiring after December 31, 2013, will be allowed to continue insurance coverage under Plans A, B or C. Plan A: Low deductible plan $250/ $500/ $500; Plan B: High Deductible Plan: $1,000/ $1,500/ $2,000 and Plan C: High Deductible Plan: $1,000/ $1,500/ $2,000 with office copays. (6 employees that qualify for Plan B, C or the Current Plan as of 12/31/17).*

B. Sheriff Protective and Non-Represented Protective Employees:

   i. Retiring between the age of 55 and Medicare eligibility with less than 20 years of service with Oneida County and is receiving an annuity from WRS:

      (Implicit Rate Subsidy Only) Retirees may choose to remain on the County's group hospital and surgical insurance plan provided they pay the full (100%) amount of required premiums until Medicare eligibility.

   ii. Hired Prior to January 1, 2011: At least age 53 with a minimum of 20 years of service with Oneida County and applies to begin receiving an annuity from WRS **OR** those actively employed on January 1, 2002 who qualify for early retirement under WRS with a minimum age of 50 and continuous years of service with Oneida County added together to total 80 (i.e. "Rule of 80"):

Retirees may remain on the County's group hospital and surgical insurance plan and the County will provide an amount equal to the single plan rate, which is modified by percentage of time worked. For those retiring with 25 years of service who were eligible as of December 31, 2011, the County will provide an additional $75 to be applied to the health plan premium cost of a single plus one or family plan. The contributions will continue for a specific number of years based upon when they're eligible to retire, ranging from 7-10 years or until Medicare eligibility, whichever occurs first.

Notes:

- *Retirees may continue their retiree health insurance coverage for an additional 36 months, provided they pay fifty percent of the monthly premium not to exceed a total of 10 years of coverage or Medicare eligibility).*

Notes:

- *Upon retirement, retirees may self-pay the full amount of required premiums to remain on the County's medical plan until Medicare Eligibility.*
- *If a retiree chooses to receive contributions to an HRA account instead of retiree health insurance, the amount that will be put in their HRA is equivalent to 100% of the single lowest cost plan (or plan B or C if eligible) the year of retirement up to 7 years or Medicare eligibility. This amount stays the same on an annual basis. The retiree is not eligible for the $75 per month payment for their spouse if them choose this option.*
- *Upon the retiree's death, maximum years of coverage or age 65, a retiree's spouse may continue on the County's medical plan provided they self-pay the full (100%) amount of required premiums for the duration of COBRA.*

In an OPEB valuation, the GASB guidelines require that the OPEB 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 County during the guaranteed period. This amount is determined and incorporated in the determined liability of the medical care benefit.

In addition, since GASB guidelines require the OPEB 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.

<u>Implicit Rate Subsidy</u> 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.

Note that the implicit rate subsidy is only applied when retirees are enrolled in the County's medical plan. It is not applied, however, when retirees participate in the County's dental and/or vision plans. Furthermore, when an individual becomes Medicare-eligible, their premium rates are adjusted, such that these adjusted rates represent the expected cost of coverage, and no implicit rate subsidy is calculated.

Of the active employees retiring with less than 20 years of service who are currently electing coverage, 20% were assumed to continue coverage in their retirement and self-pay the full (100%) required premiums until Medicare eligibility. Further, employees hired prior to age 43 who are eligible for County provided contributions were assumed to defer retirement until reaching 20 years of service with the County. Also, employees who fall under the Grandfather Clause were assumed to elect the Plan B medical option in their retirement. The liability incurred on behalf of the above assumptions was calculated and included in this valuation.

County OPEB Liability

Based upon the actuarial assumptions and projections described herein as determined by the census, benefit and premium data provided by the County, the OPEB liabilities measured as of December 31, 2017 are as follows:

Other Post Employment Liability			
1	Total OPEB Liability (TOL)	$	5,903,076
2	Fiduciary Net Position (FNP)	$	0
3	Net OPEB Liability (NOL)	$	5,903,076

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

Deferred Inflow and Outflow of Resources

This is the initial period in which GASB Statement 75 will be adopted; therefore, it was determined impractical, pursuant to paragraph 244 of GASB Statement 75, to determine deferred inflows or outflows of resources due to change in benefit terms, differences between expected and actual experience, or change of assumption or other input.

Amounts reported as deferred inflows and outflows will be recognized in the OPEB expense according to Table V.

Discussion of Valuation Methods and Assumptions

The valuation was based upon the data provided by the County. In performing this study, we utilized the premium rate history of the County's medical plan as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of December 31, 2016.

New GASB guidelines require that actuarial valuations of OPEB benefits use the entry-age normal actuarial method in the future. Since this OPEB valuation is based upon compliance with GASB Statement 75, this valuation was performed using the entry-age normal actuarial method for OPEB.

The valuation date is December 31, 2016 and measurement date is December 31, 2017. This valuation is eligible for reporting periods ending December 31, 2017 and December 31, 2018, though the accompanying exhibits are only valid for the reporting period ending December 31, 2017.

Actuarial assumptions are based upon an experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2012-2014. The projection of cash flows used to determine the single discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis. Based on these assumptions, the 20-year AA municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The assumptions are detailed in the OPEB Technical Appendix.

A discount rate of 3.50% was used in calculating the County's OPEB liabilities (based upon all projected payments discounted at a municipal bond rate of 3.50%). The discount rate is based on the Bond Buyer Go 20-Year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

Pay-As-You-Go (Table VIII)

GASB requires all public entities to identify and include their post-employment liability in their financial statements. However, at this time GASB does not require any public entity to fund this liability. Since many public entities currently provide for post-employment benefits on a pay-as-you-go basis, we have included OPEB Table VIII. This table illustrates, based upon the assumptions used in this valuation, the County's annual liability for retiree medical benefits on a pay-as-you-go basis.

The projections illustrated in OPEB Table VIII are for illustrative purposes and pertain only to the OPEB liabilities incurred from those eligible active and retired employees of the County as of December 31, 2016. In other words, it is based upon a closed valuation, such that no new hires are assumed to replace those future retirees expected to receive benefits as noted. The valuation is based upon numerous assumptions as detailed in the technical appendix. Due to these assumptions, the likelihood of actual costs equaling the stated projections decreases for each year projecting further into the future.

OPEB Tables

OPEB Table I

Oneida County

Projection of Total OPEB Liability

		Discount Rate		
		2.50%	**3.50%**	**4.50%**
Total OPEB liability	**12/31/2016**	**$ 6,393,028**	**$ 6,030,697**	**$ 5,682,393**
Service cost		259,684	220,143	185,938
Interest		156,159	205,249	247,448
Benefit Payments		(553,013)	(553,013)	(553,013)
Changes of benefit terms		-	-	-
Differences between expected and actual experience		-	-	-
Changes of assumptions or other input		-	-	-
Total OPEB liability,	**12/31/2017**	**$ 6,255,858**	**$ 5,903,076**	**$ 5,562,766**

OPEB Table II

Oneida County

Change in Total OPEB Liability

		Total OPEB Liability (a)
Balances at 12/31/2016	**$**	**6,030,697**
Changes for the year:		
Service Cost		220,143
Interest		205,249
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes of assumptions or other input		-
Benefit payments		(553,013)
Net Changes		**(127,621)**
Balances at 12/31/2017	**$**	**5,903,076**

OPEB Table III

Oneida County

Sensitivity of Total OPEB Liability to Changes in Discount Rate

		1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	**12/31/2017**	$ 6,255,858	$ 5,903,076	$ 5,562,766

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates

		1% Decrease (Year 1 Increases - 1%, then 6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (Actual Year 1 Increases, then 7.0% decreasing to 5.0%)	1% Increase (Year 1 Increases + 1%, then 8.0% decreasing to 6.0%)
Total OPEB Liability	**12/31/2017**	$ 5,366,756	$ 5,903,076	$ 6,516,754

OPEB Table IV

Oneida County

Schedule of Changes in Total OPEB Liability and Related Ratios

		2017
Total OPEB Liability		
Service Cost	$	220,143
Interest		205,249
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes of assumptions or other input		-
Benefit payments		(553,013)
Net change in total OPEB liability	**$**	**(127,621)**
Total OPEB liability - beginning		**6,030,697**
Total OPEB liability - ending	**$**	**5,903,076**
Covered payroll	$	11,661,071
Total OPEB liability as a percentage of covered payroll		**50.62%**

OPEB Table V

Oneida County

Schedule of Collective Deferred Inflows and Outflows

Gain/Loss	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ -
Changes of assumptions or other input	-	-
Total	**$ -**	**$ -**

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:"

Year ended December 31:	
2018	$ -
2019	-
2020	-
2021	-
2022	-
Thereafter	-

OPEB Table VI

Oneida County

Calculation of Collective OPEB Expense

Change in Net OPEB Liability	$	(127,621)
(Increase)/Decrease in Deferred Outflows		-
Increase/(Decrease) in Deferred Inflows		-
Benefit Payments		553,013
OPEB Expense	**$**	**425,392**
Operating Expenses		
Service Cost	$	220,143
Total (a)	$	220,143
Financing Expenses		
Interest	$	205,249
Total (b)	$	205,249
Changes		
Benefit changes	$	-
Recognition of assumption changes		-
Recognition of experience gains and losses		-
Total (c)	$	-
OPEB Expense (a + b + c)	**$**	**425,392**
OPEB Expense as % of Payroll		**3.65%**

OPEB Table VII

Oneida County

The major assumptions and methods used in this valuation are as follows:

1	Valuation Date	December 31, 2016	
2	Measurement Date	December 31, 2017	
3	Reporting Date	December 31, 2017	
4	Actuarial Cost Method	Entry Age Normal (level percent of salary)	
5	Medical Care Trend	Actual year 1 increases, followed by 7.00% decreasing by 0.50% to 6.50% in year 3, then by 0.10% per year down to 5.0%, and level thereafter	
6	Discount Rate*	3.50%	(based upon all years of projected payments discounted at a municipal bond rate of 3.50%)
7	Municipal Bond Rate Source	Bond Buyer 20-Bond Go Index	
8	Actuarial Assumptions	Based on an experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2012-14.	
9	Mortality Assumptions	Wisconsin 2012 Mortality Table	

* Implicit in this rate is an assumed rate of inflation of 2.50%

OPEB Table VIII

Oneida County

Pay As You Go

Projection of OPEB (30 Year Projection)

A	B	C	D	E	F
Fiscal Year Beginning	Retiree Plan Premiums	County Benefit Payments	County OPEB Liability **(C + E)**	Implicit Rate Subsidy	Cost → Value
2016	$ 510,267	$ 496,887	$ 552,021	$ 55,134	1.1080
2017	432,978	432,659	487,775	55,116	1.1273
2018	404,144	394,700	462,163	67,463	1.1669
2019	347,002	343,894	419,136	75,242	1.2168
2020	309,187	282,283	377,051	94,769	1.3065
2021	294,367	254,100	359,324	105,224	
2022	306,036	229,910	368,051	138,141	
2023	289,713	202,083	341,326	139,243	
2024	325,477	214,949	371,476	156,527	
2025	339,850	236,276	391,684	155,408	
2026	424,443	307,231	505,965	198,735	
2027	504,923	374,347	620,623	246,276	
2028	517,750	384,117	634,286	250,169	
2029	550,851	423,733	693,959	270,226	
2030	524,504	401,699	654,500	252,801	
2031	538,415	403,780	672,913	269,133	
2032	568,140	425,417	726,146	300,729	
2033	585,834	432,691	760,464	327,773	
2034	516,925	367,568	653,053	285,485	
2035	430,339	298,569	532,577	234,008	
2036	379,086	260,372	464,607	204,235	
2037	324,310	220,018	388,903	168,885	
2038	238,650	169,054	277,426	108,372	
2039	235,209	169,536	275,774	106,238	
2040	264,132	187,184	313,766	126,582	
2041	250,060	170,938	290,172	119,235	
2042	270,220	176,044	314,274	138,230	
2043	264,887	162,247	302,739	140,491	
2044	202,094	97,198	204,535	107,337	
2045	178,170	78,975	176,920	97,945	

OPEB Table IX

Oneida County

Active Employees as of December 31, 2016

Years of Service

Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 or more	Total
Under 20	-	-	-	-	-	-	-	-	-
20 - 24	14	-	-	-	-	-	-	-	14
25 - 29	17	3	-	-	-	-	-	-	20
30 - 34	20	5	2	-	-	-	-	-	27
35 - 39	11	6	3	-	-	-	-	-	20
40 - 44	15	5	3	10	-	-	-	-	33
45 - 49	8	6	4	7	10	4	-	-	39
50 - 54	16	6	5	10	8	2	1	-	48
55 - 59	8	9	6	10	1	-	1	-	35
60 - 64	5	6	3	4	2	3	2	1	26
65 and over	-	-	-	2	-	-	-	-	2
Total	114	46	26	43	21	9	4	1	**264**

Averages:

Age: **45.0**

Service: **9.1**

OPEB Table X

Oneida County

All Members by Medical Coverage as of December 31, 2016

	Actives						Retirees			
	Single	Family	Limited Family	Waived	None	Total	Single	Limited Family	Waived	Total
Sheriff Protective	5	21	5	1	-	**32**	3	3	3	**9**
Courthouse	22	20	37	14	1	**94**	6	3	3	**12**
Highway	3	7	4	3	-	**17**	11	2	-	**13**
Nurses	2	1	3	5	1	**12**	1	-	-	**1**
Social Workers	2	4	6	1	-	**13**	1	-	-	**1**
Sheriff Non-Protective	11	13	11	11	-	**46**	2	-	-	**2**
Elected	-	2	2	1	-	**5**	-	1	-	**1**
Non-Union	9	13	19	4	-	**45**	4	3	2	**9**
Totals	**54**	**81**	**87**	**40**	**2**	**264**	**28**	**12**	**8**	**48**

OPEB Table XI

Oneida County

Members by Eligibility as of December 31, 2016

	Actives			Retirees
	Fully Eligible	Not Fully Eligible	Total Eligible	Total Eligible
Sheriff Protective	-	31	**31**	**9**
Courthouse	21	62	**83**	**12**
Highway	2	13	**15**	**13**
Nurses	3	3	**6**	**1**
Social Workers	1	11	**12**	**1**
Sheriff Non-Protective	-	37	**37**	**2**
Elected	1	3	**4**	**1**
Non-Union	8	37	**45**	**9**
Totals	**36**	**197**	**233**	**48**

Full Eligibility is met if, as of December 31, 2016 , the member has met the age and service requirements as stated in the plan provi

OPEB Technical Appendix

Oneida County
Post-Employment Benefit Summary

All County Employees

Eligibility	OPEB
Retiring between the age of 55 and Medicare eligibility with less than 20 continuous years of service with Oneida County and is receiving an annuity from WRS	Medical Insurance: (***Implicit Rate Subsidy Only)*** Retirees may choose to remain on the County's group hospital and surgical insurance plan provided they pay the full (100%) amount of required premiums until Medicare eligibility.

Hired Prior to January 1, 2010

Eligibility	OPEB
At least 55 with a minimum of 20 continuous years of service with Oneida County and applies to begin receiving WRS	Medical Insurance: Retirees may remain on the County's group hospital and surgical insurance plan and the County will provide an amount equal to the single plan rate, which is modified by percentage of time worked. For those retiring with 25 years of service, the County will provide an amount equal to the single plan rate plus $75 to be applied to the health plan premium cost of a single plus one or family plan. The County's contributions will continue for a specific number of years based on retirement date as noted below or until Medicare eligibility; whichever occurs first.

Years of Service	Eligible to retire on or Before	Benefit will continue for
25 years	December 31, 2010	Up to 10 years and receive $75/mo towards spouse insurance if spouse covered with retiree insurance
20 years	December 31, 2010	Up to 10 years
	December 31, 2011	Up to 9 years
	December 31, 2012	Up to 8 years
	December 31, 2013 and thereafter	Up to 7 years

Notes:

- *Protective Occupation Participants will get 10 years of retiree health insurance coverage, provided they pay fifty percent of the premium for the last three years.*
- *Retirees have the option of carrying any plan coverage above and beyond the single plan, provided the employee pays the difference between the County's contribution and the cost of the selected plan coverage.*
- *Those retiring on or before December 31, 2013, along with those eligible under the Grandfather Clause retiring after December 31, 2013, will be allowed to continue insurance coverage under Plans A, B or C. Plan A: Low deductible plan $250/ $500/ $500; Plan B: High Deductible Plan: $1,000/ $1,500/ $2,000 and Plan C: High Deductible Plan: $1,000/ $1,500/ $2,000 with office copays. (6 employees that qualify for Plan B, C or the Current Plan as of 12/31/17).*
- *Those retiring after December 31, 2013 except those employees retiring after 12/31/13 who have been excluded due to the Grandfather Clause, shall be placed on the same group health insurance plan as active employees each year until Medicare eligibility.*

Sheriff Protective and Non-Represented Protective Employees

Eligibility	**OPEB**
Retiring between the age of 55 and Medicare eligibility with less than 20 continuous years of service with Oneida County and is receiving an annuity from WRS	Medical Insurance: (***Implicit Rate Subsidy Only)*** Retirees may choose to remain on the County's group hospital and surgical insurance plan provided they pay the full (100%) amount of required premiums until Medicare eligibility.

Hired Prior to January 1, 2011

Eligibility	**OPEB**
At least 53 with a minimum of 20 continuous years of service with Oneida County and applies to begin receiving WRS *Or* **Those actively employed on January 1, 2002:** who quality for early retirement under WRS and with a minimum age of 50 and continuous years of service with Oneida County meet the "Rule of 80"	Medical Insurance: Retirees may remain on the County's group hospital and surgical insurance plan and the County will provide an amount equal to the single plan rate, which is modified by percentage of time worked. For those retiring with 25 years of service, the County will provide an amount equal to the single plan rate plus $75 to be applied to the health plan premium cost of a single plus one or family plan. The County's contributions will continue for a specific number of years based on retirement date as noted below or until Medicare eligibility; whichever occurs first.

Years of Service	**Eligible to retire on or Before**	**Benefit will continue for**
25 years	December 31, 2011	Up to 10 years and receive $75/mo towards spouse insurance if spouse covered with retiree insurance
20 years	December 31, 2011	Up to 10 years
	December 31, 2012	Up to 9 years
	December 31, 2013	Up to 8 years
	December 31, 2014 and thereafter	Up to 7 years

Notes:

- *Retirees may continue their retiree health insurance coverage for an additional 36 months, provided they pay fifty percent of the monthly premium not to exceed a total of 10 years of coverage or Medicare eligibility).*
- *Retirees have the option of carrying any plan coverage above and beyond the single plan, provided the employee pays the difference between the County's contribution and the cost of the selected plan coverage.*
- *Those retiring on or before December 31, 2014 along with those eligible under the Grandfather Clause retiring after December 31, 2014, will be allowed to continue insurance coverage under Plans A, B or C. Plan A: Low deductible plan $250/ $500/ $500; Plan B: High Deductible Plan: $1,000/ $1,500/ $2,000 and Plan C: High Deductible Plan: $1,000/ $1,500/ $2,000 with office copays. (There are 0 employees that qualify for Plan A, B or C as of 12/31/17)*
- *Those retiring after December 31, 2014 except those employees retiring after 12/31/14 who have been excluded due to the Grandfather Clause, shall be placed on the same group health insurance plan as active employees each year until Medicare eligibility.*

Notes:

- *Upon retirement, retirees may self-pay the full amount of required premiums to remain on the County's medical plan until Medicare Eligibility.*

- *If a retiree chooses to receive contributions to an HRA account instead of retiree health insurance, the amount that will be put in their HRA is equivalent to 100% of the single lowest cost plan (or plan B or C if eligible) the year of retirement up to 7 years or Medicare eligibility. This amount stays the same on an annual basis. The retiree is not eligible for the $75 per month payment for their spouse if them choose this option.*

- *Upon the retiree's death, maximum years of coverage or age 65, a retiree's spouse may continue on the County's medical plan provided they self-pay the full (100%) amount of required premiums for the duration of COBRA.*

- *The County would like the obligations broken out by classification as follows:*

1	SH PROTECTIVE
2	COURTHOUSE
3	HIGHWAY
4	NURSES
5	SOCIAL WORKERS
6	SH NON PROTECTIVE
98	ELECTED
99	NON UNION

OPEB Actuarial Assumptions

1. Valuation Date	December 31, 2016
2. Measurement Date	December 31, 2017
3. Reporting Date	December 31, 2017
4. Actuarial Cost Method	Entry Age Normal – Level % of Salary: Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The normal cost is equal to the valuation salary multiplied by the present value of benefits divided by the present value of future salaries, measured as of the date of hire. The accrued liability is equal to the present value of projected benefits minus the present value of future normal costs, measured as of the valuation date.
5. Interest Rate	Discount rate for valuing liabilities – 3.75% Municipal bond rate – 3.75% Implicit in these rates is a 2.50% assumed rate of inflation
6. Asset Valuation Method	Market Value
7. Average of Expected Remaining Service Lives	8 years

8. Retirement Rates

Active participant retirement rates at sample ages:

General Pattern

	Normal		Early	
Age	Male	Female	Male	Female
55			9.0%	7.0%
56			9.0	7.0
57	18.0%	15.0%	4.8	5.0
58	18.0	15.0	5.8	6.0
59	18.0	15.0	6.5	6.0
60	18.0	15.0	8.5	8.5
61	18.0	15.0	8.5	8.5
62	25.0	25.0	16.0	16.0
63	30.0	25.0	17.0	16.0
64	25.0	25.0	17.0	16.0
65	100.0	100.0	100.0	100.0

Protective Pattern

	Normal & Early	
Age	Male	Female
50	6.0%	4.0%
51	7.0	4.0
52	9.0	5.0
53	23.0	17.0
54	19.0	25.0
55	19.0	21.0
56	19.0	27.0
57	19.0	30.0
58	18.0	30.0
59	16.0	30.0
60	20.0	26.0
61	20.0	15.0
62	22.0	20.0
63	26.0	40.0
64	17.0	40.0
65	100.0	100.0

No employees are assumed to retire prior to becoming eligible for benefits

9. Mortality Rates	Mortality rates at sample ages:

Age	Male	Female
20	0.000138	0.000079
25	0.000165	0.000088
30	0.000206	0.000118
35	0.000359	0.000210
40	0.000485	0.000298
45	0.000642	0.000466
50	0.000866	0.000690
55	0.002011	0.001221
60	0.002854	0.001755
65	0.004354	0.002683
70	0.007198	0.004555
75	0.012242	0.008257
80	0.022508	0.015445

10. Separation Rates	Select and ultimate termination rates at sample ages and years of service are shown below:

General

Age	Service	Male	Female
	0	16.8%	20.0%
	1	12.7	14.1
	2	9.0	11.0
	3	7.3	8.9
	4	7.0	8.5
	5	4.8	6.7
	6	4.3	5.6
	7	4.2	5.0
	8	3.4	4.7
	9	3.1	4.5
25	10 & over	2.5	4.5
30		2.5	4.3
35		2.4	3.5
40		2.1	2.7
45		1.8	2.2
50		1.5	1.9
55		1.5	1.8
60		1.5	1.8

Protective

Age	Service	Male	Female
	0	17.0%	4.0%
	1	8.0	3.5
	2	5.0	1.5
	3	4.3	1.3
	4	3.8	1.2
	5	3.1	1.1
	6	3.0	1.0
	7	2.9	0.9
	8	2.5	0.8
	9	2.2	0.7
25	10 & over	2.0	0.7
30		1.8	0.7
35		1.6	0.7
40		1.3	0.6
45		1.1	0.6
50		1.0	0.5
55		1.0	0.5
60		1.0	0.5

No separation rates are assumed after eligibility for retirement

11. Disablement Rates	Active participant disability rates at sample ages:

Age	General Male	General Female	Protective Male	Protective Female
20	0.01%	0.01%	0.01%	0.04%
25	0.01	0.01	0.01	0.04
30	0.01	0.02	0.01	0.04
35	0.01	0.03	0.02	0.04
40	0.03	0.04	0.02	0.06
45	0.06	0.06	0.03	0.11
50	0.13	0.09	0.06	0.64
55	0.24	0.16	0.87	0.48
60	0.43	0.23	1.46	0.14

12. Medical Trend (*Annual Increases*)

Year	Medical
1	Actual Inc.
2	7.0
3	6.5
4	6.4
5	6.3
6	6.2
7	6.1
8	6.0
9	5.9
10	5.8
11	5.7
12	5.6
13	5.5
14	5.4
15	5.3
16	5.2
17	5.1
18 & Over	5.0

<table>
<tr><td>13. Salary Merit Scale
(Annual Increases)</td><td>

Service	*General* Increase	*Protective* Increase
1	3.5%	4.8%
2	3.5	4.8
3	3.1	4.1
4	2.8	3.5
5	2.5	2.8
10	1.5	1.1
15	1.1	0.8
20	0.9	0.7
25	0.6	0.6
30	0.4	0.5

The assumed salary inflation of 3.0% per year is added to these merit increases to get the total assumed increase in salary
</td></tr>
</table>

14. Age Related Health Care Cost	2017 monthly medical premium rates under the County's plan were as follows:

Plan	Single	Limited	Family
Broad	$771.00	$1,420.00	$2,059.00
Aspirus	742.00	1,367.00	1,983.00
Plan A	1,219.00	2,242.00	3,254.00
Plan B	1,085.00	1,996.00	2,898.00
Plan C	1,020.00	1,880.00	2,725.00

2018 monthly medical premium rates under the County's plan were as follows:

Plan	Single	Limited	Family
Broad	$810.00	$1,491.00	$2,162.00
Aspirus	779.00	1,435.00	2,082.00
Plan A	1,317.00	2,421.00	3,514.00
Plan B	1,172.00	2,156.00	3,130.00
Plan C	1,102.00	2,030.00	2,943.00

Health care costs are assumed to increase each year of age separate from trend due to increased cost of older participants, as follows:

Age	Rate
Under 40	4.00%
40-44	3.75%
45-49	3.50%
50-54	3.00%
55-64	3.25%

15. Percent with Coverage at Retirement	100% of active employees eligible for County provided premium contributions retiring with 20 or more years of service and currently electing coverage. 20% of active employees retiring with less than 20 years of service and currently electing coverage.
16. Coverage Tier	40% of future covered retirees are assumed to cover a spouse in retirement
17. Spouses' Age	Males are assumed to be three years older than their spouses