

# Key Benefit Concepts, LLC

## Middleton Cross Plains Area School District



Accounting Report of Liabilities for Participants'  
Post Employment Benefits as of June 30, 2016

March 2017



This report, its text, charts, content and formatting are subject to copyright protection and are the exclusive property of Key Benefit Concepts, LLC.



## Table of Contents

Background and Certification	Page 2
Introduction	Page 3
District OPEBs	Page 3
Actively-Funded Benefit	Page 5
Supplemental Pension (Stipend) Benefit	Page 6
Actuarial Determined Contribution (ADC)	Page 6
District OPEB Liability	Page 6
Deferred Inflow and Outflow of Resources	Page 6
Discussion of Valuation Methods and Assumptions	Page 7
Pay-As-You-Go (Table IX)	Page 7
OPEB Tables	
OPEB Technical Appendix	

## 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 District's post employment benefits require compliance with the new GASB Statements for the fiscal year beginning 7/1/16; 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 District agreements, as outlined herein
- The accuracy and completeness of information and data provided by the District.

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

March 21, 2017

## 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:

OPEB GASB 43/45	OPEB GASB 74/75
<ul style="list-style-type: none"> <li>• <u>Actuarial Accrued Liability (AAL)</u>: The portion of the actuarial present value of benefits allocated to all periods prior to the valuation date also known as the accrued benefit.</li> <li>• <u>Normal Cost (NC)</u>: The portion of the actuarial present value of benefits allocated to the valuation year.</li> <li>• <u>Unfunded Actuarial Accrued Liability (UAAL)</u>: 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.</li> <li>• <u>Annual Required Contribution (ARC)</u>: 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.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Total OPEB Liability (TOL)</u>: The portion of the actuarial present value of projected benefit payments attributed to past periods of employee service also known as the accrued benefit.</li> <li>• <u>Service Cost</u>: The portion of the actuarial present value of benefits allocated to the valuation year.</li> <li>• <u>Net OPEB Liability (NOL)</u>: 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.</li> <li>• <u>OPEB Expense</u>: The expected cost of OPEB benefits attributed to the measurement period.</li> <li>• <u>Actuarially Determined Contribution</u>: 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.</li> </ul>

## District OPEBs

For the Middleton-Cross Plains Area School District (the "District"), the other post employment benefit liability consists of several interdependent pieces arising from the rules of the plan. The amounts paid by the District 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. District Administrator: At least age 55 with a minimum of 5 years of service:

Eligible retiree will receive a fully paid dental benefit for a period of up to 10 years but not to exceed Medicare-eligibility.

**Note:** *District Administrators that retired prior to July 1, 2013 receive HRA contributions as previously defined.*

B. All Other Administrators: At least age 55 with a minimum of 5 years of service:

Eligible retirees who carry the District insurance plans at the time of retirement will receive contributions to a Premium Only HRA of up to \$120,000 (paid in 7 annual equal installments). Funds may be used to remain on District's Plan or with an outside provider. Benefits will cease if the Administrator exhausts the funds, at Medicare-eligibility or death.

**Note:** *All Other Administrators that retired prior to July 1, 2013 receive HRA contributions as previously defined.*

C. Supervisory Personnel: Effective as of July 1, 2013, At least age 55 with a minimum of 10 years of service:

Eligible retirees who carry the District insurance plans at the time of retirement will receive a premium only HRA of up to \$120,000 (up to \$92,000 for those hired on or after January 1, 2006), paid in 7 annual equal installments. Funds may be used to remain on District's or with an outside provider. Benefits will cease upon exhaustion of funds, at Medicare-eligibility or death.

**Note:** *Supervisory Personnel that retired prior to July 1, 2013 receive HRA contributions as previously defined.*

D. Teachers: At least age 55 with a minimum of 15 years of service:

Eligible retirees who carry the District insurance plans at the time of retirement will receive a premium only HRA of up to \$92,000 (paid in 7 annual equal installments). Funds may be used to remain on District's Plan only for the duration of COBRA or with an outside provider. Benefits will cease upon exhaustion of funds, at Medicare-eligibility or death.

**Note:** *Teachers that retired prior to July 1, 2013 receive HRA contributions as previously defined.*

**Notes:**

- *Assistant Superintendents for Business Services & Educational Services that retired prior to July 1, 2013 receive HRA contributions as previously defined.*
- *Support Staff retired prior to July 1, 2013 received continued health insurance coverage only.*

In a standard OPEB valuation, the GASB guidelines require that the OPEB 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 District 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 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 OPEB liability.

Note that the implicit rate subsidy is only applied when retirees are enrolled in the District's medical plans. It is not applied, however, when retirees participate in the District's dental plan. 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.

Based upon recent retiree experience, it was assumed that 80% of all active employees eligible for post-employment premium-only HRA contributions and currently participating on the District's group medical plan would continue coverage upon retirement for the duration of COBRA. Thereafter, the retirees were assumed to use their premium-only HRA contributions for eligible expenses not affiliated with the District. The liability incurred on behalf of this assumption was calculated and include in this valuation.

**Actively-Funded Benefit**

The District provides a Premium Only HRA to the District Administrator and Assistant Superintendent which is funded during active years of service to be used by the employee once they retired from the District. The District Administrator shall receive a benefit equal to \$160,000 and the Assistant Superintendent shall receive a benefit equal to \$140,000.

This benefit is funded annually (in the year earned) into an irrevocable account identified by individual. Thus, the benefit is considered an actively- funded benefit and was not included in this OPEB post-employment valuation.

### **Supplemental Pension (Stipend) Benefit**

Certain active employees are eligible for a cash or cash-equivalent benefit upon retirement. GASB has identified such post-employment benefits as a pension benefit rather than an OPEB. Valuation of stipend benefits was provided in a separate report.

### **Actuarial Determined Contribution (ADC)**

Since this valuation is based upon a measurement period 12 months prior to the reporting period, the ADC shown in Table VII was determined in the prior valuation using a 20-year amortization period and the level dollar amortization method.

An amortization schedule is provided based upon the District's Net OPEB Liability measured as of June 30, 2016 so that the District is able to direct the amortization period and method to use in future reporting periods ending June 30, 2017 and June 30, 2018.

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). Since 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 Percent Amortization Method – Amortization payments are calculated so that they increase at a constant percentage over a given number of years. The dollar amount of the payments generally will increase over time due to inflation; however the percentage increases in these payments can be expected to remain level.

### **District OPEB Liability**

Based upon the actuarial assumptions and projections described herein as determined by the census, benefit and premium data provided by the District, the OPEB liabilities as of June 30, 2016 are as follows:

<b>Other Post Employment Liability</b>			
<b>1</b>	Total OPEB Liability (TOL)	\$	12,873,532
<b>2</b>	Fiduciary Net Position (FNP)	\$	5,154,822
<b>3</b>	Net OPEB Liability (NOL)	\$	7,718,710

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.

District contributions subsequent to the measurement date will be recognized as a deferred outflow of resources and a reduction in the Net OPEB Liability in the year

ended June 30, 2017. Other 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 District. In performing this study we utilized the premium rate history of the District'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 June 30, 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 early compliance with GASB Statements 74 and 75, this valuation was performed using the entry-age normal actuarial method for OPEB.

The valuation date and measurement date are June 30, 2016. This valuation is eligible for reporting periods ending June 30, 2017 and June 30, 2018, though the accompanying exhibits are only valid for the reporting period ending June 30, 2017.

Actuarial assumptions are based upon an experience study conducted in 2012 using Wisconsin Retirement System (WRS) experience from 2009-2011. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments 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 3.00% was used in calculating the District's OPEB liabilities (based upon all projected payments discounted at a long-term expected rate of return of 3.00%).

### **Pay-As-You-Go (Table IX)**

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 districts currently provide for post-employment benefits on a pay-as-you-go basis, we have included OPEB Table IX. This table illustrates, based upon the assumptions used in this valuation, the District's annual liability for retiree medical benefits on a pay-as-you-go basis.

The projections illustrated in OPEB Table IX are for illustrative purposes and pertain only to the OPEB liabilities incurred from those eligible active and retired employees of the District as of June 30, 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

Middleton-Cross Plains Area School District  
Projection of Total OPEB Liability

		Discount Rate		
		2.00%	3.00%	4.00%
<b>Total OPEB liability</b>	<b>6/30/2015</b>	<b>\$ 13,981,457</b>	<b>\$ 13,368,417</b>	<b>\$ 12,772,179</b>
<b>Service cost</b>		834,971	726,626	630,122
<b>Interest</b>		271,886	387,812	491,303
<b>Benefit Payments</b>		(1,609,323)	(1,609,323)	(1,609,323)
<b>Changes of benefit terms</b>		-	-	-
<b>Differences between expected and actual experience</b>		-	-	-
<b>Changes of assumptions or other input</b>		-	-	-
<b>Total OPEB liability,</b>	<b>6/30/2016</b>	<b>\$ 13,478,991</b>	<b>\$ 12,873,532</b>	<b>\$ 12,284,281</b>

## OPEB Table II

Middleton-Cross Plains Area School District  
Change in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balances at 6/30/2015</b>	\$ 13,368,417	\$ 5,294,395	\$ 8,074,022
<b>Changes for the year:</b>			
Service Cost	726,626		726,626
Interest	387,812		387,812
Changes of benefit terms	-		-
Differences between expected and actual experience	-		-
Changes of assumptions or other input	-		-
Contributions - Employer		1,507,726	(1,507,726)
Net investment income		959	(959)
Benefit payments	(1,609,323)	(1,609,323)	-
Administrative expense		(38,935)	38,935
<b>Net Changes</b>	<b>(494,885)</b>	<b>(139,573)</b>	<b>(355,312)</b>
<b>Balances at 6/30/2016</b>	<b>\$ 12,873,532</b>	<b>\$ 5,154,822</b>	<b>\$ 7,718,710</b>

## OPEB Table III

**Middleton-Cross Plains Area School District**  
Sensitivity of Net OPEB Liability to Changes in Discount Rate

	<b>1% Decrease 2.00%</b>	<b>Current Discount Rate 3.00%</b>	<b>1% Increase 4.00%</b>
Total OPEB Liability	\$ 13,478,991	\$ 12,873,532	\$ 12,284,281
Fiduciary Net Position	<u>5,154,822</u>	<u>5,154,822</u>	<u>5,154,822</u>
Net OPEB Liability	<b>6/30/2016</b> <u><u>\$ 8,324,169</u></u>	<u><u>\$ 7,718,710</u></u>	<u><u>\$ 7,129,459</u></u>

## Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rates

	<b>1% Decrease (6.5% decreasing to 4.0%)</b>	<b>Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)</b>	<b>1% Increase (8.5% decreasing to 6.0%)</b>
Total OPEB Liability	\$ 12,724,037	\$ 12,873,531	\$ 13,043,348
Fiduciary Net Position	<u>5,154,822</u>	<u>5,154,822</u>	<u>5,154,822</u>
Net OPEB Liability	<b>6/30/2016</b> <u><u>\$ 7,569,215</u></u>	<u><u>\$ 7,718,709</u></u>	<u><u>\$ 7,888,526</u></u>

## OPEB Table IV

**Middleton-Cross Plains Area School District**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**

	<u>2016</u>
<b><u>Total OPEB Liability</u></b>	
Service Cost	\$ 726,626
Interest	387,812
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	-
Benefit payments	(1,609,323)
<b>Net change in total OPEB liability</b>	<b>\$ (494,885)</b>
<b>Total OPEB liability - beginning</b>	<b>13,368,417</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 12,873,532</b>
 <b><u>Fiduciary Net Position</u></b>	
Contributions - Employer	\$ 1,507,726
Net investment income	959
Benefit payments	(1,609,323)
Administrative expense	(38,935)
<b>Net change in fiduciary net position</b>	<b>\$ (139,573)</b>
<b>Fiduciary net position - beginning</b>	<b>5,294,395</b>
<b>Fiduciary net position - ending (b)</b>	<b>\$ 5,154,822</b>
 <b><u>Net OPEB Liability</u></b>	
<b>Net OPEB liability -- ending (a) - (b)</b>	<b>\$ 7,718,710</b>
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	<b>40.04%</b>
 <b>Covered payroll</b>	<b>\$ 36,375,293</b>
<b>Net OPEB liability as a percentage of covered payroll</b>	<b>21.22%</b>

## OPEB Table V

**Middleton-Cross Plains Area School District**  
 Schedule of Collective Deferred Inflows and Outflows

<b>Gain/Loss</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other input	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
District contributions subsequent to the measurement date	TBD	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

Deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2017	\$ -
2018	-
2019	-
2020	-
2021	-
Thereafter	-

## OPEB Table VI

**Middleton-Cross Plains Area School District**  
Calculation of Collective OPEB Expense

Change in Net OPEB Liability	\$	(355,312)
(Increase)/Decrease in Deferred Outflows		-
Increase/(Decrease) in Deferred Inflows		-
Contributions - Employer		1,507,726
<b>OPEB Expense</b>	<b>\$</b>	<b>1,152,414</b>
<hr/>		
<b>Operating Expenses</b>		
Service Cost	\$	726,626
Contributions - Employee		-
Administrative expenses		38,935
<b>Total (a)</b>	<b>\$</b>	<b>765,561</b>
<b>Financing Expenses</b>		
Interest	\$	387,812
Actual return on assets		(959)
<b>Total (b)</b>	<b>\$</b>	<b>386,853</b>
<b>Changes</b>		
Benefit changes	\$	-
Recognition of assumption changes		-
Recognition of experience gains and losses		-
Recognition of investment gains and losses		-
<b>Total (c)</b>	<b>\$</b>	<b>-</b>
<b>OPEB Expense (a + b + c)</b>	<b>\$</b>	<b>1,152,414</b>
<b>OPEB Expense as % of Payroll</b>		<b>3.17%</b>

OPEB Table VII

Middleton-Cross Plains Area School District  
 Schedule of Employer Contributions  
 Last 10 Fiscal Years

	<b>2016</b>
Actuarially Determined Contribution (ADC)	\$ 1,507,726
Contributions in Relation to the ADC	1,507,726
Contribution Deficiency/(Excess)	\$ -
Covered-Employee Payroll	\$ 36,375,293
Contributions as a percentage of Covered-Employee Payroll	4.14%

**Key Methods and Assumption Used to Calculate ADC**

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Amortization method	20 year Level \$
Discount rate	5.50%
Amortization growth rate	3.00%
Inflation	3.00%



## OPEB Table VIII

## Middleton-Cross Plains Area School District

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

<b>1</b>	Valuation Date	June 30, 2016
<b>2</b>	Measurement Date	June 30, 2016
<b>3</b>	Reporting Date	June 30, 2017
<b>4</b>	Actuarial Cost Method	Entry Age Normal (level percent of salary)
<b>5</b>	Medical Care Trend	7.50% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter
<b>6</b>	Discount Rate	3.00% (based upon all years of projected payments discounted at a 3.00% long-term expected rate of return)

## OPEB Table IX

Middleton-Cross Plains Area School District  
Pay As You Go  
Projection of OPEB (30 Year Projection)

A	B	C	D	E	F
Fiscal Year Beginning	Retiree Plan Premiums	District Benefit Payments	District OPEB Liability (C + E)	Implicit Rate Subsidy	Cost → Value
2016	\$ 761,534	\$ 1,166,909	\$ 1,523,219	\$ 356,310	1.4679
2017	633,115	1,114,597	1,403,648	289,051	1.4566
2018	546,160	1,042,385	1,291,332	248,947	1.4558
2019	432,005	997,606	1,188,824	191,218	1.4426
2020	328,850	832,869	971,451	138,583	1.4214
2021	268,110	716,938	818,876	101,938	
2022	263,106	674,038	768,108	94,070	
2023	276,100	695,699	794,809	99,111	
2024	305,494	780,663	892,565	111,902	
2025	346,442	862,222	980,304	118,082	
2026	360,136	902,598	1,030,204	127,606	
2027	376,587	973,047	1,111,097	138,051	
2028	414,321	1,032,856	1,186,358	153,502	
2029	456,277	1,082,413	1,254,220	171,807	
2030	493,136	1,123,822	1,315,232	191,411	
2031	495,374	1,111,220	1,312,650	201,430	
2032	499,352	1,138,707	1,342,676	203,969	
2033	511,573	1,143,280	1,355,577	212,297	
2034	522,402	1,121,322	1,333,915	212,593	
2035	536,877	1,034,150	1,246,685	212,535	
2036	535,535	1,003,924	1,220,867	216,943	
2037	522,568	1,004,333	1,221,430	217,098	
2038	503,923	939,845	1,152,309	212,464	
2039	488,739	901,791	1,105,342	203,551	
2040	505,966	875,038	1,083,604	208,566	
2041	527,606	860,253	1,078,473	218,220	
2042	542,185	809,672	1,034,186	224,514	
2043	604,810	797,577	1,040,759	243,183	
2044	692,514	785,759	1,054,917	269,159	
2045	748,890	803,308	1,095,547	292,239	

OPEB Table X

Middleton-Cross Plains Area School District  
Active Employees as of June 30, 2016

Age	Years of Service								Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 or more	
Under 20	-	-	-	-	-	-	-	-	-
20 - 24	36	2	-	-	-	-	-	-	38
25 - 29	101	8	1	-	-	-	-	-	110
30 - 34	72	34	1	-	-	-	-	-	107
35 - 39	56	31	26	12	-	-	-	-	125
40 - 44	38	20	26	31	2	-	-	-	117
45 - 49	39	20	34	31	24	7	-	-	155
50 - 54	22	16	19	24	23	22	-	-	126
55 - 59	10	10	18	18	17	8	2	1	84
60 - 64	7	5	16	9	9	4	2	3	55
65 and over	1	3	2	1	4	1	2	3	17
Total	382	149	143	126	79	42	6	7	934

**Averages:**  
**Age: 42.8**  
**Service: 9.3**

## OPEB Table XI

Middleton-Cross Plains Area School District  
All Members by Medical Coverage as of June 30, 2016

	Actives				Retirees			
	Single	Family	Waived	Total	Single	Family	Waived	Total
<i>Administrators</i>	2	24	1	<b>27</b>	1	5	1	<b>7</b>
<i>Teachers</i>	125	373	84	<b>582</b>	18	35	50	<b>103</b>
<i>Support Staff</i>	58	178	66	<b>302</b>	10	5	2	<b>17</b>
<i>Supervisory Personnel</i>	5	17	1	<b>23</b>	-	1	3	<b>4</b>
<b>Totals</b>	<b>190</b>	<b>592</b>	<b>152</b>	<b>934</b>	<b>29</b>	<b>46</b>	<b>56</b>	<b>131</b>

**Notes:**

1) Retirees listed under 'Waived' are receiving HRA and/or stipend payments and are not participating in the District's group medical plan.

## OPEB Table XII

**Middleton-Cross Plains Area School District**  
Members by Eligibility as of June 30, 2016

	<b>Actives</b>			<b>Retirees</b>
	Fully Eligible	Not Fully Eligible	Total Eligible	Total Eligible
<i>Administrators</i>	2	24	<b>26</b>	<b>6</b>
<i>Teachers</i>	32	550	<b>582</b>	<b>99</b>
<i>Support Staff</i>	-	-	-	<b>15</b>
<i>Supervisory Personnel</i>	3	20	<b>23</b>	<b>3</b>
<b>Totals</b>	<b>37</b>	<b>594</b>	<b>631</b>	<b>123</b>

Full Eligibility is met if, as of June 30, 2016, the member has met the age and service requirements as stated in the plan provisions

# OPEB Technical Appendix

## Middleton-Cross Plains Area School District Post-Employment Benefit Summary

**District Administrators, Assistant Superintendent for Business Services, Assistant Superintendent for Educational Services, All Other Administrators, Supervisory Personnel, and Teachers - All retired prior to 7/1/13**

- HRA contributions and Stipend benefits as previously defined.

**Support Staff Retired prior to 7/1/13**

- Continued health insurance coverage only

**Assistant Superintendent for Business Services**

- Continued dental insurance coverage for a period of 10 years or Medicare eligibility and annual 403(b) contributions for a period of 3 years.

**District Administrator – Retired June 30, 2016**

- Continued dental insurance coverage for a period of 10 years or Medicare eligibility and annual 403(b) contributions for a period of 3 years.

**District Administrator**

Eligibility	OPEB							
At least age 55 with a minimum of 5 years of service	<p><u>Dental Insurance:</u> The District will pay the full (100%) dental premiums on behalf of the retiree for a period of up to 10 years (benefit ends upon Medicare eligibility).</p>							
	<p><b>Actively Funded Benefit (Not included in post employment valuation)</b></p>							
	<p><u>Premium Only HRA Contributions:</u> Eligible Administrator received an HRA POP Retiree Only Benefit equal to \$160,000 (<i>already paid</i>)</p> <p>District Administrator was fully vested in this account at the time the deposit was made.</p>							
	<p><b>Non-OPEB: Supplemental Pension</b></p> <p><u>Non-Elective Post-Employment 403(b) Employer Contribution Plan:</u> The District shall provide the retired District Administrator with an annual stipend for the initial 3 years of retirement. The annual amount of the stipend is based upon the year of retirement:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Year of Retirement</th> <th style="text-align: center;">Percentage Factor of final year's salary</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2016 - 17</td> <td style="text-align: center;">22%</td> </tr> <tr> <td style="text-align: center;">2017 - 18</td> <td style="text-align: center;">25%</td> </tr> <tr> <td style="text-align: center;">2018 - 19</td> <td style="text-align: center;">28%</td> </tr> </tbody> </table> <p>In the event of the retiree's death prior to the exhaustion of this benefit, the surviving spouse or estate will receive the remaining deposit amounts in a lump sum to the account no later than the end of the month when the death occurred or immediately thereafter to the maximum extent permitted by the Internal Revenue Code and applicable regulations. This final TSA contribution shall be the final non-elective post-retirement contribution to the decedent's TSA account. No remaining contributions shall be paid to a surviving spouse or beneficiary of the decedent.</p>	Year of Retirement	Percentage Factor of final year's salary	2016 - 17	22%	2017 - 18	25%	2018 - 19
Year of Retirement	Percentage Factor of final year's salary							
2016 - 17	22%							
2017 - 18	25%							
2018 - 19	28%							

**Assistant Superintendent**

Eligibility	Actively-Funded Benefit (Not included in post employment valuation)				
Upon retirement	<p><u>Premium-Only HRA Contributions:</u> Eligible retirees who carry the District insurance plans at the time of retirement will receive contributions to a Premium Only HRA of up to \$140,000 (paid in 7 annual equal installments) subject to the limits below.</p> <p>All contributions toward benefits listed above will cease at the first of the following three thresholds:</p> <ol style="list-style-type: none"> <li>1. The Administrator exhausts the benefit as it has been described above.</li> <li>2. The Administrator reaches Medicare eligibility</li> <li>3. The Administrator dies</li> </ol> <p><b>Non-OPEB: Supplemental Pension</b></p> <p><u>Non-Elective Post-Employment 403(b) Employer Contribution Plan:</u> The District shall provide the retired Assistant Superintendent with an annual stipend for the initial 3 years of retirement. The annual amount of the stipend is based upon the year of retirement:</p> <table border="1" data-bbox="769 852 1206 999"> <thead> <tr> <th data-bbox="769 852 938 930"><i>Year of Retirement</i></th> <th data-bbox="938 852 1206 930"><i>Percentage Factor of final year's salary</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="769 930 938 999">2016-17 &amp; beyond</td> <td data-bbox="938 930 1206 999">18%</td> </tr> </tbody> </table> <p>In the event of the retiree's death prior to the exhaustion of this benefit, the surviving spouse or estate will receive the remaining deposit amounts in a lump sum to the account no later than the end of the month when the death occurred or immediately thereafter to the maximum extent permitted by the Internal Revenue Code and applicable regulations. This final TSA contribution shall be the final non-elective post-retirement contribution to the decedent's TSA account. No remaining contributions shall be paid to a surviving spouse or beneficiary of the decedent.</p>	<i>Year of Retirement</i>	<i>Percentage Factor of final year's salary</i>	2016-17 & beyond	18%
<i>Year of Retirement</i>	<i>Percentage Factor of final year's salary</i>				
2016-17 & beyond	18%				



**All Other Administrators**

Eligibility	OPEB							
<p>At least age 55 with a minimum of 5 years of service</p>	<p><u>Premium-Only HRA Contributions:</u> Eligible retirees who carry the District insurance plans at the time of retirement will receive contributions to a Premium Only HRA of up to \$120,000 (paid in 7 annual equal installments) subject to the limits below. These funds may be used to remain on the District’s medical plan or with an outside provider.</p> <p>All contributions toward benefits listed above will cease at the first of the following three thresholds:</p> <ol style="list-style-type: none"> <li>1. The Administrator exhausts the benefit as it has been described above.</li> <li>2. The Administrator reaches Medicare eligibility</li> <li>3. The Administrator dies</li> </ol>							
	<p><b>Non-OPEB: Supplemental Pension</b></p> <p><u>Stipend:</u> The District shall provide the retiree with an annual stipend for the initial 3 years of retirement. The annual amount of the stipend is based upon the retiree’s highest annual salary multiplied by a factor as determined below:</p> <table border="1" data-bbox="743 806 1232 1024"> <thead> <tr> <th><i>Years of Service</i></th> <th><i>Percentage Factor</i></th> </tr> </thead> <tbody> <tr> <td>5-9 years</td> <td>9%</td> </tr> <tr> <td>10-14 years</td> <td>14%</td> </tr> <tr> <td>15 or more years</td> <td>17%</td> </tr> </tbody> </table> <p>In the event of the retiree’s death prior to the exhaustion of this benefit, the surviving spouse will receive the remaining amount in a lump sum.</p>	<i>Years of Service</i>	<i>Percentage Factor</i>	5-9 years	9%	10-14 years	14%	15 or more years
<i>Years of Service</i>	<i>Percentage Factor</i>							
5-9 years	9%							
10-14 years	14%							
15 or more years	17%							

### Supervisory Personnel

<b>Effective as of July 1, 2013</b>	
<b>Eligibility</b>	<b>OPEB</b>
At least age 55 with a minimum of 10 years of service	<b>Hired Prior to January 1, 2006</b>
	<u>Premium Only HRA Contributions:</u> Eligible retirees will receive a premium only HRA of up to \$120,000 (paid in 7 annual equal installments) subject to the limits below to be used towards eligible expenses till their exhaustion. These funds may be used to remain on the District's medical plan or with an outside provider.
	<b>Hired On or After January 1, 2006</b>
	<u>Premium Only HRA Contributions:</u> Eligible retirees who carry the District insurance plans at the time of retirement will receive a premium only HRA of up to \$92,000 (paid in 7 annual equal installments) subject to the limits below to be used towards eligible expenses till their exhaustion. These funds may be used to remain on the District's medical plan or with an outside provider.
	All contributions toward benefits listed above will cease at the first of the following three thresholds: <ol style="list-style-type: none"> <li>1. The Supervisor exhausts the benefit as it has been described above.</li> <li>2. The Supervisor reaches Medicare eligibility</li> <li>3. The Supervisor dies</li> </ol>
	<b>Non-OPEB: Supplemental Pension</b>
	<u>Stipend:</u> The District shall provide the retiree with an annual stipend of \$10,000 for the initial 3 years of retirement or until death of the retiree, whichever should come first.
<b>Note:</b> All retirees that meet the eligibility requirement are eligible for the stipend benefit regardless of their hire date.	

### Teachers

<b>Eligibility</b>	<b>OPEB</b>
At least age 55 with a minimum of 15 years of service	<u>Premium Only HRA Contributions:</u> Eligible retirees who carry the District insurance plans at the time of retirement will receive a premium only HRA of up to \$92,000 (paid in 7 annual equal installments) subject to the limits below to be used towards eligible expenses until their exhaustion. This benefit is prorated for those that are part time. These funds may be used to remain on the District's medical plan or with an outside provider.
	All contributions toward benefits listed above will cease at the first of the following three thresholds: <ol style="list-style-type: none"> <li>4. The Teacher exhausts the benefit as it has been described above.</li> <li>5. The Teacher reaches Medicare eligibility</li> <li>6. The Teacher dies</li> </ol>
	<b>Non-OPEB: Supplemental Pension</b>
	<u>Stipend:</u> The District shall provide the retiree with an annual stipend of \$10,000 for the initial 3 years of retirement or until death of the retiree, whichever should come first.

**Support Staff (Custodial & Maintenance, Food Service, Para Educators, Professional Services Support Personnel (PSSP), Transportation**

Eligibility	Non-OPEB: Supplemental Pension								
<p>At least age 57 with a minimum of 15 years of service</p>	<p><u>TSA Contributions:</u> Eligible full time retirees (8 hours per day) will receive a one-time lump-sum contribution into a TSA at the level referenced below into a Special Pay Plan.</p> <table border="1" data-bbox="711 436 1268 632"> <thead> <tr> <th data-bbox="711 436 1008 491"><i>Years of Service</i></th> <th data-bbox="1008 436 1268 491"><i>Contribution Amount</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="711 491 1008 541">15-19 years</td> <td data-bbox="1008 491 1268 541">\$10,500</td> </tr> <tr> <td data-bbox="711 541 1008 592">20-24 years</td> <td data-bbox="1008 541 1268 592">\$12,000</td> </tr> <tr> <td data-bbox="711 592 1008 632">25 or more years</td> <td data-bbox="1008 592 1268 632">\$13,500</td> </tr> </tbody> </table> <p>Contribution amounts will be prorated further based upon FTE.</p>	<i>Years of Service</i>	<i>Contribution Amount</i>	15-19 years	\$10,500	20-24 years	\$12,000	25 or more years	\$13,500
<i>Years of Service</i>	<i>Contribution Amount</i>								
15-19 years	\$10,500								
20-24 years	\$12,000								
25 or more years	\$13,500								

**OPEB Actuarial Assumptions**

1. Valuation Date	June 30, 2016
2. Measurement Date	June 30, 2016
3. Reporting Date	June 30, 2017
4. Actuarial Cost Method	<u>Entry Age Normal – Level % of Salary</u> : 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 – 3.00% Interest rate on plan assets – 3.00%  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	14 years

8. Retirement Rates	<p><i>Early Retirement</i></p> <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td>55</td><td>12.0%</td><td>11.0%</td></tr> <tr><td>56</td><td>12.0</td><td>11.0</td></tr> <tr><td>57</td><td>12.0</td><td>11.0</td></tr> <tr><td>58</td><td>12.0</td><td>11.0</td></tr> <tr><td>59</td><td>12.0</td><td>11.0</td></tr> <tr><td>60</td><td>12.0</td><td>15.0</td></tr> <tr><td>61</td><td>12.0</td><td>15.0</td></tr> <tr><td>62</td><td>20.0</td><td>20.0</td></tr> <tr><td>63</td><td>20.0</td><td>20.0</td></tr> <tr><td>64</td><td>20.0</td><td>20.0</td></tr> <tr><td>65</td><td>100.0</td><td>100.0</td></tr> </tbody> </table> <p><i>Regular Retirement (30 or more years of service)</i></p> <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td>57</td><td>40%</td><td>27%</td></tr> <tr><td>58</td><td>35</td><td>27</td></tr> <tr><td>59</td><td>25</td><td>27</td></tr> <tr><td>60</td><td>28</td><td>27</td></tr> <tr><td>61</td><td>25</td><td>27</td></tr> <tr><td>62</td><td>36</td><td>34</td></tr> <tr><td>63</td><td>32</td><td>27</td></tr> <tr><td>64</td><td>24</td><td>23</td></tr> <tr><td>65</td><td>100</td><td>100</td></tr> </tbody> </table> <p>No employees are assumed to retire prior to becoming eligible for benefits</p>	<u>Age</u>	<u>Male</u>	<u>Female</u>	55	12.0%	11.0%	56	12.0	11.0	57	12.0	11.0	58	12.0	11.0	59	12.0	11.0	60	12.0	15.0	61	12.0	15.0	62	20.0	20.0	63	20.0	20.0	64	20.0	20.0	65	100.0	100.0	<u>Age</u>	<u>Male</u>	<u>Female</u>	57	40%	27%	58	35	27	59	25	27	60	28	27	61	25	27	62	36	34	63	32	27	64	24	23	65	100	100
<u>Age</u>	<u>Male</u>	<u>Female</u>																																																																	
55	12.0%	11.0%																																																																	
56	12.0	11.0																																																																	
57	12.0	11.0																																																																	
58	12.0	11.0																																																																	
59	12.0	11.0																																																																	
60	12.0	15.0																																																																	
61	12.0	15.0																																																																	
62	20.0	20.0																																																																	
63	20.0	20.0																																																																	
64	20.0	20.0																																																																	
65	100.0	100.0																																																																	
<u>Age</u>	<u>Male</u>	<u>Female</u>																																																																	
57	40%	27%																																																																	
58	35	27																																																																	
59	25	27																																																																	
60	28	27																																																																	
61	25	27																																																																	
62	36	34																																																																	
63	32	27																																																																	
64	24	23																																																																	
65	100	100																																																																	
9. Mortality Rates	<p>Mortality rates at sample ages:</p> <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td>20</td><td>0.000155</td><td>0.000089</td></tr> <tr><td>25</td><td>0.000184</td><td>0.000097</td></tr> <tr><td>30</td><td>0.000229</td><td>0.000129</td></tr> <tr><td>35</td><td>0.000398</td><td>0.000230</td></tr> <tr><td>40</td><td>0.000540</td><td>0.000329</td></tr> <tr><td>45</td><td>0.000717</td><td>0.000519</td></tr> <tr><td>50</td><td>0.000966</td><td>0.000765</td></tr> <tr><td>55</td><td>0.002228</td><td>0.001345</td></tr> <tr><td>60</td><td>0.003147</td><td>0.001935</td></tr> <tr><td>65</td><td>0.004814</td><td>0.002974</td></tr> <tr><td>70</td><td>0.007979</td><td>0.005057</td></tr> <tr><td>75</td><td>0.013576</td><td>0.009155</td></tr> <tr><td>80</td><td>0.024949</td><td>0.017103</td></tr> </tbody> </table>	<u>Age</u>	<u>Male</u>	<u>Female</u>	20	0.000155	0.000089	25	0.000184	0.000097	30	0.000229	0.000129	35	0.000398	0.000230	40	0.000540	0.000329	45	0.000717	0.000519	50	0.000966	0.000765	55	0.002228	0.001345	60	0.003147	0.001935	65	0.004814	0.002974	70	0.007979	0.005057	75	0.013576	0.009155	80	0.024949	0.017103																								
<u>Age</u>	<u>Male</u>	<u>Female</u>																																																																	
20	0.000155	0.000089																																																																	
25	0.000184	0.000097																																																																	
30	0.000229	0.000129																																																																	
35	0.000398	0.000230																																																																	
40	0.000540	0.000329																																																																	
45	0.000717	0.000519																																																																	
50	0.000966	0.000765																																																																	
55	0.002228	0.001345																																																																	
60	0.003147	0.001935																																																																	
65	0.004814	0.002974																																																																	
70	0.007979	0.005057																																																																	
75	0.013576	0.009155																																																																	
80	0.024949	0.017103																																																																	

10. Separation Rates	<p>Select and ultimate termination rates at sample ages and years of service are shown below:</p> <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Service</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td></td><td>0</td><td>17.7%</td><td>15.0%</td></tr> <tr><td></td><td>1</td><td>11.4</td><td>10.5</td></tr> <tr><td></td><td>2</td><td>7.3</td><td>7.1</td></tr> <tr><td></td><td>3</td><td>5.2</td><td>5.5</td></tr> <tr><td></td><td>4</td><td>3.9</td><td>4.6</td></tr> <tr><td></td><td>5</td><td>3.0</td><td>4.0</td></tr> <tr><td></td><td>6</td><td>2.8</td><td>3.5</td></tr> <tr><td></td><td>7</td><td>2.5</td><td>3.0</td></tr> <tr><td></td><td>8</td><td>2.0</td><td>2.5</td></tr> <tr><td></td><td>9</td><td>1.8</td><td>2.3</td></tr> <tr><td>25</td><td>10 or more</td><td>1.8</td><td>2.2</td></tr> <tr><td>30</td><td></td><td>1.4</td><td>1.9</td></tr> <tr><td>35</td><td></td><td>1.2</td><td>1.4</td></tr> <tr><td>40</td><td></td><td>1.1</td><td>1.1</td></tr> <tr><td>45</td><td></td><td>1.0</td><td>0.9</td></tr> <tr><td>50</td><td></td><td>1.0</td><td>0.9</td></tr> <tr><td>55</td><td></td><td>1.0</td><td>0.9</td></tr> <tr><td>60</td><td></td><td>1.0</td><td>0.9</td></tr> </tbody> </table> <p>No separation rates are assumed after eligibility for retirement</p>	<u>Age</u>	<u>Service</u>	<u>Male</u>	<u>Female</u>		0	17.7%	15.0%		1	11.4	10.5		2	7.3	7.1		3	5.2	5.5		4	3.9	4.6		5	3.0	4.0		6	2.8	3.5		7	2.5	3.0		8	2.0	2.5		9	1.8	2.3	25	10 or more	1.8	2.2	30		1.4	1.9	35		1.2	1.4	40		1.1	1.1	45		1.0	0.9	50		1.0	0.9	55		1.0	0.9	60		1.0	0.9
<u>Age</u>	<u>Service</u>	<u>Male</u>	<u>Female</u>																																																																										
	0	17.7%	15.0%																																																																										
	1	11.4	10.5																																																																										
	2	7.3	7.1																																																																										
	3	5.2	5.5																																																																										
	4	3.9	4.6																																																																										
	5	3.0	4.0																																																																										
	6	2.8	3.5																																																																										
	7	2.5	3.0																																																																										
	8	2.0	2.5																																																																										
	9	1.8	2.3																																																																										
25	10 or more	1.8	2.2																																																																										
30		1.4	1.9																																																																										
35		1.2	1.4																																																																										
40		1.1	1.1																																																																										
45		1.0	0.9																																																																										
50		1.0	0.9																																																																										
55		1.0	0.9																																																																										
60		1.0	0.9																																																																										
11. Disablement Rates	<p>Active participant disability rates at sample ages:</p> <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr><td>20</td><td>0.01%</td><td>0.01%</td></tr> <tr><td>25</td><td>0.01</td><td>0.01</td></tr> <tr><td>30</td><td>0.01</td><td>0.01</td></tr> <tr><td>35</td><td>0.01</td><td>0.01</td></tr> <tr><td>40</td><td>0.02</td><td>0.02</td></tr> <tr><td>45</td><td>0.04</td><td>0.06</td></tr> <tr><td>50</td><td>0.11</td><td>0.12</td></tr> <tr><td>55</td><td>0.21</td><td>0.17</td></tr> <tr><td>60</td><td>0.34</td><td>0.25</td></tr> </tbody> </table>	<u>Age</u>	<u>Male</u>	<u>Female</u>	20	0.01%	0.01%	25	0.01	0.01	30	0.01	0.01	35	0.01	0.01	40	0.02	0.02	45	0.04	0.06	50	0.11	0.12	55	0.21	0.17	60	0.34	0.25																																														
<u>Age</u>	<u>Male</u>	<u>Female</u>																																																																											
20	0.01%	0.01%																																																																											
25	0.01	0.01																																																																											
30	0.01	0.01																																																																											
35	0.01	0.01																																																																											
40	0.02	0.02																																																																											
45	0.04	0.06																																																																											
50	0.11	0.12																																																																											
55	0.21	0.17																																																																											
60	0.34	0.25																																																																											

<p>12. Medical &amp; Dental Trends (Annual Increases)</p>	<p><u>Year</u></p> <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18 &amp; over</p>	<p><u>Medical</u></p> <p>7.5%</p> <p>7.0</p> <p>6.5</p> <p>6.4</p> <p>6.3</p> <p>6.2</p> <p>6.1</p> <p>6.0</p> <p>5.9</p> <p>5.8</p> <p>5.7</p> <p>5.6</p> <p>5.5</p> <p>5.4</p> <p>5.3</p> <p>5.2</p> <p>5.1</p> <p>5.0</p>	<p><u>Dental</u></p> <p>5.0%</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p> <p>5.0</p>
<p>13. Salary Merit Scale (Annual Increases)</p>	<p><u>Service</u></p> <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>10</p> <p>15</p> <p>20</p> <p>25</p> <p>30</p>	<p><u>Increase</u></p> <p>5.8%</p> <p>5.8</p> <p>5.4</p> <p>5.1</p> <p>4.7</p> <p>3.2</p> <p>1.8</p> <p>0.8</p> <p>0.4</p> <p>0.2</p>	<p>The assumed salary inflation of 3.0% per year is added to these merit increases to get the total assumed increase in salary</p>

14. Age Related Health Care Cost	<p>2016/2017 monthly medical premium rates under the District's Dean plan were \$527.00 and \$1,317.50 and under the Unity plan were \$570.06 and \$1,425.12 (Single and Family, respectively).</p> <p>Health care costs are assumed to increase each year of age separate from trend due to increased cost of older participants, as follows:</p> <table data-bbox="876 493 1161 756"> <thead> <tr> <th><u>Age</u></th> <th><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td>Under 40</td> <td>5.0%</td> </tr> <tr> <td>40-44</td> <td>4.5%</td> </tr> <tr> <td>45-49</td> <td>4.0%</td> </tr> <tr> <td>50-54</td> <td>3.3%</td> </tr> <tr> <td>55-59</td> <td>3.6%</td> </tr> <tr> <td>60-64</td> <td>4.2%</td> </tr> </tbody> </table>	<u>Age</u>	<u>Rate</u>	Under 40	5.0%	40-44	4.5%	45-49	4.0%	50-54	3.3%	55-59	3.6%	60-64	4.2%
<u>Age</u>	<u>Rate</u>														
Under 40	5.0%														
40-44	4.5%														
45-49	4.0%														
50-54	3.3%														
55-59	3.6%														
60-64	4.2%														
15. Percent with Coverage at Retirement	80% of active employees eligible for post-employment premium only HRA contributions and currently electing coverage for the duration of COBRA.														
16. Census Data (Table B)	1) Retirees listed under 'Waived' are receiving HRA and/or stipend payments and are not participating in the District's group medical plan.														
17. Coverage Tier	70% of future covered retirees are assumed to cover a spouse in retirement														
18. Spouses' Age	Males are assumed to be three years older than their spouses														