



TOWN OF SUDBURY

OTHER POSTEMPLOYMENT BENEFITS PROGRAM

ACTUARIAL VALUATION

July 1, 2013

Prepared by:

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November 6, 2014

Ms. Maryanne Bilodeau
Asst. Town Manager/HR Director
Town of Sudbury
278 Old Sudbury Road
Sudbury, MA 01776

Dear Maryanne:

Enclosed is our report summarizing the results of an actuarial valuation of the Town of Sudbury's Other Postemployment Benefits (OPEB) as of July 1, 2013. Our valuation was performed in accordance with the provisions contained in the GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45).

A summary of the valuation results is shown in Section 1. The principal results of our valuation are summarized in Section 2. The Plan Provisions and Actuarial Assumptions and Methods are shown in Sections 6 and 7, respectively. Section 8 summarizes the demographic profile of active employees and retirees.

The required disclosures under GASB 45 are presented in Section 3.

Our best estimate health care cost trend assumptions are based on recent experience and anticipated future cost increases under the Town of Sudbury medical plans. Section 5 illustrates the sensitivity of actuarial accrued liability and normal cost to a one percentage increase and decrease in the health care cost trend assumption for each future year.

Our actuarial valuation is based on a discount rate of 3.5% compounded annually. To illustrate the impact on cost of fully prefunding the Town's benefit liabilities, our report also includes valuation results based on an alternative 7.5% discount rate.

We also provide a 30-year forecast of the Annual Required Contributions (ARC) as well as a 10-year forecast of the Annual OPEB Cost and the Net OPEB Obligation in Section 4.

K M S A C T U A R I E S

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Ms. Maryanne Bilodeau
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Our calculations were based on participant census data and other information provided by the Town of Sudbury and the benefit provisions of the medical plans as described in the benefit summaries. Our valuation is also based on medical plan rates reported on the Group Insurance Commission (GIC) website.

Our valuation follows generally accepted actuarial methods and we perform such tests as we consider necessary to assure the accuracy of the results. The amounts presented in this report have been appropriately determined according to the actuarial assumptions and methods stated herein.

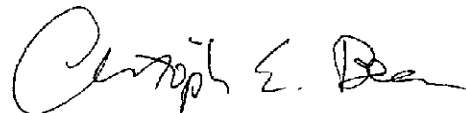
We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We appreciate this opportunity to be of service to the Town of Sudbury. We are available to answer any questions with respect to our valuation.

Respectfully submitted,



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ACTUARIAL CERTIFICATION

This report presents the results of the Actuarial Valuation for the Town of Sudbury Postemployment Benefits Other Than Pensions as of July 1, 2013. The report presents the accounting and financial reporting information in accordance with Statement Number 45 of the Governmental Accounting Standards Board (GASB 45).

This valuation was performed using employee data and financial information provided to us by the Town. Although we did not audit the data used in the valuation, we believe that the information is complete and reliable.

This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Code of Professional Conduct of the American Academy of Actuaries. The actuarial assumptions other than those explicitly applicable to the postemployment benefit plans are consistent with those used by the Middlesex County Retirement System and Massachusetts Teachers Retirement System's actuaries for the Retirement System pension valuations.

Future actuarial valuation results may differ significantly from the current results presented in this report. Examples of potential sources of volatility include plan experience differing from that anticipated by the economic or demographic assumptions, the effect of new entrants, changes in economic or demographic assumptions, the effect of law changes and the delayed effect of smoothing techniques.

This report is intended for the sole use of the Town of Sudbury and is intended to provide information to comply with the stated purpose of the report. It may not be appropriate for other purposes.

The undersigned credentialed actuaries are Members of the American Academy of Actuaries and together meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein. They are available to answer any questions with regard to this report.

Respectfully submitted,



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SECTION 1 - SUMMARY

BACKGROUND

The Town of Sudbury provides postemployment medical benefits to Town retirees and their covered dependents. The Town provides benefits as follows:

- ◆ Group 1 employees hired before April 2, 2012: retire after attaining age 55 with 10 or more years of service or any age with 20 or more years of service
- ◆ Group 1 employees hired after April 1, 2012: retire after attaining age 60 with 10 or more years of service
- ◆ Group 4 employees hired before April 2, 2012: retire after attaining age 55 or any age with 20 or more years of service
- ◆ Group 4 employees hired after April 1, 2012: retire after attaining age 55

Medical coverage continues to the spouse after the death of the retiree provided the spouse makes the required contributions.

GASB 45

The Governmental Accounting Standards Board (GASB) is responsible for establishing accounting standards for governmental entities. Calculations developed in accordance with GASB standards are required when providing financial statements.

GASB believes that postemployment benefits are a form of deferred compensation whose cost should be recognized while the employee actually renders services rather than when the actual benefits are paid, many years later. Ideally under the GASB standard the entire postemployment liability is recognized by the time an active participant begins to receive postemployment benefits. GASB 45's focus is on postemployment benefits other than pensions, such as medical, dental and life insurance benefits. Unlike pensions where sponsors are pre-funding for benefits due in the future, the impact of GASB 45 will be to significantly increase cash pay-as-you-go expense.

The effective date for GASB 45 is a function of the Town's total annual revenues in the first fiscal year ending after June 15, 1999. We understand that this is your fiscal year that ended June 30, 1999, and that your related revenues were greater than \$10 million and less than \$100 million. As a result, the Town was required to comply with GASB 45 for the fiscal year ending June 30, 2009.

ACTUARIAL VALUATION

As of July 1, 2013, there are 529 active employees who may be eligible for benefits in the future and 440 retired employees, covered spouses and survivors who are currently receiving benefits. Coverage is for individuals and families or individuals and spouses depending on the coverage selected.

SECTION 1 - SUMMARY

Prior to GASB 45, the annual cost recognized was the annual premiums or benefits paid plus administrative expenses less any participant contributions paid towards the coverage. Under GASB 45, an annual cost for postemployment coverage is developed for any person who is currently receiving or who is currently actively employed and may be eligible to receive benefits in the future. In developing the GASB 45 cost for the Town of Sudbury, the payment of future benefits is determined using the current schedule of premiums under the Group Insurance Commission plans. We have used a single unadjusted premium rate applicable to both active employees and non-Medicare-eligible retirees because the Group Insurance Commission would offer the same premium rates if only non-Medicare-eligible retirees from the Town of Sudbury were covered. These premiums are increased in the future under the annual healthcare cost trend rate assumptions. The per capita costs utilized in this valuation are detailed in Section 7, Actuarial Assumptions and Methods.

SUMMARY OF PRINCIPAL RESULTS

Valuation Date	<u>July 1, 2013</u>	<u>July 1, 2011</u>
Summary of Member Data		
Active Members	529	537
Average Age	45.1	45.6
Average Service	9.5	9.3
Retired Employees, Covered Spouses and Survivors	440	330
Average Age	71.1	70.9
Discount rate	3.50%	3.50%
Actuarial Accrued Liability	\$36,004,783	\$34,275,241
Normal Cost	\$1,354,526	\$1,746,332
Assets*	\$0	\$0
Unfunded Actuarial Accrued Liability	\$36,004,783	\$34,275,241
Annual Required Contribution	\$3,359,128	\$3,663,686
Expected Benefit Payments	\$1,002,644	\$843,708

* Assets of \$127,749 were shown in the July 1, 2011 valuation report, but currently the assets are not held in an irrevocable OPEB Trust.

SECTION 1 - SUMMARY

ACTUARIAL ASSUMPTIONS

The most important assumption for GASB 45 is the discount rate, which is used to discount future benefits to current age. GASB 45 requires that the discount rate accurately reflects the rate of return on assets dedicated to paying the retiree medical benefits. This means that a traditional pay-as-you-go system, which pays benefits from the Town's annual budget and not a dedicated trust, must use a discount rate close to the rate of return on cash. Full pre-funding by use of a dedicated trust with a mixture of stocks and bonds can employ a higher discount rate that accurately reflects the expected return on trust assets dedicated to pay retiree medical benefits. For the Town of Sudbury, we selected a 3.5% discount rate to reflect a pay-as-you-go system with an expected return close to the rate of return on cash.

CHANGES

Some assumptions used in this valuation have changed from those used in the July 1, 2011 valuation and are detailed in Section 7. The major assumption changes are summarized below:

- ◆ the mortality table was changed from the RP-2000 Mortality Table projected to 2011 using Scale AA to the RP-2000 Mortality Table projected to 2013 using Scale AA.
- ◆ the discount rate for a fully funded scenario was decreased from 8% to 7.5%.
- ◆ Disability rates were incorporated into this valuation to be consistent with the disability rates utilized by the Middlesex County and Massachusetts Teachers Retirement Systems.
- ◆ Turnover and retirement rates for Teachers were updated to reflect the most recent rates used by the Massachusetts Teachers Retirement System actuaries.

RESULTS

We have provided results based on a discount rate of 3.5%. As shown in Table 4.2 of Section 4, the Annual OPEB Cost for the fiscal year ending June 30, 2014 under GASB 45 is \$3,097,168 and the estimated Annual OPEB Cost for the fiscal year ending June 30, 2015 under GASB 45 is \$3,201,919.

The accumulated Net OPEB Obligation as of June 30, 2014 is \$15,613,354 and the estimated Net OPEB Obligation as of June 30, 2015 is \$17,767,949.

The Actuarial Accrued Liability (AAL) as of July 1, 2013 is \$36,004,783. The AAL by status breakdown is shown below:

Actives:	\$18,564,696
Retirees, Beneficiaries and Surviving Spouses:	17,440,087
Total:	\$36,004,783

SECTION 1 - SUMMARY

ACTUARIAL GAIN/LOSS ANALYSIS

In performing the actuarial valuation, various assumptions are made regarding future premium rates, mortality, retirement, disability and withdrawal rates as well as investment returns. A comparison of the results of the current valuation and the prior valuation is made to determine how closely actual experience relates to expected. Below is the development of the estimated Actuarial Gain or Loss for the current 2-year period:

	<u>July 1, 2011</u>	<u>July 1, 2012</u>
Actuarial Accrued Liability, beginning of year	\$34,275,241	\$36,423,982
Normal Cost	1,746,332	1,816,185
Expected Benefit Payments	(843,708)	(909,096)
Interest	1,246,117	1,322,633
Expected Actuarial Accrued Liability, end of year	\$36,423,982	\$38,653,704
Actual Actuarial Accrued Liability		\$36,004,783
(Gain)/Loss		(\$2,648,921)

The actuarial gain of \$2,648,921 was mostly comprised of the following:

◆ loss as a result of demographic experience that deviated from experience expected from the prior valuation	1,360,323
◆ gain as a result of actual premium rates that were less than expected from the prior valuation's projected rates	(4,317,354)
◆ loss as a result of the valuation of the excise tax imposed by the Patient Protection and Affordable Care Act, effective 2018	308,110
◆ Total (Gain)/Loss	(\$2,648,921)

REIMBURSEMENT FOR HEALTHCARE PREMIUM CONTRIBUTIONS

Whenever the service of a retired employee is attributable to service in more than one Massachusetts governmental unit and the retired employee receives a healthcare premium contribution, Section 9A1/2 of M.G.L. Section 32B provides for reimbursement by other governmental units for the portion of healthcare premium contributions that corresponds to the percentage of the retiree's creditable service that is attributable for each governmental unit. The other governmental units shall be charged based on the Town of Sudbury's contribution rate or the contribution rate of the first employer, whichever is lower.

For purposes of this valuation, we have not taken into account any prior service rendered at other Massachusetts entities for current or future retirees for the Town of Sudbury nor have we taken into account any service rendered by former Town of Sudbury employees currently working at or retired from other Massachusetts entities that may notify the Town of Sudbury of reimbursement due for former Town of Sudbury employees.

Town of Sudbury Postemployment Benefits Other Than Pensions
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SECTION 2 - PRINCIPAL VALUATION RESULTS

Section 20 of M.G.L. Chapter 32B allows municipal entities to establish an OPEB trust for purposes of accumulating assets to prefund the OPEB liabilities. We understand that the Town of Sudbury has not established an irrevocable trust for the purpose of prefunding OPEB liabilities.

The Actuarial Value of Plan Assets is equal to the market value. The asset activity during the 2-year period July 1, 2012 through June 30, 2013 follows:

TABLE 2.1 - OPEB TRUST ASSETS

Market Value of Assets		
Fiscal Year Ending	<u>6/30/2013</u>	<u>6/30/2012</u>
Assets as of Beginning of Year ¹	\$0	\$0
Contributions Receivable	\$0	\$0
Assets as of Beginning of Year	\$0	\$0
Employer Contributions		
Paid Premiums ²	\$896,212	\$893,648
OPEB Trust Deposits	0	0
Total Employer Contributions	\$896,212	\$893,648
Benefits Paid	(896,212)	(\$893,648)
Expenses	0	0
Investment Earnings	0	0
Assets as of End of Year	\$0	\$0

¹ As of the valuation date, the Town has set aside assets in a separate fund, but the funds are not held in an irrevocable OPEB trust, therefore are not recognized as plan assets for GASB 45 purposes.

² Paid premiums for the fiscal years ending June 30, 2013 and June 30, 2012 were provided by the Town of Sudbury.

SECTION 2 - PRINCIPAL VALUATION RESULTS

The Actuarial Accrued Liability is the portion of the Actuarial Present Value of Future Benefits which is allocated to all periods prior to a valuation year and therefore is not provided for by future Normal Costs. Below is the Actuarial Accrued Liability assuming a discount rate of 3.5%, the rate of return on cash, and 7.5%, the rate of return on a dedicated trust if the Town were to fully pre-fund benefits:

TABLE 2.2 - ACTUARIAL ACCRUED LIABILITY

	Pay-As-You-Go	Full Pre-Funding
Discount Rate	3.5%	7.5%
Current Active Employees		
Pre-Medicare Gross Benefit	\$8,049,720	\$4,749,053
Pre-Medicare Participant Contributions	3,960,617	2,351,311
Net Pre-Medicare Benefit	\$4,089,103	\$2,397,742
Post - Medicare Gross Benefit	\$28,901,373	\$11,291,600
Post - Medicare Participant Contributions	14,425,780	5,643,118
Net Post - Medicare Benefit	\$14,475,593	\$5,648,482
Total Current Active Employees	\$18,564,696	\$8,046,224
Current Retirees		
Pre-Medicare Gross Benefit	\$4,978,199	\$3,517,709
Pre-Medicare Participant Contributions	2,437,271	1,744,139
Net Pre-Medicare Benefit	\$2,540,928	\$1,773,570
Post - Medicare Gross Benefit	\$29,772,164	\$19,148,735
Post - Medicare Participant Contributions	14,873,005	9,573,142
Net Post - Medicare Benefit	\$14,899,159	\$9,575,593
Total Current Retirees	\$17,440,087	\$11,349,163
Total Actuarial Accrued Liability (AAL)	\$36,004,783	\$19,395,387

SECTION 2 - PRINCIPAL VALUATION RESULTS

The Normal Cost is the portion of the Actuarial Present Value of Future Benefits which is attributed to services rendered by active employees in the current year. Below is the Normal Cost assuming a discount rate of 3.5%, the rate of return on cash, and 7.5%, the rate of return on a dedicated trust if the Town were to fully pre-fund benefits:

TABLE 2.3 - NORMAL COST

	Pay-As-You-Go	Full Pre-Funding
Discount Rate	3.5%	7.5%
Current Active Employees		
Pre-Medicare Gross Benefit	\$603,602	\$284,208
Pre-Medicare Participant Contributions	290,734	138,527
Net Pre-Medicare Benefit	\$312,868	\$145,681
Post - Medicare Gross Benefit	\$2,072,597	\$649,613
Post - Medicare Participant Contributions	1,030,939	324,258
Net Post - Medicare Benefit	\$1,041,658	\$325,355
Total Current Active Employees	\$1,354,526	\$471,036
 Current Retirees		
Pre-Medicare Gross Benefit	\$0	\$0
Pre-Medicare Participant Contributions	0	0
Net Pre-Medicare Benefit	\$0	\$0
Post - Medicare Gross Benefit	\$0	\$0
Post - Medicare Participant Contributions	0	0
Net Post - Medicare Benefit	\$0	\$0
Total Current Retirees	\$0	\$0
Total Normal Cost (NC)	\$1,354,526	\$471,036

SECTION 2 - PRINCIPAL VALUATION RESULTS

Under GASB 45, the Annual Required Contribution (ARC) of the employer equals the Normal Cost plus a provision for amortizing the Unfunded Actuarial Accrued Liability. We have assumed level dollar amortization over the maximum acceptable amortization period of 30 years. For the period beginning July 1, 2013, the ARC, calculated under the parameters of this actuarial valuation, would be:

TABLE 2.4 - ANNUAL REQUIRED CONTRIBUTION and ANNUAL OPEB COST

	Pay-As-You-Go	Full Pre-Funding
Discount Rate	3.5%	7.5%
1. Normal Cost	\$1,354,526	\$471,036
2. Unfunded Actuarial Accrued Liability		
a. Actuarial Accrued Liability	\$36,004,783	\$19,395,387
b. Actuarial Value of Plan Assets	\$0	\$0
c. Unfunded Actuarial Accrued Liability	\$36,004,783	\$19,395,387
3. Amortization of Unfunded Actuarial Accrued Liability		
a. Unfunded Actuarial Accrued Liability	\$36,004,783	\$19,395,387
b. Amortization Period in years	30	30
c. Factor Increasing Rate	0.0%	0.0%
d. Amortization Factor	19.04	12.70
e. Amortization Amount (3.a. / 3.d.)	\$1,891,008	\$1,527,196
4. Interest on 1. and 3.e.	\$113,594	\$149,867
5. Annual Required Contribution (1. + 3.e. + 4.)	\$3,359,128	\$2,148,099
6. Net OPEB Obligation / (Asset) beginning of year	\$13,518,830	Not Applicable
7. Interest on Net OPEB Obligation at 3.50%	\$473,159	Not Applicable
8. Adjustment to Annual Required Contribution at 3.50%	(\$735,119)	Not Applicable
9. Annual OPEB Cost (5. + 7. + 8.)	\$3,097,168	Not Applicable

Town of Sudbury Postemployment Benefits Other Than Pensions
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SECTION 3 - GASB 45 ACCOUNTING DISCLOSURE

GASB 45 requires disclosure of the annual OPEB cost, the Net OPEB Obligation and the Schedule of Funding Progress. In addition, information about the Actuarial Methods and Assumptions used in the valuation and a summary of the Substantive Plan Provisions are disclosed, which are provided in Section 6 and Section 7, respectively.

Annual OPEB Cost and Net OPEB Obligation*			
Fiscal Year Ending	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>
Discount rate	3.50%	3.50%	3.50%
Annual Required Contribution	\$3,359,128	\$3,852,544	\$3,663,686
Interest on Net OPEB Obligation	473,159	377,209	324,078
Adjustment to annual required contribution	(735,119)	(586,047)	(468,591)
Annual OPEB cost/(expense)	\$3,097,168	\$3,643,706	\$3,519,173
Expected Benefit Payments	(1,002,644)	(863,504)	(882,485)
Employer contributions to OPEB Trust	-	-	-
Total employer contributions	(1,002,644)	(863,504)	(882,485)
Change in Net OPEB Obligation	\$2,094,524	\$2,780,202	\$2,636,688
Net OPEB Obligation (Asset) - beginning of year	\$13,518,830	\$10,738,628	\$8,101,940
Net OPEB Obligation (Asset) - end of year	\$15,613,354	\$13,518,830	\$10,738,628

* Entries for fiscal years June 30, 2013 and June 30, 2012 are based on information provided in the Town's audited financial statements.

Plan History				
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	
6/30/2014	3,097,168	32.4%	15,613,354	
6/30/2013	3,643,706	23.7%	13,518,830	
6/30/2012	3,519,173	25.1%	10,738,628	

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
7/1/2013	0	36,004,783	36,004,783	0.00%	34,868,355	103.3%
7/1/2011	0	34,275,241	34,275,241	0.00%	31,225,800	109.8%
7/1/2009	0	36,411,392	36,411,392	0.00%	26,874,811	135.5%

Town of Sudbury Postemployment Benefits Other Than Pensions
Actuarial Valuation as of July 1, 2013

SECTION 4 - FORECASTS

OVERVIEW

In Section 4, we have provided a 30-year forecast of the Annual Required Contributions, Accrued Liability, Assets and Unfunded Actuarial Accrued Liability. The entries in Table 4.1 are based on the assumptions stated below:

- ◆ Expected Benefit Payments are developed in the actuarial valuation and are based on the assumptions detailed in Section 7.
- ◆ Normal Cost with interest is assumed to increase annually by 4%.
- ◆ Assets are assumed to grow annually at the selected discount rate plus OPEB Trust Contributions made at the end of each fiscal year.
- ◆ Actuarial Accrued Liability (AAL), end of year, equals AAL, beginning of year, plus Normal Cost less Expected Benefit Payments plus interest on these items.
- ◆ Unfunded Actuarial Accrued Liability (UAAL) equals the AAL less Assets.
- ◆ the Annual Required Contribution (ARC) is the sum of the Normal Cost, the Amortization Amount and Interest.

Table 4.1 is based on funding the Expected Benefit Payments.

- ◆ The assumed discount rate is 3.5%.
- ◆ Amortization Amount is the amount necessary to amortize the Unfunded Actuarial Accrued Liability over 30 years at a discount rate of 3.5% on an open amortization basis. The open amortization period is 30 years, recalculated each year.

SECTION 4 - FORECASTS

TABLE 4.1 - ANNUAL REQUIRED CONTRIBUTIONS (ARC)

FYE June 30	(1) Normal Cost	(2) Actuarial Accrued Liability	(3) Expected Benefit Payments	(4) Actuarial Value of Assets	(5) Unfunded Actuarial Accrued Liability (2) - (4)	(6) Amortization Amount	(7) Interest	(8) ARC (1) + (6) + (7)	(9) OPEB Trust Contributions
2014	1,354,526	36,004,783	1,002,644	-	36,004,783	1,891,008	113,594	3,359,128	-
2015	1,408,707	37,646,845	1,047,324	-	37,646,845	1,977,250	118,508	3,504,465	-
2016	1,465,055	39,357,002	1,107,182	-	39,357,002	2,067,069	123,624	3,655,748	-
2017	1,523,657	41,124,438	1,180,761	-	41,124,438	2,159,897	128,924	3,812,478	-
2018	1,584,603	42,939,532	1,247,889	-	42,939,532	2,255,228	134,394	3,974,225	-
2019	1,647,987	44,812,940	1,302,500	-	44,812,940	2,353,621	140,056	4,141,664	-
2020	1,713,906	46,761,962	1,353,700	-	46,761,962	2,455,985	145,946	4,315,837	-
2021	1,782,462	48,795,337	1,417,011	-	48,795,337	2,562,780	152,083	4,497,325	-
2022	1,853,760	50,906,427	1,477,953	-	50,906,427	2,673,657	158,460	4,685,877	-
2023	1,927,910	53,103,199	1,541,645	-	53,103,199	2,789,034	165,093	4,882,037	-
2024	2,005,026	55,388,806	1,612,092	-	55,388,806	2,909,076	171,994	5,086,096	-
2025	2,085,227	57,762,555	1,702,570	-	57,762,555	3,033,748	179,164	5,298,139	-
2026	2,168,636	60,210,346	1,777,467	-	60,210,346	3,162,308	186,583	5,517,527	-
2027	2,255,381	62,753,941	1,865,972	-	62,753,941	3,295,900	194,295	5,745,576	-
2028	2,345,596	65,386,303	1,933,068	-	65,386,303	3,434,155	202,291	5,982,042	-
2029	2,439,420	68,135,910	2,002,223	-	68,135,910	3,578,567	210,630	6,228,617	-
2030	2,536,997	71,008,506	2,071,137	-	71,008,506	3,729,438	219,325	6,485,760	-
2031	2,638,477	74,012,525	2,146,306	-	74,012,525	3,887,212	228,399	6,754,088	-
2032	2,744,016	77,150,244	2,218,425	-	77,150,244	4,052,009	237,861	7,033,886	-
2033	2,853,777	80,433,646	2,293,081	-	80,433,646	4,224,456	247,738	7,325,971	-
2034	2,967,928	83,869,618	2,361,671	-	83,869,618	4,404,917	258,050	7,630,895	-
2035	3,086,645	87,474,215	2,399,879	-	87,474,215	4,594,234	268,831	7,949,710	-
2036	3,210,111	91,288,974	2,439,794	-	91,288,974	4,794,589	280,165	8,284,865	-
2037	3,338,515	95,324,430	2,468,918	-	95,324,430	5,006,535	292,077	8,637,127	-
2038	3,472,056	99,604,396	2,512,549	-	99,604,396	5,231,323	304,618	9,007,997	-
2039	3,610,938	104,127,987	2,543,427	-	104,127,987	5,468,907	317,795	9,397,640	-
2040	3,755,376	108,922,233	2,558,572	-	108,922,233	5,720,706	331,663	9,807,745	-
2041	3,905,591	114,018,363	2,620,197	-	114,018,363	5,988,359	346,288	10,240,238	-
2042	4,061,815	119,385,636	2,658,908	-	119,385,636	6,270,254	361,622	10,693,691	-
2043	4,224,288	125,063,073	2,686,781	-	125,063,073	6,568,439	377,745	11,170,472	-

Town of Sudbury Postemployment Benefits Other Than Pensions
Actuarial Valuation as of July 1, 2013

30 years open, 3.5% discount rate.

SECTION 4 - FORECASTS

TABLE 4.2 - ANNUAL OPEB COST and NET OPEB OBLIGATION

FYE June 30	ARC	Interest on Net OPEB Obligation	ARC Adjustment	Amortization Factor	Annual OPEB Cost	Expected Employer Contributions	Change in Net OPEB Obligation	Net OPEB Obligation Balance
								13,518,830
2014	3,359,128	473,159	(735,119)	18.39	3,097,168	1,002,644	2,094,524	15,613,354
2015	3,504,465	546,467	(849,013)	18.39	3,201,919	1,047,324	2,154,595	17,767,949
2016	3,655,748	621,878	(966,174)	18.39	3,311,452	1,107,182	2,204,270	19,972,219
2017	3,812,478	699,028	(1,086,037)	18.39	3,425,469	1,180,761	2,244,708	22,216,927
2018	3,974,225	777,592	(1,208,098)	18.39	3,543,719	1,247,889	2,295,830	24,512,757
2019	4,141,664	857,946	(1,332,939)	18.39	3,666,671	1,302,500	2,364,171	26,876,928
2020	4,315,837	940,692	(1,461,497)	18.39	3,795,032	1,353,700	2,441,332	29,318,260
2021	4,497,325	1,026,139	(1,594,250)	18.39	3,929,214	1,417,011	2,512,203	31,830,463
2022	4,685,877	1,114,066	(1,730,857)	18.39	4,069,086	1,477,953	2,591,133	34,421,596
2023	4,882,037	1,204,756	(1,871,756)	18.39	4,215,037	1,541,645	2,673,392	37,094,988

Notes:

1. ARC and Expected Employer Contributions are from 30-Year Forecast of Annual Required Contributions (Table 4.1).
2. Interest on Net OPEB Obligation is computed on the prior year Net OPEB Obligation Balance.
3. ARC Adjustment is the prior year Net OPEB Obligation Balance amortized over 30 years.
4. OPEB Cost is the ARC plus Interest on Net OPEB Obligation plus the ARC Adjustment.
5. Change in Net OPEB Obligation is the difference between the OPEB Cost and Expected Employer Contributions.
6. Net OPEB Obligation is the prior year Net OPEB Obligation Balance plus Change in Net OPEB Obligation.
7. Year one Interest on Net OPEB Obligation and ARC Adjustment computed at prior discount rate of 3.50%.
8. Subsequent years' Interest on Net OPEB Obligation and ARC Adjustment computed at current discount rate of 3.50%.

SECTION 5 - SENSITIVITY TO HEALTH CARE COST TREND RATE

Below we illustrate the sensitivity of Actuarial Accrued Liability to a one percentage increase and decrease in health care cost trend assumption for each future year:

TABLE 5.1 - ACTUARIAL ACCRUED LIABILITY

	<u>Assumed Trend</u>	<u>Trend +1%</u>	<u>Trend -1%</u>
Discount Rate	3.5%	3.5%	3.5%
Current Active Employees			
Pre-Medicare Gross Benefit	\$8,049,720	\$9,267,532	\$7,026,226
Pre-Medicare Participant Contributions	3,960,617	4,554,700	3,460,603
Net Pre-Medicare Benefit	\$4,089,103	\$4,712,832	\$3,565,623
Post - Medicare Gross Benefit	\$28,901,373	\$37,564,864	\$22,490,009
Post - Medicare Participant Contributions	14,425,780	18,743,473	11,229,098
Net Post - Medicare Benefit	\$14,475,593	\$18,821,391	\$11,260,911
Total Current Active Employees	\$18,564,696	\$23,534,223	\$14,826,534
Current Retirees			
Pre-Medicare Gross Benefit	\$4,978,199	\$5,566,897	\$4,509,849
Pre-Medicare Participant Contributions	2,437,271	2,714,112	2,216,106
Net Pre-Medicare Benefit	\$2,540,928	\$2,852,785	\$2,293,743
Post - Medicare Gross Benefit	\$29,772,164	\$33,813,638	\$26,454,662
Post - Medicare Participant Contributions	14,873,005	16,884,655	13,219,610
Net Post - Medicare Benefit	\$14,899,159	\$16,928,983	\$13,235,052
Total Current Retirees	\$17,440,087	\$19,781,768	\$15,528,795
Total Actuarial Accrued Liability (AAL)	\$36,004,783	\$43,315,991	\$30,355,329

SECTION 5 - SENSITIVITY TO HEALTH CARE COST TREND RATE

Below we illustrate the sensitivity of Normal Cost to a one percentage increase and decrease in health care cost trend assumption for each future year:

TABLE 5.2 - NORMAL COST

	<u>Assumed Trend</u>	<u>Trend +1%</u>	<u>Trend -1%</u>
Discount Rate	3.5%	3.5%	3.5%
Current Active Employees			
Pre-Medicare Gross Benefit	\$603,602	\$736,619	\$497,204
Pre-Medicare Participant Contributions	290,734	354,103	239,949
Net Pre-Medicare Benefit	\$312,868	\$382,516	\$257,255
Post - Medicare Gross Benefit	\$2,072,597	\$2,857,025	\$1,522,163
Post - Medicare Participant Contributions	1,030,939	1,419,849	757,763
Net Post - Medicare Benefit	\$1,041,658	\$1,437,176	\$764,400
Total Current Active Employees	\$1,354,526	\$1,819,692	\$1,021,655
Current Retirees			
Pre-Medicare Gross Benefit	\$0	\$0	\$0
Pre-Medicare Participant Contributions	0	0	0
Net Pre-Medicare Benefit	\$0	\$0	\$0
Post - Medicare Gross Benefit	\$0	\$0	\$0
Post - Medicare Participant Contributions	0	0	0
Net Post - Medicare Benefit	\$0	\$0	\$0
Total Current Retirees	\$0	\$0	\$0
Total Normal Cost	\$1,354,526	\$1,819,692	\$1,021,655

SECTION 6 - PLAN PROVISIONS

- Eligibility:**
- Group 1 employees hired before April 2, 2012: retire after attaining age 55 with 10 or more years of service or any age with 20 or more years of service
- Group 1 employees hired after April 1, 2012: retire after attaining age 60 with 10 or more years of service
- Group 4 employees hired before April 2, 2012: retire after attaining age 55 or any age with 20 or more years of service
- Group 4 employees hired after April 1, 2012: retire after attaining age 55

Medical Premium Rates: The total monthly costs by plan are shown below:

<u>Non-Medicare Plans - July 1, 2014</u>	<u>Individual</u>	<u>Family</u>
Fallon Direct	\$483.21	\$1,159.70
Fallon Select	\$615.39	\$1,476.92
HP Independence	\$686.12	\$1,674.20
HP Primary Choice	\$548.89	\$1,339.36
Health New England	\$481.89	\$1,194.71
NHP Care	\$465.41	\$1,233.34
Tufts Health Plan Navigator	\$619.87	\$1,497.60
Tufts Health Plan Spirit	\$500.37	\$1,206.01
UniCare State Basic w/ CIC	\$936.24	\$2,185.22
UniCare State Basic w/o CIC	\$893.83	\$2,086.85
UniCare State Community Choice	\$456.68	\$1,095.99
UniCare State PLUS	\$656.90	\$1,567.69
 <u>Medicare Plans - July 1, 2014</u>		
Fallon Senior Plan	\$290.79	
HP Medicare Enhance	\$394.79	
Health New England MedPlus	\$363.13	
Tufts Health Plan Medicare Complement	\$348.39	
Tufts Health Plan Medicare Preferred	\$266.56	
UniCare State Indemnity/OME w/ CIC	\$379.45	
Unicare State Indemnity/OME w/o CIC	\$368.63	

Participant Contributions: Retired employees contribute 50% of the total medical premium rates.

Continuation of Coverage to Spouse After Death of Retiree: Surviving spouse may continue coverage for lifetime by paying the required medical premium rates.

SECTION 6 - PLAN PROVISIONS

- Life Insurance Benefit:** Retirees are eligible for a \$1,000 life insurance benefit.
- Life Insurance Premium:** The total monthly cost is \$.52.
- Life Insurance Contributions:** Retired employees contribute 50% of the total life insurance premium rates.
- PPACA Excise Tax:** The Patient Protection and Affordable Care Act (PPACA) applies a 40% excise tax to the cost of plan benefits in excess of statutory thresholds beginning in 2018. The 2018 thresholds are assumed to be \$10,200 for individual and \$27,500 for family coverage and increase by CPI in future years. The annual limits are increased by \$1,650 for individual and \$3,450 for family coverage for retirees not eligible for Medicare benefits.

SECTION 7 - ACTUARIAL ASSUMPTIONS AND METHODS

Valuation Date: July 1, 2013

Discount Rates: 3.50% pay-as-you-go.
7.50% full pre-funding (previously, 8%).

Amortization Method: Level dollar amount over 30 years on an open amortization period for pay-as-you-go.
Level dollar amount over 30 years on a closed amortization period for full pre-funding.

Health Care Cost Trend Rates:

Year	Current	Prior
1	7.00%	9.00%
2	6.50%	8.00%
3	6.00%	7.00%
4	5.50%	6.00%
5	5.00%	5.00%
Ultimate	5.00%	5.00%

CPI: 3% per year.

Mortality Table: RP-2000 Mortality Table, projected to 2013, using Scale AA.

Turnover Rates: *Non-Teachers:*

Groups 1 and 2		Group 4	
Service	Rate	Service	Rate
0	15.00%	0-10	1.50%
1	12.00%	11	0.00%
2	10.00%		
3	9.00%		
4	8.00%		
5-9	7.60%		
10-14	5.40%		
15-19	3.30%		
20-24	2.00%		
25-29	1.00%		
30+	0.00%		

SECTION 7 - ACTUARIAL ASSUMPTIONS AND METHODS

Turnover Rates (continued): *Teachers:*

<u>Age</u>	<u>Service</u>					
	0		5		10+	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
20	13.0%	10.0%	5.5%	7.0%	1.5%	5.0%
30	15.0%	15.0%	5.4%	8.8%	1.5%	4.5%
40	13.3%	10.5%	5.2%	5.5%	1.7%	2.2%
50	16.2%	9.8%	7.0%	5.0%	2.3%	2.0%

Disability Rates: *Non-Teachers:*

<u>Groups 1 and 2</u>		<u>Group 4</u>	
<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	0.02%	20	0.20%
25	0.02%	25	0.20%
30	0.03%	30	0.30%
35	0.06%	35	0.30%
40	0.10%	40	0.30%
45	0.15%	45	1.00%
50	0.19%	50	1.25%
55	0.24%	55	1.20%
60	0.28%	60	0.85%

Teachers:

<u>Age</u>	<u>Rate</u>
20	0.004%
30	0.006%
40	0.010%
50	0.050%
60	0.100%

SECTION 7 - ACTUARIAL ASSUMPTIONS AND METHODS

Retirement Rates:

Non-Teachers:

<u>Age</u>	<u>Groups 1 and 2</u>		<u>Group 4</u>
	Male	Female	All
45-49	0.00%	0.00%	1.00%
50-54	0.00%	0.00%	2.00%
55-59	2.00%	5.50%	15.00%
60-61	12.00%	5.00%	20.00%
62-64	30.00%	15.00%	25.00%
65-68	40.00%	15.00%	100.00%
69	50.00%	20.00%	
70	100.00%	100.00%	

Teachers:

<u>Age</u>	<u>Years of Service</u>			
	<u>Less than 20</u>		<u>20+</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.0%	0.0%	2.0%	1.0%
51	0.0%	0.0%	2.0%	1.0%
52	0.0%	0.0%	2.0%	1.5%
53	0.0%	0.0%	2.0%	2.0%
54	0.0%	0.0%	3.0%	2.0%
55	3.5%	3.5%	3.0%	4.0%
56	3.5%	3.5%	3.5%	4.0%
57	5.0%	3.5%	4.0%	4.0%
58	5.5%	5.0%	5.0%	6.0%
59	6.0%	6.5%	6.0%	8.0%
60	7.5%	8.5%	15.0%	15.0%
61	12.0%	10.0%	25.0%	20.0%
62	14.0%	12.0%	30.0%	25.0%
63	14.0%	12.0%	30.0%	25.0%
64	14.0%	20.0%	30.0%	30.0%
65	30.0%	30.0%	30.0%	40.0%
66	30.0%	30.0%	25.0%	30.0%
67	30.0%	30.0%	25.0%	30.0%
68	30.0%	30.0%	25.0%	30.0%
69	30.0%	30.0%	25.0%	30.0%
70	100.0%	100.0%	100.0%	100.0%

SECTION 7 - ACTUARIAL ASSUMPTIONS AND METHODS

Medical Plan Participation: 70% of eligible retirees will elect to participate.

Life Insurance Participation: 65% of eligible retirees will elect to participate.

Dependent Status: Male spouses are assumed to be three years older and female spouses are assumed to be three years younger than the retired employee.

55% of employees are assumed to retire with a covered spouse.

For current retirees, the actual census information provided is used.

Medical Per Capita Costs: Annual per capita costs for the fiscal year beginning July 1, 2013 are shown below, along with the costs used in the prior valuation:

<u>Age</u>	<u>Current</u>	<u>Prior</u>
Under 65	\$8,243	\$7,667
65 and Older	\$4,050	\$3,876

Retiree Contributions: Annual average per capita participant contributions for the fiscal year beginning July 1, 2013 are shown below, along with the contributions used in the prior valuation:

<u>Age</u>	<u>Current</u>	<u>Prior</u>
Under 65	\$4,122	\$3,834
65 and older	\$2,025	\$1,938

Excise Tax: For purposes of estimating the excise tax, per capita plan costs are developed for individual and family coverage for both Medicare and non-Medicare members. These plan costs are compared to the thresholds stipulated in the Patient Protection and Affordable Care Act (PPACA). Beginning in 2018, a 40% excise tax is applied on the excess of the plan costs over the thresholds, which increase annually by CPI.

Actuarial Cost Method: Projected Unit Credit. The costs of each employee's postemployment benefits are allocated on a pro rata basis from the employee's date of hire to the date the employee is fully eligible for benefits.

Employee Data: Employee and retiree data were submitted by the Town. We made reasonable adjustments for missing or invalid data.

SECTION 8 - PLAN MEMBER INFORMATION

TABLE 8.1 - ACTIVE EMPLOYEES BY AGE and YEARS OF SERVICE AS OF JULY 1, 2013

Age	Years of Service									Total	Percent	
	<u>0 to 4</u>	<u>5 to 9</u>	<u>10 to 14</u>	<u>15 to 19</u>	<u>20 to 24</u>	<u>25 to 29</u>	<u>30 to 34</u>	<u>35 to 39</u>	<u>40 & up</u>			
Under 25	20	0	0	0	0	0	0	0	0	20	4%	
25 to 29	51	6	0	0	0	0	0	0	0	57	11%	
30 to 34	34	18	3	0	0	0	0	0	0	55	10%	
35 to 39	18	17	17	1	0	0	0	0	0	53	10%	
40 to 44	16	9	30	12	2	1	0	0	0	70	13%	
45 to 49	25	16	14	6	2	5	1	0	0	69	13%	
50 to 54	18	18	17	7	4	6	2	0	0	72	14%	
55 to 59	7	20	25	13	2	4	4	1	1	77	14%	
60 to 64	2	12	6	11	7	3	0	0	1	42	8%	
65 to 69	1	4	1	3	0	2	0	0	0	11	2%	
70 & up	0	0	0	1	0	0	0	1	1	3	1%	
Total	192	120	113	54	17	21	7	2	3	529		
Percent	37%	23%	21%	10%	3%	4%	1%	0%	1%		100%	
	Average Age: 45.1			Average Service: 9.5								

SECTION 8 - PLAN MEMBER INFORMATION

TABLE 8.2 - RETIRED EMPLOYEES, COVERED SPOUSES and SURVIVORS AS OF JULY 1, 2013

Non-Medicare Plans:

Age	Fallon Direct	Fallon Select	HP Independence	HP Primary Choice	Health New England	NHP Care	Tufts Health Plan Navigator	Tufts Health Plan Spirit	UniCare State Basic w/ CIC	UniCare State Community Choice	UniCare State PLUS	UniCare State PLUS	Total
Under 40	0	0	1	0	0	0	2	0	0	0	1	0	4
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	1	0	0	0	0	0	0	0	0	0	0	1
50 to 54	0	0	0	0	0	1	0	0	0	0	0	0	1
55 to 59	0	0	3	3	1	1	3	1	4	0	2	0	18
60 to 64	2	1	5	2	0	0	12	0	4	3	1	0	30
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0
70 to 74	1	0	0	0	0	0	1	0	3	0	1	0	6
75 to 79	0	0	0	0	0	0	2	0	0	0	1	0	3
80 to 84	0	0	0	0	0	0	0	0	0	0	0	0	0
85 to 89	0	0	0	0	0	0	0	0	0	0	0	0	0
90+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	2	9	5	1	2	20	1	11	3	6	0	63
Covered Spouses	2	1	0	2	0	1	6	1	5	0	1	0	19

Town of Sudbury Postemployment Benefits Other Than Pensions
Actuarial Valuation as of July 1, 2013

SECTION 8 - PLAN MEMBER INFORMATION

TABLE 8.2 - RETIRED EMPLOYEES, COVERED SPOUSES and SURVIVORS AS OF JULY 1, 2013

Medicare Plans:

Age	Fallon Senior Plan	HP Medicare Enhance	Tufts Health Plan Medicare Complement	Tufts Health Plan Medicare Preferred	UniCare State Indemnity/OME w/ CIC	Life Only	Total
Under 40	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0
50 to 54	0	0	0	0	0	1	1
55 to 59	0	0	0	0	0	3	3
60 to 64	1	7	2	5	11	7	33
65 to 69	0	33	7	17	53	12	122
70 to 74	1	11	2	17	41	7	79
75 to 79	0	13	1	7	17	5	43
80 to 84	0	9	2	7	20	13	51
85 to 89	0	2	2	5	4	2	15
90+	0	1	1	1	6	1	10
Total	2	76	17	59	152	51	357
Covered Spouses	0	0	0	0	1	0	1

SECTION 9 - GASB 45 GLOSSARY OF TERMS

Actuarial Accrued Liability – The portion of the Actuarial Present Value of future benefits which is allocated to all periods prior to a valuation year and therefore is not provided by future Normal Costs.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting OPEB costs, such as mortality, withdrawal, disablement and retirement; changes in compensation and Government provided pension benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.

Actuarial Present Value of Future Benefits – The present value of the cost to finance all benefits payable in the future, discounted to reflect the probability of payment and the time value of money.

Actuarial Valuation – the determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets and related Actuarial Present Values for an OPEB plan.

Actuarial Value of Assets – The value of plan assets used in an actuarial valuation. The Actuarial Value of Assets may reflect smoothing techniques intended to dampen year-to-year fluctuations in the market value of assets.

Annual OPEB Cost - The accrual basis annual cost for the OPEB plan sponsored by the employer. In the year of implementation of GASB 45, the Annual OPEB Cost equals the ARC. In subsequent years, if an employer has a Net OPEB Obligation, Annual OPEB Cost equals the ARC plus one year's interest on the Net OPEB Obligation plus an adjustment to the ARC.

Annual Required Contribution (ARC) – Includes the employer's Normal Cost and a provision for amortizing the Unfunded Actuarial Accrued Liability.

Explicit Subsidy – The difference between (a) the blended rates based on combined active and retired member experience and (b) actual cash contributions made by the employer.

Funded Ratio – The Actuarial Value of Assets expressed as a percentage of the Actuarial Accrued Liability.

Health Cost Trend Rate – The rate of change in per capita health claims cost over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Implicit Subsidy – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group and (b) the blended rates based on combined active and retired member experience.

SECTION 9 - GASB 45 GLOSSARY OF TERMS

Net OPEB Obligation – The cumulative excess since adoption of GASB 45 of Annual OPEB Cost over the employer's contributions to the plan.

Normal Cost – The portion of the Actuarial Present Value of Future Benefits which is allocated to a valuation year.

OPEB – Other Postemployment Benefits including medical, dental, vision, hearing and life insurance benefits.

Plan Assets – Investments segregated and restricted in a trust or similar arrangement under which:

- employer contributions to the trust are irrevocable,
- assets are dedicated to providing plan benefits, and
- assets are legally protected from creditors.

Pay-As-You-Go – A method of financing an OPEB plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

Present Value of Future Benefits – The actuarial present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value of money and the probabilities of payment.

Projected Unit Credit Actuarial Cost Method – A method under which the projected benefits of each individual included in an Actuarial Valuation are allocated by a consistent formula to valuation years. Projected Unit Credit is one of the actuarial cost methods allowed and most often used for developing liabilities under GASB 45.

Substantive Plan – The terms of an OPEB plan as understood by the employer and plan members.

Unfunded Actuarial Accrued Liability – The excess of Actuarial Accrued Liability over the Actuarial Value of Assets.

SECTION 10 - RESULTS BY DEPARTMENT

Subgroup	<u>Town</u>	<u>Public Safety</u>	<u>School</u>	<u>Pool</u>	<u>Transfer</u>	<u>Field Maintenance</u>	<u>Total</u>
Summary of Member Data							
Active Members	93	72	359	3	2	0	529
Average Age	50.1	40.8	44.7	42.9	51.1	0.0	45.1
Average Service	11.6	11.6	8.4	12.4	10.5	0.0	9.4
Retired Members and Survivors	76	65	275	0	1	3	420
Average Age	72.8	67.1	71.7	0.0	54.8	64.0	71.1
Actuarial Accrued Liability - July 1, 2013							
Active Employees	3,329,888	3,988,827	10,996,700	152,827	96,454	0	18,564,696
Retired Employees and Survivors	2,793,985	3,427,437	11,049,974	0	53	168,638	17,440,087
Total	6,123,873	7,416,264	22,046,674	152,827	96,507	168,638	36,004,783
Actuarial Value of Plan Assets - July 1, 2013	0	0	0	0	0	0	0
Unfunded Actuarial Accrued Liability	6,123,873	7,416,264	22,046,674	152,827	96,507	168,638	36,004,783
Annual Required Contribution (ARC) for FYE 2014							
Normal Cost	191,497	302,285	838,154	12,641	9,949	0	1,354,526
Amortization of UAL	321,632	389,510	1,157,913	8,027	5,069	8,857	1,891,008
Interest	17,960	24,213	69,862	723	526	310	113,594
Total	531,089	716,008	2,065,929	21,391	15,544	9,167	3,359,128
Annual OPEB Cost for FYE 2014							
Annual Required Contribution	531,089	716,008	2,065,929	21,391	15,544	9,167	3,359,128
Interest on Net OPEB Obligation	74,808	100,855	291,003	3,013	2,189	1,291	473,159
Adjustment to annual required contribution	(116,225)	(156,693)	(452,112)	(4,681)	(3,402)	(2,006)	(735,119)
Annual OPEB cost/(expense)	489,672	660,170	1,904,820	19,723	14,331	8,452	3,097,168
Expected Benefit Payments	(178,471)	(182,535)	(631,361)	0	(3)	(10,274)	(1,002,644)
OPEB Trust contributions	0	0	0	0	0	0	0
Employer contributions	(178,471)	(182,535)	(631,361)	0	(3)	(10,274)	(1,002,644)
Change in Net OPEB Obligation	311,201	477,635	1,273,459	19,723	14,328	(1,822)	2,094,524
Net OPEB Obligation (Asset) - beginning of year*	2,137,371	2,881,578	8,314,343	86,088	62,557	36,893	13,518,830
Net OPEB Obligation (Asset) - end of year	2,448,572	3,359,213	9,587,802	105,811	76,885	35,071	15,613,354
Town of Sudbury Postemployment Benefits Other Than Pensions Actuarial Valuation as of July 1, 2013							

SECTION 10 - RESULTS BY DEPARTMENT

Subgroup	<u>Town</u>	<u>Public Safety</u>	<u>School</u>	<u>Pool</u>	<u>Transfer</u>	<u>Field Maintenance</u>	<u>Total</u>
Actuarial Accrued Liability - July 1, 2014							
Total	6,354,841	7,802,996	23,043,482	171,259	110,179	164,088	37,646,845
Actuarial Value of Plan Assets - July 1, 2014	0	0	0	0	0	0	0
Unfunded Actuarial Accrued Liability	6,354,841	7,802,996	23,043,482	171,259	110,179	164,088	37,646,845
Annual Required Contribution (ARC) for FYE 2015							
Normal Cost	199,157	314,376	871,680	13,147	10,347	0	1,408,707
Amortization of UAL	333,763	409,821	1,210,266	8,995	5,787	8,618	1,977,250
Interest	18,652	25,347	72,867	775	565	302	118,508
Total	551,572	749,544	2,154,813	22,917	16,699	8,920	3,504,465
Annual OPEB Cost for FYE 2015							
Annual Required Contribution	551,572	749,544	2,154,813	22,917	16,699	8,920	3,504,465
Interest on Net OPEB Obligation	85,700	117,572	335,574	3,703	2,691	1,227	546,467
Adjustment to annual required contribution	(133,147)	(182,665)	(521,359)	(5,754)	(4,181)	(1,907)	(849,013)
Annual OPEB cost/(expense)	504,125	684,451	1,969,028	20,866	15,209	8,240	3,201,919
Expected Employer premiums	(197,835)	(185,508)	(655,322)	0	(3)	(8,656)	(1,047,324)
OPEB Trust contributions	0	0	0	0	0	0	0
Employer contributions	(197,835)	(185,508)	(655,322)	0	(3)	(8,656)	(1,047,324)
Change in Net OPEB Obligation	306,290	498,943	1,313,706	20,866	15,206	(416)	2,154,595
Net OPEB Obligation (Asset) - beginning of year	2,448,572	3,359,213	9,587,802	105,811	76,885	35,071	15,613,354
Net OPEB Obligation (Asset) - end of year	2,754,862	3,858,156	10,901,508	126,677	92,091	34,655	17,767,949

* Net OPEB Obligation as of June 30, 2013 is allocated based on FYE 2014 Annual Required Contribution.