CITY OF PROVIDENCE

JULY 1, 2010

ACTUARIAL VALUATION OF THE

POST RETIREMENT BENEFITS PLAN

April 2011

buckconsultants

TABLE OF CONTENTS

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SECTION I – OVERVIEW

The City of Providence has engaged Buck Consultants to prepare an actuarial valuation of their post-retirement benefits program as of July 1, 2010. The City provided employee data, asset and medical rates information. The valuation is based on July 1, 2009 census data, and July 1, 2010 medical rates information, and the value of assets as of June 30, 2010 in the postemployment benefits trust.

The purposes of the valuation are to analyze the current funded position of the City's post-retirement benefits program, determine the level of contributions necessary to assure sound funding and provide reporting and disclosure information for financial statements, governmental agencies and other interested parties. This valuation report contains information that is required for compliance with the Governmental Accounting Standards Board's Statements 43 and 45, which relate to accounting and financial reporting for postemployment benefits other than pensions.

Section II provides a summary of the principal valuation results. Figures are shown using both a 4% and a 8.5% discount rate. According to GASB principles, if the benefits are not pre-funded, the rate earned by the General Asset Account must be used. It was determined that a 4% discount rate is reasonable for this purpose. We have also provided results with a discount rate of 8.5% that assume that the benefits are funded in a manner similar to that used for pensions.

There is a decrease in the accrued liability of $285,875,627 from 2009 to 2010 for the 4% discount rate. The decrease was mainly due to a plan amendment to require Class B Fire participants who have not yet attained age 65 effective March 9, 2010 to switch to a Plan 65 or a Medicare supplement plan at the attainment of age 65. Of the $285,875,627 decrease in liability, $12,393,316 was mainly due to an experience medical care cost inflation gain. The 2009 actual inflation of 5.7% was lower than our expected inflation of 9%.

We have not made adjustments to the values developed in this report for some of the potential effects of health care reform legislation. Please refer to Schedule B for considerations of health care reform.

Daniel Sherman is an Associate of the Society of Actuaries, and a Member of the American Academy of Actuaries. He meets the Qualification Standards of the Academy to render the actuarial opinions contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions concerning it.

Respectfully Submitted,
BUCK CONSULTANTS, AN ACS COMPANY

Daniel W. Sherman

April 6, 2011

Daniel Sherman, ASA, MAAA, EA
Director and Consulting Actuary

Date

SECTION II – REQUIRED INFORMATION

a)	Actuarial valuation date		July 1, 2010		July 1, 2010
	Discount rate		4.00%		8.50%
b)	Actuarial value of assets	$	1,039,882	$	1,039,882
c)	Actuarial accrued liability				
	Active Participants	$	533,928,081	$	207,461,449
	Retired Participants	$	678,686,763	$	411,230,525
	Total	$	1,212,614,844	$	618,691,974
d)	Unfunded actuarial liability	$	1,211,574,962	$	617,652,092
e)	Funded ratio (b. / c.)		0.1%		0.2%
f)	Annual covered payroll	$	267,593,402	$	267,593,402
g)	Unfunded actuarial liability as percentage of covered payroll		453%		231%
h)	Normal Cost for the fiscal year (with interest assuming weekly payments)	$	25,503,112	$	8,501,499
i)	Amortization of unfunded actuarial liability for the fiscal year (30 years with payments increasing 4.5% per year), assuming weekly payments	$	38,402,580	$	35,125,957
j)	Annual Required Contribution (ARC) for the fiscal year, assuming weekly payments (h. + i.)	$	63,905,692	$	43,627,456

SECTION III - MEMBERSHIP DATA AND ANNUAL REQUIRED CONTRIBUTION

Number of participants included in the valuation

	General	School	Water	Total
Actives	1,917	3,117	236	5,270
Inactive:				
Individual	1,537	1,805	70	3,412
Family	848	24	3	875
Total	2,385	1,829	73	4,287
Grand Total	4,302	4,946	309	9,557

The headcount is based on carrier data and assumes each participant represents a contract.

Number of participants included in the valuation by department

	General				School		Water	Total
	Class A		Fire	Police				
Actives	995		443	479	3,117		236	5,270
Inactive:	Pre 1985	Post 1985			Pre 1995	Post 1995		
Individual	130	1,066	190	151	702	1,103	70	3,412
Family	2	34	432	380	5	19	3	875
Total	132	1,100	622	531	707	1,122	73	4,287
Grand Total	1,127	1,100	1,065	1,010	3,824	1,122	309	9,557

SECTION III - MEMBERSHIP DATA AND ANNUAL REQUIRED CONTRIBUTION

Annual Required Contribution 4%

	General	School	Water	Total
Normal Cost				
Without interest	$15,999,868	$7,734,718	$787,637	$24,522,223
Interest adjustment	639,995	309,389	31,505	980,889
Total **	$16,639,863	$8,044,107	$819,142	$25,503,112
Actuarial Accrued Liability *				
Active	$402,214,993	$115,212,514	$16,500,574	$533,928,081
Retiree	593,060,106	81,870,645	3,756,012	678,686,763
Total	$995,275,099	$197,083,159	$20,256,586	$1,212,614,844
Assets	$853,502	$169,009	$17,371	$1,039,882
Unfunded Actuarial Accrued Liability				
Active	$401,870,072	$115,113,713	$16,486,424	$533,470,209
Retiree	592,551,525	81,800,437	3,752,791	678,104,753
Total	$994,421,597	$196,914,150	$20,239,215	$1,211,574,962
Payroll	$92,789,000	$162,985,530	$11,818,872	$267,593,402
Unfunded as a percent of payroll	1072%	121%	171%	453%
Amortization Payment **				
Active	$12,737,840	$3,648,692	$522,560	$16,909,092
Retiree	18,781,758	2,592,780	118,950	21,493,488
Total	$31,519,598	$6,241,472	$641,510	$38,402,580
Annual Required Contribution **	**$48,159,461**	**$14,285,579**	**$1,460,652**	**$63,905,692**

* Actuarial accrued liability as of July 1, 2010

** Assuming weekly payments

SECTION III - MEMBERSHIP DATA AND ANNUAL REQUIRED CONTRIBUTION

Annual Required Contribution 8.5%

	General	School	Water	Total
Normal Cost				
Without interest	$4,672,082	$2,822,139	$341,262	$7,835,483
Interest adjustment	397,127	239,882	29,007	666,016
Total **	$5,069,209	$3,062,021	$370,269	$8,501,499
Actuarial Accrued Liability *				
Active	$151,198,676	$47,633,720	$8,629,053	$207,461,449
Retiree	354,194,657	54,535,397	2,500,471	411,230,525
Total	$505,393,333	$102,169,117	$11,129,524	$618,691,974
Assets	$849,452	$171,723	$18,706	$1,039,882
Unfunded Actuarial Accrued Liability				
Active	$150,944,545	$47,553,658	$8,614,550	$207,112,753
Retiree	353,599,335	54,443,735	2,496,268	410,539,339
Total	$504,543,881	$101,997,394	$11,110,818	$617,652,092
Payroll	$92,789,000	$162,985,530	$11,818,872	$267,593,402
Unfunded as a percent of payroll	544%	63%	94%	231%
Amortization Payment **				
Active	$8,584,236	$2,704,383	$489,911	$11,778,530
Retiree	20,109,241	3,096,222	141,964	23,347,427
Total	$28,693,477	$5,800,605	$631,875	$35,125,957
Annual Required Contribution **	**$33,762,686**	**$8,862,626**	**$1,002,144**	**$43,627,456**

* Actuarial accrued liability as of July 1, 2010
** Assuming weekly payments

SECTION IV - MONTHLY MEDICAL PREMIUM

	City	Fire	Police	School
INDIVIDUAL				
Classic	$788.12	$606.47	$600.80	$878.54
HealthMate C2C	$557.88	$399.51	$395.75	$665.17
United Healthcare	$543.34	N/A	N/A	$614.78
Plan 65*	$142.04	$142.04	$142.04	$142.04
Plan 65 United Healthcare*	$142.04	$142.04	$142.04	$142.04
FAMILY				
Classic	$1,930.02	$1,566.44	$1,551.80	$2,269.14
HealthMate C2C	$1,438.32	$1,029.95	$1,020.32	$1,714.92
United Healthcare	$1,439.27	N/A	N/A	$1,585.02
Plan 65*	$284.08	N/A	N/A	$284.08
Plan 65 United Healthcare*	$284.08	N/A	N/A	$284.08

* rate prorated with half of 2010 rate of $142.04, and half of 2011 rate of $142.04.

SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

4% DISCOUNT RATE

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
July 1, 2010	$1,039,882	$1,212,614,844	$1,211,574,962	0.1%	$267,593,402	453%
July 1, 2009	$1,040,347	$1,498,490,471	$1,497,450,124	0.1%	$268,870,847	557%

8.5% DISCOUNT RATE

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
July 1, 2010	$1,039,882	$618,691,974	$617,652,092	0.2%	$267,593,402	231%
July 1, 2009	$1,040,347	$694,627,482	$693,587,135	0.1%	$268,870,847	258%
July 1, 2008	$1,035,401	$593,902,997	$592,867,596	0.2%	$274,826,567	216%
July 1, 2007	$0	$542,412,571	$542,412,571	0.0%	$256,156,551	212%

SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

A. Annual OPEB Cost and Net OPEB Obligations	7/1/2009 6/30/2010 Governmental	7/1/2009 6/30/2010 Business-Water	7/1/2009 6/30/2010 Total	7/1/2010 6/30/2011 Governmental	7/1/2010 6/30/2011 Business-Water	7/1/2010 6/30/2011 Total
	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
1. Annual Required Contribution (ARC)	$ 78,094,701	$ 1,485,373	$ 79,580,074	$ 62,445,040	$ 1,460,652	$ 63,905,692
2. Interest on net OPEB Obligation	487,891	33,922	521,813	2,484,939	74,265	2,559,204
3. Adjustment to ARC*	(386,610)	(26,880)	(413,490)	(1,969,091)	(58,848)	(2,027,939)
4. Annual OPEB Cost (Expense)	78,195,982	1,492,415	79,688,397	62,960,888	1,476,069	64,436,957
5. Contribution made*	(28,269,779)	(483,841)	(28,753,620)	N/A	N/A	N/A
6. Increase in OPEB Obligation	49,926,203	1,008,574	50,934,777			
7. Net OPEB Obligation - beginning of year	12,197,272	848,045	13,045,317			
8. Net OPEB Obligation - end of year	62,123,475	1,856,619	63,980,094			

* Assuming payment weekly

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	Covered Payroll	Percentage of Covered Payroll
Govermental					
June 30, 2010	$ 78,195,982	36.2%	$ 62,123,475	$ 256,919,207	30.44%
June 30, 2009	42,299,415	81.4%	12,197,272	263,275,889	16.07%
June 30, 2008	39,528,459	89.0%	4,338,459	245,391,352	16.11%
Business- Water					
June 30, 2010	$ 1,492,415	32.4%	$ 1,856,619	$ 11,951,640	12.49%
June 30, 2009	982,342	59.2%	848,045	11,550,678	8.50%
June 30, 2008	917,217	51.2%	447,217	10,765,199	8.52%

*The fiscal year ending June 30, 2010 results are based on a 4% discount rate. The fiscal years ending June 30, 2009 and June 30, 2008 results are based on an 8.5% discount rate.

SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

B. Funded Status and Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b) - (a) Unfunded AAL (UAL)	(a) / (b) Funded Ratio	Covered Payroll	[(b)-(a)]/(c) UAL as Percentage of Covered Payroll
Govermental						
07/01/2010	$ 1,022,511	$ 1,192,358,258	$ 1,191,335,747	0.1%	$ 255,774,530	465.78%
07/01/2009	1,026,484	1,478,522,515	1,477,496,031	0.1%	256,919,207	575.08%
07/01/2008	1,017,767	583,788,199	582,770,432	0.2%	263,275,889	221.35%
Business- Water						
07/01/2010	$ 17,371	$ 20,256,586	$ 20,239,215	0.1%	$ 11,818,872	171.24%
07/01/2009	13,863	19,967,956	19,954,093	0.1%	11,951,640	166.96%
07/01/2008	17,634	10,114,798	10,097,164	0.2%	11,550,678	87.42%

*The July 1, 2010 and July 1, 2009 results are based on a 4% discount rate. The July 1, 2008 results are based on a 8.5% discount rate

SECTION VI – SCHEDULE OF EMPLOYER EXPENSES

The Government Accounting Standards Board's Statements 43 and 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" outlines various requirements of an expense/funding schedule that will amortize the unfunded actuarial liability and cover normal costs. Amortization of the unfunded actuarial liability is to be based on a schedule that extends no longer than 30 years. The contribution towards the amortization of the unfunded actuarial liability may be made in level payments or in payments increasing at the same rate as salary increases.

In the amortization schedule shown on the following pages, the amortization of the unfunded accrued liability is assumed to increase annually by 4.5% over 30 years under the 4% and the 8.5% discount rates. The normal cost is expected to increase at the same rate as the assumed ultimate health care trend rate and is projected assuming a steady work force. The Annual Required Contributions were computed assuming payment is made on a weekly basis.

SECTION VI – SCHEDULE OF EMPLOYER EXPENSES

ALL DEPARTMENTS 4%

30 Year Funding Schedule - Weekly Payments

Fiscal year Ending 6/30	Normal Cost *	30-Year Amortization	Total ARC	Pay-As-You-Go
2011	25,503,112	38,402,580	63,905,692	35,992,188
2012	26,778,267	39,615,958	66,394,225	38,421,357
2013	28,117,181	40,841,386	68,958,567	40,165,140
2014	29,523,039	42,103,601	71,626,640	42,043,186
2015	30,999,191	43,401,941	74,401,132	43,505,120
2016	32,549,151	44,753,620	77,302,771	45,160,386
2017	34,176,609	46,156,953	80,333,562	47,366,173
2018	35,885,439	47,598,769	83,484,208	49,699,391
2019	37,679,711	49,079,167	86,758,878	52,223,714
2020	39,563,696	50,596,332	90,160,028	54,920,329
2021	41,541,880	52,146,690	93,688,570	57,325,561
2022	43,618,974	53,729,995	97,348,969	60,107,976
2023	45,799,924	55,342,620	101,142,544	62,723,792
2024	48,089,920	56,984,000	105,073,920	65,127,766
2025	50,494,416	58,655,367	109,149,783	67,623,048
2026	53,019,137	60,355,940	113,375,077	69,811,032
2027	55,670,094	62,081,098	117,751,192	72,158,505
2028	58,453,599	63,828,820	122,282,419	74,569,600
2029	61,376,279	65,596,793	126,973,072	76,533,020
2030	64,445,093	67,382,385	131,827,478	78,534,764
2031	67,667,348	69,182,615	136,849,963	80,959,285
2032	71,050,715	70,994,120	142,044,835	82,954,658
2033	74,603,251	72,813,124	147,416,375	85,466,237
2034	78,333,413	74,635,400	152,968,813	88,374,302
2035	82,250,084	76,456,231	158,706,315	91,071,298
2036	86,362,588	78,270,362	164,632,950	93,720,937
2037	90,680,717	80,071,963	170,752,680	96,461,761
2038	95,214,752	81,854,574	177,069,326	99,747,352
2039	99,975,490	83,611,049	183,586,539	102,868,003
2040	104,974,265	85,333,502	190,307,767	106,246,090
2041	110,222,979	87,013,245	197,236,224	109,924,219

* Assumes a steady workforce level

SECTION VI – SCHEDULE OF EMPLOYER EXPENSES

ALL DEPARTMENTS 8.5%

30 Year Funding Schedule - Weekly Payments

Fiscal year Ending 6/30	Normal Cost *	30-Year Amortization	Total
2011	8,501,499	35,125,957	43,627,456
2012	8,926,573	36,706,624	45,633,197
2013	9,372,901	38,358,422	47,731,323
2014	9,841,546	40,084,551	49,926,097
2015	10,333,624	41,888,355	52,221,979
2016	10,850,305	43,773,331	54,623,636
2017	11,392,820	45,743,130	57,135,950
2018	11,962,461	47,801,571	59,764,032
2019	12,560,584	49,952,642	62,513,226
2020	13,188,613	52,200,511	65,389,124
2021	13,848,043	54,549,534	68,397,577
2022	14,540,445	57,004,263	71,544,708
2023	15,267,467	59,569,455	74,836,922
2024	16,030,840	62,250,080	78,280,920
2025	16,832,382	65,051,333	81,883,715
2026	17,674,001	67,978,643	85,652,644
2027	18,557,701	71,037,681	89,595,382
2028	19,485,586	74,234,377	93,719,963
2029	20,459,866	77,574,924	98,034,790
2030	21,482,860	81,065,796	102,548,656
2031	22,557,003	84,713,756	107,270,759
2032	23,684,854	88,525,875	112,210,729
2033	24,869,097	92,509,539	117,378,636
2034	26,112,553	96,672,469	122,785,022
2035	27,418,181	101,022,730	128,440,911
2036	28,789,090	105,568,753	134,357,843
2037	30,228,545	110,319,346	140,547,891
2038	31,739,973	115,283,717	147,023,690
2039	33,326,971	120,471,485	153,798,456
2040	34,993,319	125,892,702	160,886,021
2041	36,742,985	0	36,742,985

* Assumes a steady workforce level

SECTION VI – SCHEDULE OF EMPLOYER EXPENSES

GENERAL FUND 4%

30 Year Funding Schedule - Weekly Payments

Fiscal year Ending 6/30	Normal Cost *	30-Year Amortization	Total ARC	Pay-As-You-Go
2011	16,639,863	31,519,598	48,159,461	28,436,405
2012	17,471,856	32,409,720	49,881,576	30,595,746
2013	18,345,449	33,293,075	51,638,524	32,278,819
2014	19,262,721	34,186,158	53,448,879	34,004,156
2015	20,225,857	35,089,431	55,315,288	35,543,054
2016	21,237,150	36,010,841	57,247,991	37,002,012
2017	22,299,008	36,955,284	59,254,292	38,677,122
2018	23,413,958	37,918,362	61,332,320	40,455,762
2019	24,584,656	38,899,223	63,483,879	42,475,354
2020	25,813,889	39,892,628	65,706,517	44,520,539
2021	27,104,583	40,897,750	68,002,333	46,235,423
2022	28,459,812	41,913,662	70,373,474	48,184,786
2023	29,882,803	42,939,330	72,822,133	49,924,560
2024	31,376,943	43,973,606	75,350,549	51,466,346
2025	32,945,790	45,015,220	77,961,010	53,049,993
2026	34,593,080	46,062,770	80,655,850	54,159,691
2027	36,322,734	47,114,715	83,437,449	55,349,018
2028	38,138,871	48,169,362	86,308,233	56,516,187
2029	40,045,815	49,224,858	89,270,673	57,143,542
2030	42,048,106	50,279,177	92,327,283	57,710,251
2031	44,150,511	51,330,113	95,480,624	58,593,429
2032	46,358,037	52,375,260	98,733,297	58,933,270
2033	48,675,939	53,412,004	102,087,943	59,666,661
2034	51,109,736	54,437,509	105,547,245	60,664,786
2035	53,665,223	55,448,700	109,113,923	61,310,320
2036	56,348,484	56,442,249	112,790,733	61,756,480
2037	59,165,908	57,414,556	116,580,464	62,130,533
2038	62,124,203	58,361,734	120,485,937	62,873,951
2039	65,230,413	59,279,591	124,510,004	63,264,016
2040	68,491,934	60,163,604	128,655,538	63,709,129
2041	71,916,531	61,008,907	132,925,438	64,236,883

* Assumes a steady workforce level

SECTION VI – SCHEDULE OF EMPLOYER EXPENSES

GENERAL FUND 8.5%

30 Year Funding Schedule - Weekly Payments

Fiscal year Ending 6/30	Normal Cost *	30-Year Amortization	Total
2011	5,069,209	28,693,477	33,762,686
2012	5,322,669	29,984,683	35,307,352
2013	5,588,802	31,333,994	36,922,796
2014	5,868,242	32,744,024	38,612,266
2015	6,161,654	34,217,505	40,379,159
2016	6,469,737	35,757,293	42,227,030
2017	6,793,224	37,366,371	44,159,595
2018	7,132,885	39,047,858	46,180,743
2019	7,489,529	40,805,012	48,294,541
2020	7,864,005	42,641,238	50,505,243
2021	8,257,205	44,560,094	52,817,299
2022	8,670,065	46,565,298	55,235,363
2023	9,103,568	48,660,736	57,764,304
2024	9,558,746	50,850,469	60,409,215
2025	10,036,683	53,138,740	63,175,423
2026	10,538,517	55,529,983	66,068,500
2027	11,065,443	58,028,832	69,094,275
2028	11,618,715	60,640,129	72,258,844
2029	12,199,651	63,368,935	75,568,586
2030	12,809,634	66,220,537	79,030,171
2031	13,450,116	69,200,461	82,650,577
2032	14,122,622	72,314,482	86,437,104
2033	14,828,753	75,568,634	90,397,387
2034	15,570,191	78,969,223	94,539,414
2035	16,348,701	82,522,838	98,871,539
2036	17,166,136	86,236,366	103,402,502
2037	18,024,443	90,117,002	108,141,445
2038	18,925,665	94,172,267	113,097,932
2039	19,871,948	98,410,019	118,281,967
2040	20,865,545	102,838,470	123,704,015
2041	21,908,822	0	21,908,822

* Assumes a steady workforce level

SECTION VI – SCHEDULE OF EMPLOYER EXPENSES

SCHOOL 4%

30 Year Funding Schedule - Weekly Payments

Fiscal year Ending 6/30	Normal Cost *	30-Year Amortization	Total ARC	Pay-As-You-Go
2011	8,044,107	6,241,472	14,285,579	6,960,864
2012	8,446,312	6,531,295	14,977,607	7,132,181
2013	8,868,628	6,840,432	15,709,060	7,104,883
2014	9,312,059	7,176,738	16,488,797	7,185,981
2015	9,777,662	7,538,492	17,316,154	7,028,584
2016	10,266,545	7,935,153	18,201,698	7,136,580
2017	10,779,872	8,360,304	19,140,176	7,599,352
2018	11,318,866	8,804,425	20,123,291	8,098,961
2019	11,884,809	9,267,928	21,152,737	8,540,690
2020	12,479,049	9,754,349	22,233,398	9,120,943
2021	13,103,001	10,261,059	23,364,060	9,724,504
2022	13,758,151	10,789,096	24,547,247	10,464,879
2023	14,446,059	11,335,919	25,781,978	11,241,955
2024	15,168,362	11,902,173	27,070,535	11,998,461
2025	15,926,780	12,490,434	28,417,214	12,797,242
2026	16,723,119	13,101,407	29,824,526	13,755,015
2027	17,559,275	13,732,110	31,291,385	14,784,470
2028	18,437,239	14,382,328	32,819,567	15,890,971
2029	19,359,101	15,051,729	34,410,830	17,080,285
2030	20,327,056	15,739,852	36,066,908	18,358,611
2031	21,343,409	16,446,086	37,789,495	19,732,608
2032	22,410,579	17,169,660	39,580,239	21,209,439
2033	23,531,108	17,909,618	41,440,726	22,796,799
2034	24,707,663	18,664,802	43,372,465	24,502,960
2035	25,943,046	19,433,828	45,376,874	26,336,814
2036	27,240,198	20,215,060	47,455,258	28,307,918
2037	28,602,208	21,006,587	49,608,795	30,426,543
2038	30,032,318	21,806,190	51,838,508	32,703,731
2039	31,533,934	22,611,311	54,145,245	35,151,348
2040	33,110,631	23,419,020	56,529,651	37,782,150
2041	34,766,163	24,225,974	58,992,137	40,609,847

* Assumes a steady workforce level

SECTION VI – SCHEDULE OF EMPLOYER EXPENSES

SCHOOL 8.5%

30 Year Funding Schedule - Weekly Payments

Fiscal year Ending 6/30	Normal Cost *	30-Year Amortization	Total
2011	3,062,021	5,800,605	8,862,626
2012	3,215,122	6,061,632	9,276,754
2013	3,375,878	6,334,405	9,710,283
2014	3,544,672	6,619,453	10,164,125
2015	3,721,906	6,917,328	10,639,234
2016	3,908,001	7,228,608	11,136,609
2017	4,103,401	7,553,895	11,657,296
2018	4,308,571	7,893,820	12,202,391
2019	4,524,000	8,249,042	12,773,042
2020	4,750,200	8,620,249	13,370,449
2021	4,987,710	9,008,160	13,995,870
2022	5,237,096	9,413,527	14,650,623
2023	5,498,951	9,837,136	15,336,087
2024	5,773,899	10,279,807	16,053,706
2025	6,062,594	10,742,398	16,804,992
2026	6,365,724	11,225,806	17,591,530
2027	6,684,010	11,730,967	18,414,977
2028	7,018,211	12,258,861	19,277,072
2029	7,369,122	12,810,510	20,179,632
2030	7,737,578	13,386,983	21,124,561
2031	8,124,457	13,989,397	22,113,854
2032	8,530,680	14,618,920	23,149,600
2033	8,957,214	15,276,771	24,233,985
2034	9,405,075	15,964,226	25,369,301
2035	9,875,329	16,682,616	26,557,945
2036	10,369,095	17,433,334	27,802,429
2037	10,887,550	18,217,834	29,105,384
2038	11,431,928	19,037,637	30,469,565
2039	12,003,524	19,894,331	31,897,855
2040	12,603,700	20,789,576	33,393,276
2041	13,233,885	0	13,233,885

* Assumes a steady workforce level

SECTION VI – SCHEDULE OF EMPLOYER EXPENSES

BUSINESS – WATER 4%

30 Year Funding Schedule - Weekly Payments

Fiscal year Ending 6/30	Normal Cost *	30-Year Amortization	Total ARC	Pay-As-You-Go
2011	819,142	641,510	1,460,652	594,919
2012	860,099	674,943	1,535,042	693,430
2013	903,104	707,879	1,610,983	781,438
2014	948,259	740,705	1,688,964	853,049
2015	995,672	774,018	1,769,690	933,482
2016	1,045,456	807,626	1,853,082	1,021,794
2017	1,097,729	841,365	1,939,094	1,089,699
2018	1,152,615	875,982	2,028,597	1,144,668
2019	1,210,246	912,016	2,122,262	1,207,670
2020	1,270,758	949,355	2,220,113	1,278,847
2021	1,334,296	987,881	2,322,177	1,365,634
2022	1,401,011	1,027,237	2,428,248	1,458,311
2023	1,471,062	1,067,371	2,538,433	1,557,277
2024	1,544,615	1,108,221	2,652,836	1,662,959
2025	1,621,846	1,149,713	2,771,559	1,775,813
2026	1,702,938	1,191,763	2,894,701	1,896,326
2027	1,788,085	1,234,273	3,022,358	2,025,017
2028	1,877,489	1,277,130	3,154,619	2,162,442
2029	1,971,363	1,320,206	3,291,569	2,309,193
2030	2,069,931	1,363,356	3,433,287	2,465,903
2031	2,173,428	1,406,416	3,579,844	2,633,247
2032	2,282,099	1,449,200	3,731,299	2,811,949
2033	2,396,204	1,491,502	3,887,706	3,002,777
2034	2,516,014	1,533,089	4,049,103	3,206,556
2035	2,641,815	1,573,703	4,215,518	3,424,164
2036	2,773,906	1,613,053	4,386,959	3,656,540
2037	2,912,601	1,650,820	4,563,421	3,904,685
2038	3,058,231	1,686,650	4,744,881	4,169,671
2039	3,211,143	1,720,147	4,931,290	4,452,639
2040	3,371,700	1,750,878	5,122,578	4,754,811
2041	3,540,285	1,778,364	5,318,649	5,077,489

* Assumes a steady workforce level

SECTION VI – SCHEDULE OF EMPLOYER EXPENSES

BUSINESS – WATER 8.5%

30 Year Funding Schedule - Weekly Payments

Fiscal year Ending 6/30	Normal Cost *	30-Year Amortization	Total
2011	370,269	631,875	1,002,144
2012	388,782	660,309	1,049,091
2013	408,221	690,023	1,098,244
2014	428,632	721,074	1,149,706
2015	450,064	753,522	1,203,586
2016	472,567	787,430	1,259,997
2017	496,195	822,864	1,319,059
2018	521,005	859,893	1,380,898
2019	547,055	898,588	1,445,643
2020	574,408	939,024	1,513,432
2021	603,128	981,280	1,584,408
2022	633,284	1,025,438	1,658,722
2023	664,948	1,071,583	1,736,531
2024	698,195	1,119,804	1,817,999
2025	733,105	1,170,195	1,903,300
2026	769,760	1,222,854	1,992,614
2027	808,248	1,277,882	2,086,130
2028	848,660	1,335,387	2,184,047
2029	891,093	1,395,479	2,286,572
2030	935,648	1,458,276	2,393,924
2031	982,430	1,523,898	2,506,328
2032	1,031,552	1,592,473	2,624,025
2033	1,083,130	1,664,134	2,747,264
2034	1,137,287	1,739,020	2,876,307
2035	1,194,151	1,817,276	3,011,427
2036	1,253,859	1,899,053	3,152,912
2037	1,316,552	1,984,510	3,301,062
2038	1,382,380	2,073,813	3,456,193
2039	1,451,499	2,167,135	3,618,634
2040	1,524,074	2,264,656	3,788,730
2041	1,600,278	0	1,600,278

* Assumes a steady workforce level

SCHEDULE A - ACTUARIAL ASSUMPTIONS AND METHODS

CITY OF PROVIDENCE, ALL GROUPS

Interest: Pay-as-you-go: 4.00% per year, net of investment expenses
Prefunding: 8.50% per year, net of investment expenses

Data: July 1, 2009 census data was used, assuming no significant change between July 1, 2009 and June 30, 2010.

Administrative Expense: Included in premium rates

Actuarial Cost Method: Projected Unit Credit with benefits attributed from date of hire until date that the employee becomes eligible for retirement benefits

Asset Valuation Method: Market value

Healthcare Cost Trend:

Year	*Rate*
2010	8.0%
2011	7.0%
2012	6.0%
2013 & after	5.0%

Amortization period: Close basis for prefunding, the amortization period is a decreasing number of years, assuming 4.5% increasing payments. Open basis for pay-as-you-go, the amortization period is 30-year, assuming 4.5% increasing payments.

Marital status: For actives, in all Class A departments, excluding Water, 80% of the male employees and 50% of female employees are assumed to have a covered spouse at retirement. Water has a 50% marriage assumption for both males and females. In all Class B departments, it was assumed that 80% of both males and females would have a covered spouse at retirement. Wives are assumed to be three years younger than their husbands.

Coverage: It is assumed that 100% of current active employees will elect retiree medical coverage.

SCHEDULE A - ACTUARIAL ASSUMPTIONS AND METHODS

CITY OF PROVIDENCE, ALL GROUPS

Medical Plan Costs:

Per capita costs were developed from the City developed retiree monthly costs and adjusted by age based morbidity. Active have different rates. Estimated blended gross per capita incurred claim costs at ages 64 and 65 are as follows:

	Age 64	Age 65
*Class A**		
Pre 7/1/1985 Retirements	11,724	3,029
Post 7/1/1985 Retirements	7,876	1,306
*Class A - Water**	8,087	1,347
*School**		
Pre 9/3/1995 Retirements	10,066	1,309
Post 9/3/1995 Retirements	9,010	1,457
Fire		
No Plan 65 requirement	11,224	11,639
Plan 65 requirement	14,690	1,336
Police	11,520	11,947

***** All future Class A retirees are assumed Medicare eligible at age 65 and switch to Plan 65.

Age-based Morbidity:

Per capita costs are adjusted to reflect expected cost increases related to age. The increase in the net incurred claims was assumed to be:

Age	Annual Increase Retiree
49 and below	2.6%
50-54	3.2%
55-59	3.4%
60-64	3.7%
65-69	3.2%
70-74	2.4%
75-79	1.8%
80 and over	0.0%

IBNR Claims:

We do not include any reserve for Incurred But Not Reported claims.

SCHEDULE A - ACTUARIAL ASSUMPTIONS AND METHODS

GENERAL EMPLOYEES AND SCHOOL EMPLOYEES

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, disability, death and service retirement are as follows:

Age	Retirement	Disability	
		Ordinary	Accidental
20		.00025	.00010
25		.00030	.00015
30		.00030	.00015
35		.00050	.00025
40		.00080	.00040
45	.0671	.00125	.00060
50	.0925	.00185	.00090
55	.0859	.00255	.00130
59	.1138	.00370	.00185
60	.1229	.00415	.00210
64	.1741	.00625	.00310
65	.2500	.00680	.00340
70	.2500	.00680	.00340
75	1.0000		

Age	Withdrawal and Deferred Retirement	Ordinary and Accidental Death	
		Men	Women
20	.1413	.00035	.00019
25	.1206	.00038	.00021
30	.0644	.00044	.00026
35	.0473	.00077	.00048
40	.0389	.00108	.00071
45	.0272	.00151	.00112
50	.0174	.00214	.00168
54	.0101	.00281	.00232
55		.00303	.00253
60		.00488	.00393
65		.00757	.00582
70		.00992	.00761

It is assumed for the general employees that 67% of all disabilities are ordinary (33% are service connected).

DEATHS AFTER RETIREMENT: The RP-2000 Healthy Annuitant Table. For the period after disability retirement, the RP-2000 Healthy Annuitant Table set forward 2 years is used.

SCHEDULE A - ACTUARIAL ASSUMPTIONS AND METHODS

POLICE, FIRE AND OTHER HAZARDOUS DUTY

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of disability, death and service retirement are as follows:

Age	Withdrawal and Deferred Disability	Disability		Ordinary and Accidental Death	
		Ordinary	Accidental	Men	Women
20	.0258	.0001	.0008	.00035	.00019
25	.0183	.0001	.0011	.00038	.00021
30	.0104	.0002	.0017	.00044	.00026
35	.0046	.0025	.0023	.00077	.00048
40	.0029	.0004	.0034	.00108	.00071
45	.0024	.0007	.0060	.00151	.00112
50		.0011	.0104	.00214	.00168
55			.0149	.00281	.00232
59			.0194	.00303	.00253
				.00488	.00393

Age	Retirement
40	.07403
45	.07599
50	.08004
55	.08860
59	.10238
60	.25000
64	.25000
65	1.00000

For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).

DEATHS AFTER RETIREMENT: The RP-2000 Healthy Annuitant Table. For the period after disability retirement, the RP-2000 Healthy Annuitant Table set forward 2 years is used.

SCHEDULE B – CONSIDERATION OF HEALTH CARE REFORM

Summary of Effects of Selected Provisions

Early Retiree Reinsurance Program – Effective 6/1/2010: Due to the short-term nature of the payments expected to be received under this program, we did not feel it would be appropriate to include the impact of this program on long-term GASB 45 liabilities.

Removal of Lifetime Maximum The elimination of the lifetime maximums would have a negligible impact on the retiree health plan obligations since the plans have relatively high lifetime maximums of $1 million.

Medicare Advantage Plans - Effective 1/1/2011: The law provides for reductions to the amounts that would be provided to Medicare Advantage plans starting in 2011. The City does offer a Medicare Advantage plan, Blue Chips. Due to the limited retirees electing the plan, we expect it would have a negligible impact.

Expansion of Child Coverage to Age 26: Since few retirees cover children on retiree health plans, this provision have a relatively small effect on the gross benefit cost.

Medicare Part D Subsidy - Shrinking Medicare Prescription Drug "Donut Hole"- Starting 1/1/2011– RDS payments are not reflected as on ongoing offsetting item in GASB 45 valuations, and so no direct impact is reflected.

Excise Tax on High-Cost Employer Health Plans (aka Cadillac Tax) - Effective 1/1/2018 There is considerable uncertainty about how the tax would be applied, and considerable latitude in grouping of participants for tax purposes. Because a preliminary projection of the calculation on a blended pre-65/post-65 retiree coverage basis indicate that the overall increase in Actuarial Accrued Liability could be less than ¼%, we have not reflected any additional costs for the high cost plan excise tax.

Other: We have not identified any other specific provision of health care reform that would be expected to have a significant impact on the measured obligation. As additional guidance on the legislation is issued, we will continue to monitor any potential impacts.

SCHEDULE C – SUMMARY OF PROGRAM PROVISIONS

ELIGIBILITY AND BENEFITS FOR CURRENT ACTIVES

Class A - General and City School Employees

If hired before July 1, 1992:	Age 55 or 25 years of service.
If hired on or after July 1, 1992, but before July 1, 1996:	Age 55 and 10 years of service or 25 years of service.
If hired on or after July 1, 1995:	Age 55 and 10 years of service or 30 years of service.

<u>All current employees will receive the following benefit coverage upon retirement or disability:</u>

Pre-65 Benefit:	Retiree coverage only under the plan elected at retirement, with spousal coverage commencing upon the retiree's death. A co-share of 1% of final average salary is required and assumed to be $400 annually without future trend adjustment.
Post-65 Benefit:	Retiree coverage only under Plan 65, with spousal coverage commencing upon the retiree's death. A co-share of 1% of final average salary is required and assumed to be $400 annually without future trend adjustment. If the retiree elects to stay in their original plan rather than switch to Plan 65, he or she is responsible for the difference in cost.

Class A - State School Employees

As of July 1, 2005 with at least 10 years of service:	Age 60 and 10 years of service or 28 years of service.
As of July 1, 2005 with less than 10 years of service:	Age 65 and 10 years of service or age 59 and 29 years of service or early retirement at age 55 and 20 years of service.

SCHEDULE C – SUMMARY OF PROGRAM PROVISIONS

<u>All current employees will receive the following benefit coverage upon retirement or disability:</u>

Pre-65 Benefit:	Retiree coverage only under the plan elected at retirement, with spousal coverage commencing upon the retiree's death. A co-share, equal to the 1% final average salary and assumed to be $513 annually without future trend adjustment, is required of all future retirees.
Post-65 Benefit:	Retiree coverage only under Plan 65, with spousal coverage commencing upon the retiree's death. A co-share, equal to the 1% final average salary and assumed to be $513 annually without future trend adjustment, is required of all future retirees. If the retiree elects to stay in their original plan rather than switch to Plan 65, he or she is responsible for the difference in cost.

Class B - Fire

If hired before July 1, 1992:	Age 55 or 20 years of service.
Pre and Post-65 Benefit:	Retiree and spousal coverage under Coast-to-Coast coverage.
If hired on or after July 1, 1992, but before July 1, 1996:	Age 55 and 10 years of service or 20 years of service.
Pre and Post-65 Benefit:	Retiree and spousal coverage under Coast-to-Coast coverage.
If hired on or after July 1, 1996:	Age 55 and 10 years of service or 20 years of service.
Pre and Post-65 Benefit:	Retiree coverage only under Coast to Coast, with spousal coverage commencing upon the retiree's death.

Effective March 9, 2010, participants are required to switch to a Plan 65 or a Medicare supplement plan at the attainment of age 65.

The City pays the cost of Coast-to-Coast coverage only. If a Fire employee elects a plan other than Coast-to-Coast, he or she is responsible for the difference in cost.

SCHEDULE C – SUMMARY OF PROGRAM PROVISIONS

Class B – Police

If hired before July 1, 1992:	Age 55 or 20 years of service.
Pre and Post-65 Benefit:	Retiree and spousal coverage under the plan elected at retirement, with no required switch to Plan 65.
If hired on or after July 1, 1992, but before July 1, 1998:	Age 55 and 10 years of service or 20 years of service.
Pre and Post-65 Benefit:	Retiree and spousal coverage under the plan elected at retirement, with no required switch to Plan 65.
If hired on or after July 1, 1998:	Age 55 and 10 years of service or 20 years of service.
Pre and Post-65 Benefit:	Retiree coverage only under the plan elected at retirement, with spousal coverage commencing upon the retiree's death. There is no required switch to Plan 65.

CURRENT RETIREE BENEFITS

Class A - General and All School Employees

If retired before July 1, 1985:	
Pre-65 Benefit:	Retiree and spousal coverage under the plan elected at retirement.
Post-65 Benefit:	Retiree and spousal coverage under the plan elected at retirement, with no required switch to Plan 65.
If retired on or after July 1, 1985, but before September 3, 1995:	
Pre-65 Benefit:	Retiree and spousal coverage under the plan elected at retirement.
Post-65 Benefit:	Retiree and spousal coverage under Plan 65. If the retiree elects to stay in their original plan rather than switch to Plan 65, he or she is responsible for the difference in cost.

SCHEDULE C – SUMMARY OF PROGRAM PROVISIONS

If retired on or after September 3, 1995, but before January 1, 2005:

Pre-65 Benefit:	Retiree coverage only under the plan elected at retirement, with spousal coverage commencing upon the retiree's death.
Post-65 Benefit:	Retiree coverage only under Plan 65, with spousal coverage commencing upon he retiree's death. If the retiree elects to stay in their original plan rather than switch to Plan 65, he or she is responsible for the difference in cost.

If retired on or after January 1, 2005:

Pre-65 Benefit:	Retiree coverage only under the plan elected at retirement, with spousal coverage commencing upon the retiree's death. For General employees, the co-share of 1% of final average salary is required with a maximum limit at $400 for the purposes of the valuation. For School employees, a co-share, averaged at $513 for the purposes of the valuation, is required.
Post-65 Benefit:	Retiree coverage only under Plan 65, with spousal coverage commencing upon the retiree's death. For General employees, a co-share of 1% of final average salary is required with a maximum limit at $400 for the purposes of the valuation. For School employees, the co-share, averaged at $513 for the purposes of the valuation, is required. If the retiree elects to stay in their original plan rather than switch to Plan 65, he or she is responsible for the difference in cost.

Class B - Fire

If retired before July 1, 2001:

Pre and Post-65 Benefit:	Retiree and spousal coverage provided for the life of both people under the plan elected upon retirement.

SCHEDULE C – SUMMARY OF PROGRAM PROVISIONS

Class B – Fire

If retired on or after July 1, 2001,
but before July 1, 2004:

Pre and Post-65 Benefit:	Retiree and spousal coverage provided for the life of both people under Coast-to-Coast coverage only. If the Fire retiree elects to stay in their original plan rather than switch to Coast-to-Coast, he or she is responsible for the difference in cost.

If retired on or after July 1, 2004,
but before July 1, 2006:

Pre and Post-65 Benefit:	Retiree and spousal coverage provided for the life of both people under the plan elected upon retirement.

If retired on or after July 1, 2006:

Pre and Post-65 Benefit:	Refer to Future Retiree Benefits for Class B - Fire for benefits and eligibilities.

Effective March 9, 2010, participants who have not yet attained age 65 are required to switch to a Plan 65 or a Medicare supplement plan at the attainment of age 65.

Class B - Police

If retired before July 1, 2006:

Pre and Post-65 Benefit:	Retiree and spousal coverage provided for the life of both people under the plan elected upon retirement. There is no required switch to Plan 65.

If retired on or after July 1, 2006:

Pre and Post-65 Benefit:	Refer to Future Retiree Benefits for Class B - Police for benefits and eligibilities.

SCHEDULE D - GLOSSARY OF TERMS

Actuarial accrued liability
That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of OPEB benefits and expenses which is not provided for by future Normal Costs and therefore is the value of benefits already earned.

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 OPEB 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 cost method
A procedure for determining the Actuarial Present Value of OPEB benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Actuarial experience gain or loss
A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

Amortization (of unfunded actuarial accrued liability)
That portion of the OPEB plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability or the Unfunded Frozen Actuarial Accrued Liability.

Annual OPEB cost
An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

Annual required contributions of the employer (ARC)
The employer's periodic expense to a defined benefit OPEB plan, calculated in accordance with the parameters.

SCHEDULE D - GLOSSARY OF TERMS

Closed amortization period (closed basis)
A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period initially is thirty years on a closed basis, twenty-nine years remain after the first year, twenty-eight years after the second year, and so forth. In contrast, an open amortization period (open basis) is one that begins again or is recalculated at each actuarial valuation date. Within a maximum number of years specified by law or policy (for example, thirty years), the period may increase, decrease, or remain stable.

Covered payroll
Annual compensation paid to active employees covered by an OPEB plan. If employees also are covered by a pension plan, the covered payroll should include all elements included in compensation on which contributions to the pension plan are based. For example, if pension contributions are calculated on base pay including overtime, covered payroll includes overtime compensation.

Defined benefit OPEB plan
An OPEB plan having terms that specify the benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

Funded ratio
The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

Funding policy
The program for the amounts and timing of contributions to be made by plan members, employer(s), and other contributing entities (for example, state government contributions to a local government plan) to provide the benefits specified by an OPEB plan.

Healthcare cost trend rate
The rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Investment return assumption (discount rate)
The rate used to adjust a series of future payments to reflect the time value of money.

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

SCHEDULE D - GLOSSARY OF TERMS

Level percentage of projected payroll amortization method
Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

Net OPEB obligation
The cumulative difference since the effective date of this Statement between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt. It will be included as a balance sheet entry on the financial statements.

Normal cost
That portion of the Actuarial Present Value of OPEB benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method. It is the value of benefits to be accrued in the valuation year by active employees.

OPEB-related debt
All long-term liabilities of an employer to an OPEB plan, the payment of which is not included in the annual required contributions of a sole or agent employer (ARC) or the actuarially determined required contributions of a cost-sharing employer. Payments generally are made in accordance with installment contracts that usually include interest. Examples include contractually deferred contributions and amounts assessed to an employer upon joining a multiple-employer plan.

Other postemployment benefits
Postemployment benefits other than pension benefits. Other postemployment benefits (OPEB) include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

Pay-as-you-go
A method of financing a 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.

Required supplementary information (RSI)
Schedules, statistical data, and other information that are an essential part of financial reporting and should be presented with, but are not part of, the basic financial statements of a governmental entity.