



August 20, 2008

Ms. Barbara Hagg  
Town Accountant  
Town of Belmont  
19 Moore Street  
Belmont, MA 02478

Dear Barbara:

We are pleased to present the enclosed report summarizing the results of our actuarial valuation of the Town of Belmont postemployment medical and life insurance benefit program as of July 1, 2008.

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).

The principal results of our valuation are summarized in Exhibits 1 through 6. Our actuarial and economic assumptions are shown in Exhibit 7. Exhibits 8 and 9 summarize the demographic profile of active and retired participants, respectively.

Our best estimate health care cost trend assumptions are based on recent experience and anticipated future cost increases under the Town of Belmont medical plans. Exhibits 4 and 5 illustrate the sensitivity of actuarial accrued liability and normal cost to a one percentage point increase and decrease in the health care cost trend assumption for each future year. Our actuarial valuation also is based on a discount rate of 5%.

Our calculations were based on participant census data and other information provided by the Town of Belmont, and the benefit provisions of your medical plans as described in your benefit summaries. Our valuation is also based on medical plan premium rates provided in "Health Insurance Rates Effective January 1, 2008."

Ms. Barbara Hagg  
August 20, 2008  
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Our valuation followed generally accepted actuarial methods and we performed such tests as we considered 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 appreciate this opportunity to be of service to the Town of Belmont. We are available to answer any questions with respect to our valuation.

Respectfully submitted,

*Stuart F. Rubinstein*

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Stuart F. Rubinstein, FSA  
Member, American Academy of Actuaries  
617-557-7510

*Linda Bournival*

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Linda L. Bournival, FSA  
Member, American Academy of Actuaries  
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cc: Stephen J. Ricci, ASA, President, Ricci Consultants, Incorporated

*Belmont.PMB Report. 7-1-08.8-15-08*

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**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
**Valuation as of July 1, 2008**  
**Exhibit 1**

**Actuarial Present Value of Future Benefits**  
**(5.00% Discount Rate)**

	Current Active Employees			Current Retirees			Total		
	Retirement Medical	Medicare Part B	Life Insurance	Retirement Medical	Medicare Part B	Life Insurance	Retirement Medical	Medicare Part B	Life Insurance
<b>General</b>									
Gross Benefit	\$ 21,906,631	\$ 1,481,484	\$ 26,056	\$ 19,203,174	\$ 1,013,313	\$ 63,571	\$ 41,109,805	\$ 2,494,797	\$ 89,627
Participant Contribution	\$ 5,276,717	-	\$ 10,591	\$ 4,772,876	-	\$ 14,560	\$ 10,049,593	-	\$ 25,151
Net Benefit	\$ 16,629,914	\$ 1,481,484	\$ 15,465	\$ 14,430,298	\$ 1,013,313	\$ 49,011	\$ 31,060,212	\$ 2,494,797	\$ 64,476
<b>School</b>									
Gross Benefit	\$ 84,112,690	\$ 5,420,524	\$ 67,500	\$ 49,763,767	\$ 2,875,353	\$ 169,294	\$ 133,876,457	\$ 8,295,877	\$ 236,794
Participant Contribution	\$ 19,944,521	-	\$ 31,234	\$ 12,799,349	-	\$ 40,446	\$ 32,743,870	-	\$ 71,680
Net Benefit	\$ 64,168,169	\$ 5,420,524	\$ 36,266	\$ 36,964,418	\$ 2,875,353	\$ 128,848	\$ 101,132,587	\$ 8,295,877	\$ 165,114
<b>Public Safety</b>									
Gross Benefit	\$ 44,373,771	\$ 2,191,531	\$ 23,458	\$ 30,950,206	\$ 1,680,682	\$ 111,937	\$ 75,323,977	\$ 3,872,213	\$ 135,395
Participant Contribution	\$ 8,992,528	-	\$ 12,656	\$ 7,699,703	-	\$ 27,615	\$ 16,692,231	-	\$ 40,271
Net Benefit	\$ 35,381,243	\$ 2,191,531	\$ 10,802	\$ 23,250,503	\$ 1,680,682	\$ 84,322	\$ 58,631,746	\$ 3,872,213	\$ 95,124
<b>Light</b>									
Gross Benefit	\$ 5,675,004	\$ 344,202	\$ 4,445	\$ 5,465,986	\$ 277,813	\$ 18,267	\$ 11,140,990	\$ 622,015	\$ 22,712
Participant Contribution	\$ 1,267,083	-	\$ 2,050	\$ 1,323,558	-	\$ 3,547	\$ 2,590,641	-	\$ 5,597
Net Benefit	\$ 4,407,921	\$ 344,202	\$ 2,395	\$ 4,142,428	\$ 277,813	\$ 14,720	\$ 8,550,349	\$ 622,015	\$ 17,115
<b>Sewer</b>									
Gross Benefit	\$ 2,245,003	\$ 138,651	\$ 1,786	\$ -	\$ -	\$ -	\$ 2,245,003	\$ 138,651	\$ 1,786
Participant Contribution	\$ 502,377	-	\$ 768	\$ -	\$ -	\$ -	\$ 502,377	-	\$ 768
Net Benefit	\$ 1,742,626	\$ 138,651	\$ 1,018	\$ -	\$ -	\$ -	\$ 1,742,626	\$ 138,651	\$ 1,018
<b>Water</b>									
Gross Benefit	\$ 3,012,664	\$ 179,778	\$ 2,423	\$ 2,931,579	\$ 156,662	\$ 12,460	\$ 5,944,243	\$ 336,440	\$ 14,883
Participant Contribution	\$ 659,769	-	\$ 1,093	\$ 719,280	-	\$ 2,285	\$ 1,379,049	-	\$ 3,378
Net Benefit	\$ 2,352,895	\$ 179,778	\$ 1,330	\$ 2,212,299	\$ 156,662	\$ 10,175	\$ 4,565,194	\$ 336,440	\$ 11,505
<b>Total</b>									
Gross Benefit	\$ 161,325,763	\$ 9,756,170	\$ 125,668	\$ 108,314,712	\$ 6,003,823	\$ 375,529	\$ 269,640,475	\$ 15,759,993	\$ 501,197
Participant Contribution	\$ 36,642,995	-	\$ 58,392	\$ 27,314,766	-	\$ 88,453	\$ 63,957,761	-	\$ 146,845
Net Benefit	\$ 124,682,768	\$ 9,756,170	\$ 67,276	\$ 80,999,946	\$ 6,003,823	\$ 287,076	\$ 205,682,714	\$ 15,759,993	\$ 354,352



**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
 Valuation as of July 1, 2008  
 Exhibit 2

**Actuarial Accrued Liability**  
 (5.00% Discount Rate)

	Current Active Employees				Current Retirees				Total			
	Retirement Medical	Medicare Part B	Life Insurance	Total	Retirement Medical	Medicare Part B	Life Insurance	Total	Retirement Medical	Medicare Part B	Life Insurance	Total
<b>General</b>												
Gross Benefit	\$ 16,018,838	\$ 1,080,589	\$ 20,473	\$ 17,119,900	\$ 19,203,174	\$ 1,013,313	\$ 63,571	\$ 20,280,058	\$ 35,222,012	\$ 2,093,902	\$ 84,044	\$ 37,399,958
Participant Contribution	\$ 3,850,026	-	\$ 8,445	\$ 3,858,471	\$ 4,772,876	-	\$ 14,560	\$ 4,787,436	\$ 8,622,902	-	\$ 23,005	\$ 8,645,907
Net Benefit	\$ 12,168,812	\$ 1,080,589	\$ 12,028	\$ 13,261,429	\$ 14,430,298	\$ 1,013,313	\$ 49,011	\$ 15,492,622	\$ 26,599,110	\$ 2,093,902	\$ 61,039	\$ 28,754,051
<b>School</b>												
Gross Benefit	\$ 46,180,268	\$ 3,062,311	\$ 48,135	\$ 49,290,714	\$ 49,763,767	\$ 2,875,353	\$ 169,294	\$ 52,808,414	\$ 95,944,035	\$ 5,937,664	\$ 217,429	\$ 102,099,128
Participant Contribution	\$ 11,139,151	-	\$ 21,932	\$ 11,161,083	\$ 12,799,349	-	\$ 40,446	\$ 12,839,795	\$ 23,938,500	-	\$ 62,378	\$ 24,000,878
Net Benefit	\$ 35,041,117	\$ 3,062,311	\$ 26,203	\$ 38,129,631	\$ 36,964,418	\$ 2,875,353	\$ 128,848	\$ 39,968,619	\$ 72,005,535	\$ 5,937,664	\$ 155,051	\$ 78,098,250
<b>Public Safety</b>												
Gross Benefit	\$ 25,127,195	\$ 1,246,873	\$ 15,906	\$ 26,389,974	\$ 30,950,206	\$ 1,680,682	\$ 111,937	\$ 32,742,825	\$ 36,077,401	\$ 2,927,555	\$ 127,843	\$ 59,132,799
Participant Contribution	\$ 5,098,427	-	\$ 8,517	\$ 5,106,944	\$ 7,699,703	-	\$ 27,615	\$ 7,727,318	\$ 12,798,130	-	\$ 36,132	\$ 12,834,262
Net Benefit	\$ 20,028,768	\$ 1,246,873	\$ 7,389	\$ 21,283,030	\$ 23,250,503	\$ 1,680,682	\$ 84,322	\$ 25,015,507	\$ 43,279,271	\$ 2,927,555	\$ 91,711	\$ 46,298,537
<b>Light</b>												
Gross Benefit	\$ 4,428,107	\$ 265,144	\$ 3,623	\$ 4,696,874	\$ 5,465,986	\$ 277,813	\$ 18,267	\$ 5,762,066	\$ 9,894,093	\$ 542,957	\$ 21,890	\$ 10,458,940
Participant Contribution	\$ 979,429	-	\$ 1,695	\$ 981,124	\$ 1,323,558	-	\$ 3,547	\$ 1,327,105	\$ 2,302,987	-	\$ 5,242	\$ 2,308,229
Net Benefit	\$ 3,448,678	\$ 265,144	\$ 1,928	\$ 3,715,750	\$ 4,142,428	\$ 277,813	\$ 14,720	\$ 4,434,961	\$ 7,591,106	\$ 542,957	\$ 16,648	\$ 8,150,711
<b>Sewer</b>												
Gross Benefit	\$ 1,194,391	\$ 76,961	\$ 1,274	\$ 1,272,626	\$ -	\$ -	\$ -	\$ -	\$ 1,194,391	\$ 76,961	\$ 1,274	\$ 1,272,626
Participant Contribution	\$ 273,452	-	\$ 529	\$ 273,981	\$ -	\$ -	\$ -	\$ -	\$ 273,452	\$ -	\$ 529	\$ 273,981
Net Benefit	\$ 920,939	\$ 76,961	\$ 745	\$ 998,645	\$ -	\$ -	\$ -	\$ -	\$ 920,939	\$ 76,961	\$ 745	\$ 998,645
<b>Water</b>												
Gross Benefit	\$ 2,221,815	\$ 131,434	\$ 1,931	\$ 2,355,180	\$ 2,931,579	\$ 156,662	\$ 12,460	\$ 3,100,701	\$ 5,153,394	\$ 288,096	\$ 14,391	\$ 5,455,881
Participant Contribution	\$ 483,311	-	\$ 876	\$ 484,187	\$ 719,280	\$ -	\$ 2,285	\$ 721,565	\$ 1,202,591	\$ -	\$ 3,161	\$ 1,205,752
Net Benefit	\$ 1,738,504	\$ 131,434	\$ 1,055	\$ 1,870,993	\$ 2,212,299	\$ 156,662	\$ 10,175	\$ 2,379,136	\$ 3,950,803	\$ 288,096	\$ 11,230	\$ 4,250,129
<b>Total</b>												
Gross Benefit	\$ 95,170,614	\$ 5,863,312	\$ 91,342	\$ 101,125,268	\$ 108,314,712	\$ 6,003,823	\$ 375,529	\$ 114,694,064	\$ 203,485,326	\$ 11,867,135	\$ 466,871	\$ 215,819,332
Participant Contribution	\$ 21,823,796	-	\$ 41,994	\$ 21,865,790	\$ 27,314,766	\$ -	\$ 88,453	\$ 27,403,219	\$ 49,138,562	\$ -	\$ 130,447	\$ 49,269,009
Net Benefit	\$ 73,346,818	\$ 5,863,312	\$ 49,348	\$ 79,259,478	\$ 80,999,946	\$ 6,003,823	\$ 287,076	\$ 87,290,845	\$ 154,346,764	\$ 11,867,135	\$ 336,424	\$ 166,550,323

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
**Valuation as of July 1, 2008**  
**Exhibit 3**

Normal Cost  
(5.00% Discount Rate)

	Current Active Employees			Current Retirees			Total		
	Retirement Medical	Medicare Part B	Life Insurance	Retirement Medical	Medicare Part B	Life Insurance	Retirement Medical	Medicare Part B	Life Insurance
<b>General</b>									
Gross Benefit	\$ 930,227	\$ 65,125	\$ 1,104	\$ -	\$ -	\$ -	\$ 930,227	\$ 65,125	\$ 1,104
Participant Contribution	\$ 229,484	\$ -	\$ 418	\$ -	\$ -	\$ -	\$ 229,484	\$ -	\$ 418
Net Benefit	\$ 700,743	\$ 65,125	\$ 686	\$ -	\$ -	\$ -	\$ 700,743	\$ 65,125	\$ 686
<b>School</b>									
Gross Benefit	\$ 3,785,028	\$ 243,550	\$ 2,586	\$ -	\$ -	\$ -	\$ 3,785,028	\$ 243,550	\$ 2,586
Participant Contribution	\$ 896,520	\$ -	\$ 1,209	\$ -	\$ -	\$ -	\$ 896,520	\$ -	\$ 1,209
Net Benefit	\$ 2,888,508	\$ 243,550	\$ 1,377	\$ -	\$ -	\$ -	\$ 2,888,508	\$ 243,550	\$ 1,377
<b>Public Safety</b>									
Gross Benefit	\$ 1,789,449	\$ 89,090	\$ 838	\$ -	\$ -	\$ -	\$ 1,789,449	\$ 89,090	\$ 838
Participant Contribution	\$ 364,129	\$ -	\$ 449	\$ -	\$ -	\$ -	\$ 364,129	\$ -	\$ 449
Net Benefit	\$ 1,425,320	\$ 89,090	\$ 389	\$ -	\$ -	\$ -	\$ 1,425,320	\$ 89,090	\$ 389
<b>Light</b>									
Gross Benefit	\$ 168,139	\$ 10,555	\$ 125	\$ -	\$ -	\$ -	\$ 168,139	\$ 10,555	\$ 125
Participant Contribution	\$ 38,293	\$ -	\$ 54	\$ -	\$ -	\$ -	\$ 38,293	\$ -	\$ 54
Net Benefit	\$ 129,846	\$ 10,555	\$ 71	\$ -	\$ -	\$ -	\$ 129,846	\$ 10,555	\$ 71
<b>Sewer</b>									
Gross Benefit	\$ 108,160	\$ 6,381	\$ 66	\$ -	\$ -	\$ -	\$ 108,160	\$ 6,381	\$ 66
Participant Contribution	\$ 23,590	\$ -	\$ 31	\$ -	\$ -	\$ -	\$ 23,590	\$ -	\$ 31
Net Benefit	\$ 84,570	\$ 6,381	\$ 35	\$ -	\$ -	\$ -	\$ 84,570	\$ 6,381	\$ 35
<b>Water</b>									
Gross Benefit	\$ 109,037	\$ 6,617	\$ 79	\$ -	\$ -	\$ -	\$ 109,037	\$ 6,617	\$ 79
Participant Contribution	\$ 24,122	\$ -	\$ 35	\$ -	\$ -	\$ -	\$ 24,122	\$ -	\$ 35
Net Benefit	\$ 84,915	\$ 6,617	\$ 44	\$ -	\$ -	\$ -	\$ 84,915	\$ 6,617	\$ 44
<b>Total</b>									
Gross Benefit	\$ 6,890,040	\$ 421,318	\$ 4,798	\$ -	\$ -	\$ -	\$ 6,890,040	\$ 421,318	\$ 4,798
Participant Contribution	\$ 1,576,138	\$ -	\$ 2,196	\$ -	\$ -	\$ -	\$ 1,576,138	\$ -	\$ 2,196
Net Benefit	\$ 5,313,902	\$ 421,318	\$ 2,602	\$ -	\$ -	\$ -	\$ 5,313,902	\$ 421,318	\$ 2,602

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
 Valuation as of July 1, 2008  
 Exhibit 4

**Sensitivity to Assumed Health Care Cost Trend Rates of Actuarial Accrued Liability (Net of Participant Contributions)**  
 (5.00% Discount Rate)

	Current Active Employees			Current Retirees			Total				
	Retirement Medical	Medicare		Retirement Medical	Medicare		Retirement Medical	Medicare		Total	
		Part B	Life Insurance		Part B	Life Insurance		Part B	Life Insurance		
<b>General</b>											
Assumed Trend	\$ 12,168,812	\$ 1,080,589	\$ 12,028	\$ 14,430,298	\$ 1,013,313	\$ 49,011	\$ 26,599,110	\$ 2,093,902	\$ 61,039	\$ 28,754,051	
Trend Rates + 1%	\$ 14,353,550	\$ 1,316,188	\$ 12,028	\$ 16,236,978	\$ 1,147,030	\$ 49,011	\$ 30,590,528	\$ 2,463,218	\$ 61,039	\$ 33,114,785	
Trend Rates - 1%	\$ 10,418,026	\$ 895,224	\$ 12,028	\$ 12,957,506	\$ 904,244	\$ 49,011	\$ 23,375,532	\$ 1,799,468	\$ 61,039	\$ 25,236,039	
<b>School</b>											
Assumed Trend	\$ 35,041,117	\$ 3,062,311	\$ 26,203	\$ 36,964,418	\$ 2,875,353	\$ 128,848	\$ 72,005,535	\$ 5,937,664	\$ 155,051	\$ 78,098,250	
Trend Rates + 1%	\$ 42,746,492	\$ 3,830,297	\$ 26,202	\$ 40,740,300	\$ 3,213,404	\$ 128,848	\$ 83,486,792	\$ 7,043,701	\$ 155,050	\$ 90,685,543	
Trend Rates - 1%	\$ 29,104,971	\$ 2,477,652	\$ 26,202	\$ 33,740,247	\$ 2,586,848	\$ 128,848	\$ 62,845,218	\$ 5,064,500	\$ 155,050	\$ 68,064,768	
<b>Public Safety</b>											
Assumed Trend	\$ 20,028,768	\$ 1,246,873	\$ 7,389	\$ 23,250,503	\$ 1,680,682	\$ 84,322	\$ 43,279,271	\$ 2,927,555	\$ 91,711	\$ 46,298,537	
Trend Rates + 1%	\$ 24,932,904	\$ 1,678,071	\$ 7,389	\$ 25,657,876	\$ 1,891,284	\$ 84,322	\$ 50,590,780	\$ 3,569,355	\$ 91,711	\$ 54,251,846	
Trend Rates - 1%	\$ 16,273,471	\$ 935,946	\$ 7,389	\$ 21,203,271	\$ 1,502,448	\$ 84,322	\$ 37,476,742	\$ 2,438,394	\$ 91,711	\$ 40,006,847	
<b>Light</b>											
Assumed Trend	\$ 3,448,678	\$ 265,144	\$ 1,928	\$ 4,142,428	\$ 277,813	\$ 14,720	\$ 7,591,106	\$ 542,957	\$ 16,648	\$ 8,150,711	
Trend Rates + 1%	\$ 4,216,034	\$ 343,828	\$ 1,929	\$ 4,629,132	\$ 316,221	\$ 14,720	\$ 8,845,166	\$ 660,049	\$ 16,649	\$ 9,521,864	
Trend Rates - 1%	\$ 2,847,476	\$ 206,093	\$ 1,929	\$ 3,737,602	\$ 246,163	\$ 14,720	\$ 6,585,078	\$ 452,256	\$ 16,649	\$ 7,053,983	
<b>Sewer</b>											
Assumed Trend	\$ 920,939	\$ 76,961	\$ 745	\$ -	\$ -	\$ -	\$ 920,939	\$ 76,961	\$ 745	\$ 998,645	
Trend Rates + 1%	\$ 1,109,972	\$ 97,250	\$ 745	\$ -	\$ -	\$ -	\$ 1,109,972	\$ 97,250	\$ 745	\$ 1,207,967	
Trend Rates - 1%	\$ 772,430	\$ 61,541	\$ 745	\$ -	\$ -	\$ -	\$ 772,430	\$ 61,541	\$ 745	\$ 834,716	
<b>Water</b>											
Assumed Trend	\$ 1,738,504	\$ 131,434	\$ 1,055	\$ 2,212,299	\$ 156,662	\$ 10,175	\$ 3,950,803	\$ 288,096	\$ 11,230	\$ 4,250,129	
Trend Rates + 1%	\$ 2,107,840	\$ 170,300	\$ 1,056	\$ 2,440,194	\$ 175,446	\$ 10,175	\$ 4,548,034	\$ 345,746	\$ 11,231	\$ 4,905,011	
Trend Rates - 1%	\$ 1,451,463	\$ 102,417	\$ 1,056	\$ 2,019,268	\$ 140,885	\$ 10,175	\$ 3,470,731	\$ 243,302	\$ 11,231	\$ 3,725,264	
<b>Total</b>											
Assumed Trend	\$ 73,346,818	\$ 5,863,312	\$ 49,348	\$ 80,999,946	\$ 6,003,823	\$ 287,076	\$ 154,346,764	\$ 11,867,135	\$ 336,424	\$ 166,550,323	
Trend Rates + 1%	\$ 89,466,792	\$ 7,435,934	\$ 49,349	\$ 89,704,480	\$ 6,743,385	\$ 287,076	\$ 179,171,272	\$ 14,179,319	\$ 336,425	\$ 193,687,016	
Trend Rates - 1%	\$ 60,867,837	\$ 4,678,873	\$ 49,349	\$ 73,657,894	\$ 5,380,588	\$ 287,076	\$ 134,525,731	\$ 10,059,461	\$ 336,425	\$ 144,921,617	



**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
 Valuation as of July 1, 2008  
 Exhibit 5

**Sensitivity to Assumed Health Care Cost Trend Rates of Normal Cost (Net of Participant Contributions)**  
 (5.00% Discount Rate)

	Current Active Employees				Current Retirees				Total			
	Retirement Medical	Medicare Part B	Life Insurance	Total	Retirement Medical	Medicare Part B	Life Insurance	Total	Retirement Medical	Medicare Part B	Life Insurance	Total
<b>General</b>												
Assumed Trend	\$ 700,743	\$ 65,125	\$ 686	\$ 766,554	\$ -	\$ -	\$ -	\$ -	\$ 700,743	\$ 65,125	\$ 686	\$ 766,554
Trend Rates + 1%	\$ 864,535	\$ 82,172	\$ 686	\$ 947,393	\$ -	\$ -	\$ -	\$ -	\$ 864,535	\$ 82,172	\$ 686	\$ 947,393
Trend Rates - 1%	\$ 574,496	\$ 52,193	\$ 686	\$ 627,375	\$ -	\$ -	\$ -	\$ -	\$ 574,496	\$ 52,193	\$ 686	\$ 627,375
<b>School</b>												
Assumed Trend	\$ 2,888,508	\$ 243,550	\$ 1,377	\$ 3,133,435	\$ -	\$ -	\$ -	\$ -	\$ 2,888,508	\$ 243,550	\$ 1,377	\$ 3,133,435
Trend Rates + 1%	\$ 3,817,057	\$ 331,137	\$ 1,377	\$ 4,149,571	\$ -	\$ -	\$ -	\$ -	\$ 3,817,057	\$ 331,137	\$ 1,377	\$ 4,149,571
Trend Rates - 1%	\$ 2,218,002	\$ 181,641	\$ 1,377	\$ 2,401,020	\$ -	\$ -	\$ -	\$ -	\$ 2,218,002	\$ 181,641	\$ 1,377	\$ 2,401,020
<b>Public Safety</b>												
Assumed Trend	\$ 1,425,320	\$ 89,090	\$ 389	\$ 1,514,799	\$ -	\$ -	\$ -	\$ -	\$ 1,425,320	\$ 89,090	\$ 389	\$ 1,514,799
Trend Rates + 1%	\$ 1,884,090	\$ 127,081	\$ 389	\$ 2,011,560	\$ -	\$ -	\$ -	\$ -	\$ 1,884,090	\$ 127,081	\$ 389	\$ 2,011,560
Trend Rates - 1%	\$ 1,090,408	\$ 63,084	\$ 389	\$ 1,153,881	\$ -	\$ -	\$ -	\$ -	\$ 1,090,408	\$ 63,084	\$ 389	\$ 1,153,881
<b>Light</b>												
Assumed Trend	\$ 129,846	\$ 10,555	\$ 71	\$ 140,472	\$ -	\$ -	\$ -	\$ -	\$ 129,846	\$ 10,555	\$ 71	\$ 140,472
Trend Rates + 1%	\$ 166,281	\$ 14,188	\$ 71	\$ 180,540	\$ -	\$ -	\$ -	\$ -	\$ 166,281	\$ 14,188	\$ 71	\$ 180,540
Trend Rates - 1%	\$ 102,551	\$ 7,924	\$ 71	\$ 110,546	\$ -	\$ -	\$ -	\$ -	\$ 102,551	\$ 7,924	\$ 71	\$ 110,546
<b>Sewer</b>												
Assumed Trend	\$ 84,570	\$ 6,381	\$ 35	\$ 90,986	\$ -	\$ -	\$ -	\$ -	\$ 84,570	\$ 6,381	\$ 35	\$ 90,986
Trend Rates + 1%	\$ 109,910	\$ 8,852	\$ 36	\$ 118,798	\$ -	\$ -	\$ -	\$ -	\$ 109,910	\$ 8,852	\$ 36	\$ 118,798
Trend Rates - 1%	\$ 65,938	\$ 4,647	\$ 36	\$ 70,621	\$ -	\$ -	\$ -	\$ -	\$ 65,938	\$ 4,647	\$ 36	\$ 70,621
<b>Water</b>												
Assumed Trend	\$ 84,915	\$ 6,617	\$ 44	\$ 91,576	\$ -	\$ -	\$ -	\$ -	\$ 84,915	\$ 6,617	\$ 44	\$ 91,576
Trend Rates + 1%	\$ 107,811	\$ 8,928	\$ 44	\$ 116,783	\$ -	\$ -	\$ -	\$ -	\$ 107,811	\$ 8,928	\$ 44	\$ 116,783
Trend Rates - 1%	\$ 67,749	\$ 4,955	\$ 44	\$ 72,748	\$ -	\$ -	\$ -	\$ -	\$ 67,749	\$ 4,955	\$ 44	\$ 72,748
<b>Total</b>												
Assumed Trend	\$ 5,313,902	\$ 421,318	\$ 2,602	\$ 5,737,822	\$ -	\$ -	\$ -	\$ -	\$ 5,313,902	\$ 421,318	\$ 2,602	\$ 5,737,822
Trend Rates + 1%	\$ 6,949,684	\$ 572,358	\$ 2,603	\$ 7,524,645	\$ -	\$ -	\$ -	\$ -	\$ 6,949,684	\$ 572,358	\$ 2,603	\$ 7,524,645
Trend Rates - 1%	\$ 4,119,144	\$ 314,444	\$ 2,603	\$ 4,436,191	\$ -	\$ -	\$ -	\$ -	\$ 4,119,144	\$ 314,444	\$ 2,603	\$ 4,436,191

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
**Valuation as of July 1, 2008**  
**Exhibit 6**

**Annual Required Contribution**  
**(5.00% Discount Rate)**

Under GASB 45, the Annual Required Contribution (ARC) of the employer equals the Normal Cost plus a provision for amortizing the Unfunded Accrued Liability. We have assumed level dollar amortization over the maximum acceptable amortization period of 30 years.

For the period beginning July 1, 2008, the ARC (calculated under the parameters of this actuarial valuation) would be:

	<u>General</u>	<u>School</u>	<u>Public Safety</u>	<u>Light</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
1. Normal Cost	\$ 766,554	\$ 3,133,435	\$ 1,514,799	\$ 140,472	\$ 90,986	\$ 91,576	\$ 5,737,822
2. Unfunded Actuarial Accrued Liability							
a. Actuarial Accrued Liability	\$ 28,754,051	\$ 78,098,250	\$ 46,298,537	\$ 8,150,711	\$ 998,645	\$ 4,250,129	\$ 166,550,323
b. Actuarial Value of Plan Assets	84,757	234,430	141,639	24,735	3,253	12,595	501,409
c. Unfunded Actuarial Accrued Liability	\$ 28,669,294	\$ 77,863,820	\$ 46,156,898	\$ 8,125,976	\$ 995,392	\$ 4,237,534	\$ 166,048,914
3. Amortization of Unfunded Actuarial Accrued Liability							
a. Unfunded Actuarial Accrued Liability	\$ 28,669,294	\$ 77,863,820	\$ 46,156,898	\$ 8,125,976	\$ 995,392	\$ 4,237,534	\$ 166,048,914
b. Amortization Period	30	30	30	30	30	30	
c. Amortization Factor	16.14	16.14	16.14	16.14	16.14	16.14	
d. Amortization Amount (3.a. / 3.c.)	\$ 1,776,288	\$ 4,824,276	\$ 2,859,783	\$ 503,468	\$ 61,672	\$ 262,549	\$ 10,288,036
4. Interest	\$ 127,142	\$ 397,886	\$ 218,729	\$ 32,197	\$ 7,633	\$ 17,706	\$ 801,293
5. Annual Required Contribution (1. + 3.d + 4.)	\$ 2,669,984	\$ 8,355,597	\$ 4,593,311	\$ 676,137	\$ 160,291	\$ 371,831	\$ 16,827,151

**Town of Belmont  
Postemployment Medical and Life Insurance  
Benefits Valuation  
Exhibit 7  
Actuarial and Economic Assumptions**

Valuation Date: July 1, 2008

Health Care  
Cost Trend Rates:

<u>Year</u>	<u>Rate</u>
1	10.0%
2	9.0%
3	8.0%
4	7.0%
5	6.0%
Ultimate	5.0%

Discount Rate: 5.0% compounded annually

Mortality Table: Healthy Annuitant Table RP-2000

Turnover Rates: Illustrative Turnover rates are shown below:

<u>Years of Service</u>	<u>Public Safety</u>	<u>Other Employees</u>
0	1.5%	15.0%
1	1.5%	12.0%
2	1.5%	10.0%
3	1.5%	9.0%
4	1.5%	8.0%
5	1.5%	7.6%
10	1.5%	5.4%
15	0.0%	3.3%
20	0.0%	2.0%
25	0.0%	1.0%
30	0.0%	0.0%

**Town of Belmont  
Postemployment Medical and Life Insurance  
Benefits Valuation  
Exhibit 7, continued  
Actuarial and Economic Assumptions**

Eligibility: Retirement at age 55 with 10 years of creditable service  
Retirement at any age with 20 years of creditable service

Retirement Rates: For purposes of the valuation, we assumed the maximum retirement age to be 65. Retirement rates are shown below:

<u>Age</u>	<u>Public Safety</u>	<u>Other Employees</u>	
		<u>Male</u>	<u>Female</u>
45	1.0%		
50	2.0%	1.0%	1.5%
55	15.0%	2.0%	5.5%
60	20.0%	12.0%	5.0%
62	25.0%	30.0%	15.0%
65	100.0%	100.0%	100.0%

Medical Monthly  
Premium Rates for the  
Year Beginning  
July 1, 2008:

	<u>Individual</u>	<u>Family</u>
PPO	\$864.24	\$2,530.73
HMO	\$541.19	\$1,466.27
Medicare Enhance	\$482.30	\$964.60
First Seniority	\$221.52	\$443.04

**Town of Belmont  
 Postemployment Medical and Life Insurance  
 Benefits Valuation  
 Exhibit 7, continued  
 Actuarial and Economic Assumptions**

Incurred Medical Costs  
 Per Capita for the Year  
 Beginning July 1, 2008:

Retirees and Spouses

<u>Age</u>	<u>Incurred Medical Costs</u>
Under 55	\$9,427
55-59	\$16,758
60-64	\$20,350
65-69	\$10,762
70-74	\$8,255
75-79	\$5,537
80-84	\$6,930
85-89	\$12,306
90-94	\$9,187
95-99	\$9,187

Medicare Part B  
 Premiums:

The Town of Belmont pays 50% of Medicare Part B premiums for retirees and spouses participating in Medicare. For the year beginning July 1, 2008, the monthly Medicare Part B premium was assumed to be \$98.30.

**Town of Belmont  
Postemployment Medical and Life Insurance  
Benefits Valuation  
Exhibit 7, continued  
Actuarial and Economic Assumptions**

Medical Plan Participation:	85% of eligible retirees will elect to participate.
Dependent Status:	35% of Belmont employees are assumed to retire with a covered spouse. Male spouses are assumed to be three years older and female spouses are assumed to be three years younger than the retired employee.
Participant Contributions:	Eligible retirees not participating in Medicare and their spouses contribute 20% of premium rates for the HMO plan and the PPO plan. Medicare-eligible retirees and their spouses contribute 50% of the cost of the Medicare Enhance Supplement and the First Seniority Plan. For the year beginning July 1, 2008, we assumed average contributions of \$1,889 for each retiree and spouse not participating in Medicare, and \$2,460 for each Medicare-eligible retiree and spouse.
Continuation of Coverage to Spouse After Death of Retiree:	Surviving spouse may continue coverage for lifetime by paying 50% of the medical plan premium rate.
Life Insurance:	Retirees are eligible for a \$2,000 life insurance benefit. Retirees electing life insurance contribute \$28.44 annually for the benefit. We assumed that 60% of future retirees will elect the life insurance benefit.
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.

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
 Valuation as of July 1, 2008  
 Exhibit 8

**Active Employees by Age and Years of Service**

Age	General								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	3	0	0	0	0	0	0	0	0	3	3%
25 to 29	2	0	0	0	0	0	0	0	0	2	2%
30 to 34	6	2	0	0	0	0	0	0	0	8	8%
35 to 39	2	0	0	1	0	0	0	0	0	3	3%
40 to 44	1	4	2	0	1	0	0	0	0	8	8%
45 to 49	5	4	1	1	0	1	0	0	0	12	11%
50 to 54	4	7	3	1	5	0	0	1	0	21	20%
55 to 59	5	4	3	0	2	2	0	1	1	18	17%
60 to 64	4	5	1	2	0	3	2	3	0	20	19%
65 to 69	2	0	0	1	0	0	0	1	0	4	4%
70 & up	1	3	1	0	0	1	0	0	0	6	6%
<b>Total</b>	<b>35</b>	<b>29</b>	<b>11</b>	<b>6</b>	<b>8</b>	<b>7</b>	<b>2</b>	<b>6</b>	<b>1</b>	<b>105</b>	
<b>Percent</b>	<b>33%</b>	<b>28%</b>	<b>11%</b>	<b>6%</b>	<b>8%</b>	<b>7%</b>	<b>2%</b>	<b>6%</b>	<b>1%</b>		<b>100%</b>

Age	School								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	22	1	0	0	0	0	0	0	0	23	5%
25 to 29	74	14	0	0	0	0	0	0	0	88	19%
30 to 34	46	18	0	0	0	0	0	0	0	64	14%
35 to 39	16	16	9	0	0	0	0	0	0	41	9%
40 to 44	12	15	10	1	0	0	0	0	0	38	8%
45 to 49	25	14	6	5	5	0	0	0	0	55	12%
50 to 54	18	13	10	5	5	6	1	0	0	58	13%
55 to 59	10	9	15	7	2	6	3	0	0	52	11%
60 to 64	8	6	7	6	1	1	1	0	0	30	7%
65 to 69	1	1	1	2	1	2	0	0	0	8	2%
70 & up	1	0	0	2	1	2	2	0	0	8	2%
<b>Total</b>	<b>233</b>	<b>107</b>	<b>58</b>	<b>28</b>	<b>15</b>	<b>17</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>465</b>	
<b>Percent</b>	<b>50%</b>	<b>23%</b>	<b>13%</b>	<b>6%</b>	<b>3%</b>	<b>4%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>		<b>100%</b>

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
**Valuation as of July 1, 2008**  
**Exhibit 8**

**Active Employees by Age and Years of Service**

Age	Public Safety								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	1	0	0	0	0	0	0	0	0	1	1%
25 to 29	13	2	0	0	0	0	0	0	0	15	13%
30 to 34	5	3	0	0	0	0	0	0	0	8	7%
35 to 39	8	11	6	1	0	0	0	0	0	26	22%
40 to 44	0	6	13	3	3	0	0	0	0	25	22%
45 to 49	1	1	2	2	8	1	0	0	0	15	13%
50 to 54	2	2	1	2	2	1	2	0	0	12	10%
55 to 59	2	1	0	0	1	3	2	1	0	10	9%
60 to 64	0	0	0	0	0	0	1	0	0	1	1%
65 to 69	1	0	0	0	1	0	0	0	0	2	2%
70 & up	0	0	0	0	0	0	1	0	0	1	1%
<b>Total</b>	<b>33</b>	<b>26</b>	<b>22</b>	<b>8</b>	<b>15</b>	<b>5</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>116</b>	<b>100%</b>
<b>Percent</b>	<b>28%</b>	<b>22%</b>	<b>19%</b>	<b>7%</b>	<b>13%</b>	<b>4%</b>	<b>5%</b>	<b>1%</b>	<b>0%</b>		

Age	Light								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	1	0	0	0	0	0	0	0	0	1	4%
25 to 29	1	0	0	0	0	0	0	0	0	1	4%
30 to 34	0	1	0	0	0	0	0	0	0	1	4%
35 to 39	0	0	1	0	0	0	0	0	0	1	4%
40 to 44	1	0	0	0	0	1	0	0	0	2	9%
45 to 49	3	0	1	1	3	0	0	0	0	8	35%
50 to 54	1	0	1	1	2	0	0	0	0	5	22%
55 to 59	0	0	0	1	2	0	0	0	0	3	13%
60 to 64	1	0	0	0	0	0	0	0	0	1	4%
65 to 69	0	0	0	0	0	0	0	0	0	0	0%
70 & up	0	0	0	0	0	0	0	0	0	0	0%
<b>Total</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>100%</b>
<b>Percent</b>	<b>35%</b>	<b>4%</b>	<b>13%</b>	<b>13%</b>	<b>30%</b>	<b>4%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
**Valuation as of July 1, 2008**  
**Exhibit 8**

**Active Employees by Age and Years of Service**

Age	Sewer								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	2	0	0	0	0	0	0	0	0	2	17%
25 to 29	0	0	0	0	0	0	0	0	0	0	0%
30 to 34	0	1	0	0	0	0	0	0	0	1	8%
35 to 39	2	0	0	0	0	0	0	0	0	2	17%
40 to 44	2	0	1	0	0	0	0	0	0	3	25%
45 to 49	0	1	0	0	0	0	0	0	0	1	8%
50 to 54	0	1	0	0	1	0	0	0	0	2	17%
55 to 59	0	0	0	0	0	0	0	0	0	0	0%
60 to 64	0	0	1	0	0	0	0	0	0	1	8%
65 to 69	0	0	0	0	0	0	0	0	0	0	0%
70 & up	0	0	0	0	0	0	0	0	0	0	0%
<b>Total</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>100%</b>
<b>Percent</b>	<b>50%</b>	<b>25%</b>	<b>17%</b>	<b>0%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		

Age	Water								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	0	0	0	0	0	0	0	0	0	0	0%
25 to 29	0	1	0	0	0	0	0	0	0	1	8%
30 to 34	1	0	0	0	0	0	0	0	0	1	8%
35 to 39	0	1	0	0	0	0	0	0	0	1	8%
40 to 44	0	0	0	0	1	0	0	0	0	1	8%
45 to 49	1	1	0	0	0	0	0	0	0	2	17%
50 to 54	1	1	0	1	0	0	0	0	0	3	25%
55 to 59	0	0	1	1	0	0	0	1	0	3	25%
60 to 64	0	0	0	0	0	0	0	0	0	0	0%
65 to 69	0	0	0	0	0	0	0	0	0	0	0%
70 & up	0	0	0	0	0	0	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>100%</b>
<b>Percent</b>	<b>25%</b>	<b>33%</b>	<b>8%</b>	<b>17%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>	<b>0%</b>		

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
**Valuation as of July 1, 2008**  
**Exhibit 8**

**Active Employees by Age and Years of Service**

Age	All Years of Service										Total	Percent
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up			
Under 25	29	1	0	0	0	0	0	0	0	0	30	4%
25 to 29	90	17	0	0	0	0	0	0	0	0	107	15%
30 to 34	58	25	0	0	0	0	0	0	0	0	83	11%
35 to 39	28	28	16	2	0	0	0	0	0	0	74	10%
40 to 44	16	25	26	4	5	1	0	0	0	0	77	11%
45 to 49	35	21	10	9	16	2	0	0	0	0	93	13%
50 to 54	26	24	15	10	15	7	3	1	0	0	101	14%
55 to 59	17	14	19	9	7	11	5	3	1	1	86	12%
60 to 64	13	11	9	8	1	4	4	3	0	0	53	7%
65 to 69	4	1	1	3	2	2	0	1	0	0	14	2%
70 & up	2	3	1	2	1	3	3	0	0	0	15	2%
<b>Total</b>	<b>318</b>	<b>170</b>	<b>97</b>	<b>47</b>	<b>47</b>	<b>30</b>	<b>15</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>733</b>	<b>100%</b>
<b>Percent</b>	<b>43%</b>	<b>23%</b>	<b>13%</b>	<b>6%</b>	<b>6%</b>	<b>4%</b>	<b>2%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>		

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
 Valuation as of July 1, 2008  
 Exhibit 9

**Retired Medical Plan Participants**

Age	General	School	Public Safety	Light	Sewer	Water	Total	Age
Under 40	0	0	0	0	0	0	0	Under 40
40 - 44	0	0	0	0	0	0	0	40 - 44
45 - 49	2	0	0	0	0	0	2	45 - 49
50 - 54	1	1	1	0	0	0	3	50 - 54
55 - 59	2	15	12	3	0	1	33	55 - 59
60 - 64	14	40	23	3	0	1	81	60 - 64
65 - 69	12	51	23	5	0	2	93	65 - 69
70 - 74	11	30	25	3	0	1	70	70 - 74
75 - 79	11	36	19	4	0	3	73	75 - 79
80 - 84	8	18	10	1	0	4	41	80 - 84
85 & Up	8	21	9	3	0	1	42	85 & Up
Total	69	212	122	22	0	13	438	Total

Note: 103 spouses of retired members have medical coverage.

**Retired Life Insurance Plan Participants**

Age	General	School	Public Safety	Light	Sewer	Water	Total	Age
Under 40	3	0	0	0	0	0	3	Under 40
40 - 44	0	0	0	0	0	0	0	40 - 44
45 - 49	1	0	0	0	0	0	1	45 - 49
50 - 54	0	1	0	0	0	0	1	50 - 54
55 - 59	1	6	9	0	0	0	16	55 - 59
60 - 64	9	27	25	2	0	0	63	60 - 64
65 - 69	9	27	16	3	0	2	57	65 - 69
70 - 74	6	27	24	4	0	2	63	70 - 74
75 - 79	7	27	14	3	0	3	54	75 - 79
80 - 84	10	18	7	0	0	3	38	80 - 84
85 & Up	10	19	7	3	0	0	39	85 & Up
Total	56	152	102	15	0	10	335	Total

## 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 for by future Normal Costs.

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

**Net OPEB Obligation** – The cumulative excess since adoption of GASB 45 of Annual OPEB Cost over the employer's contribution 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 agreement under which:

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

**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.

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