



**City of Fort Bragg
Retiree Healthcare Plan**

Actuarial Valuation as of June 30, 2019

January 17, 2020

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ACTUARIAL VALUATION CERTIFICATION

This report presents the City of Fort Bragg Retiree Healthcare Plan (“Plan”) June 30, 2019 actuarial valuation. The purpose of this valuation is to:

- Determine the June 30, 2019 Benefit Obligations,
- Determine the Plan’s June 30, 2019 Funded Status, and
- Calculate the 2020/21 and 2021/22 Actuarially Determined Contributions.

This report includes the following sections:

- Section 1 presents an introduction.
- Section 2 summarizes the census data.
- Section 3 summarizes the Plan provisions.
- Section 4 summarizes the actuarial methods and assumptions.
- Section 5 provides the results of the actuarial valuation.
- Section 6 summarizes the health plans and premiums.
- Section 7 summarizes the life expectancies.

The report provides information intended for plan funding, but may not be appropriate for other purposes. Information provided in this report may be useful to the City for the Plan’s financial management. Future valuations may differ significantly if the Plan’s experience differs from our assumptions or if there are changes in Plan design, actuarial methods or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions, participant data, and asset information provided by the City as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,
Bartel Associates, LLC



Marilyn Oliver, FSA, MAAA
Vice President and Actuary



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TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
1	Introduction & Data Summary	1
2	Program Description	4
3	Actuarial Methods / Assumptions Summary	5
4	Valuation Results	9
5	Health Plan Summaries and Premiums	18
6	Life Expectancies	21
	Appendix A: Additional Assumptions / Methods	
	Appendix B: Actives by Age and Service Table	

Actuarial and Accounting Terminology Used in this Report

- AAL – Actuarial Accrued Liability
- ADC – Actuarially Determined Contribution
- EAN – Entry Age Normal Cost Method
- GASBS 75 – Governmental Accounting Standards Board Statement No. 75
- NC – Normal Cost
- OPEB – Other (than pensions) Post Employment Benefits
- PVFB – Present Value of all Future Benefits
- UAAL – Unfunded Actuarial Accrued Liability

SECTION 1
INTRODUCTION & DATA SUMMARY

Introduction

The City's post-retirement healthcare program covers service and disability retirements directly from service with 10 years of City service. Benefits provided are dependent on bargaining group and hire date. **Retirees hired on or after July 1, 2011 (January 1, 2012 for Fort Bragg Police Officer Association members) are not covered by the program.** Currently 32 retirees are covered by the program and 21 employees are potentially eligible for benefits upon retirement.

Participant Statistics

	FBPA	SEIU	Mid-Mgmt & Mgmt	Other¹	Total
Actives²					
Counts:					
Tier 1	1	1	-	-	2
Tier 2	1	4	-	-	5
Tier 3	6	5	2	-	13
Tier 4	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total	8	10	2	1	21
Avg. Age	45.7	56.8	48.9	63.7	52.1
Avg. Svc.	16.4	18.3	12.6	8.1	16.5
Avg. Entry Age	29.3	38.5	36.3	55.7	35.6
Avg. Pay	\$ 75,111	\$ 58,282	\$ 105,543	\$ 65,314	\$ 69,529
Total Pay	600,891	582,823	211,086	65,314	1,460,113
Covered Retirees					
Counts					
Under 65	-	1	5	-	6
Over 65	<u>6</u>	<u>13</u>	<u>5</u>	<u>2</u>	<u>26</u>
Total	6	14	10	2	32
Avg. Age	73.0	72.3	65.3	98.2	71.9

¹ Part-time employees or not represented by current bargaining groups.

² Excludes employees not eligible for the plan.

SECTION 1
INTRODUCTION & DATA SUMMARY

Medical and Dental Coverage - Actives

	Single	2-Party	Family	Waived	Total
Medical					
EPO 250	3	10	4	-	17
EPO 500	-	-	1	-	1
PPO 250	-	-	-	-	-
HSA 1350	-	-	2	-	2
Waived	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total	3	10	7	1	21
Dental	3	9	7	2	21

Medical and Dental Coverage – Retirees

	Single	2-Party	Family	Waived	Total
Medical <65					
EPO 250	3	3	-	-	6
EPO 500	-	-	-	-	-
PPO 250	-	-	-	-	-
Medical >65					
Transamerica	<u>15</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>26</u>
Total Medical	18	14	-	-	32
Dental	16	16	-	-	32

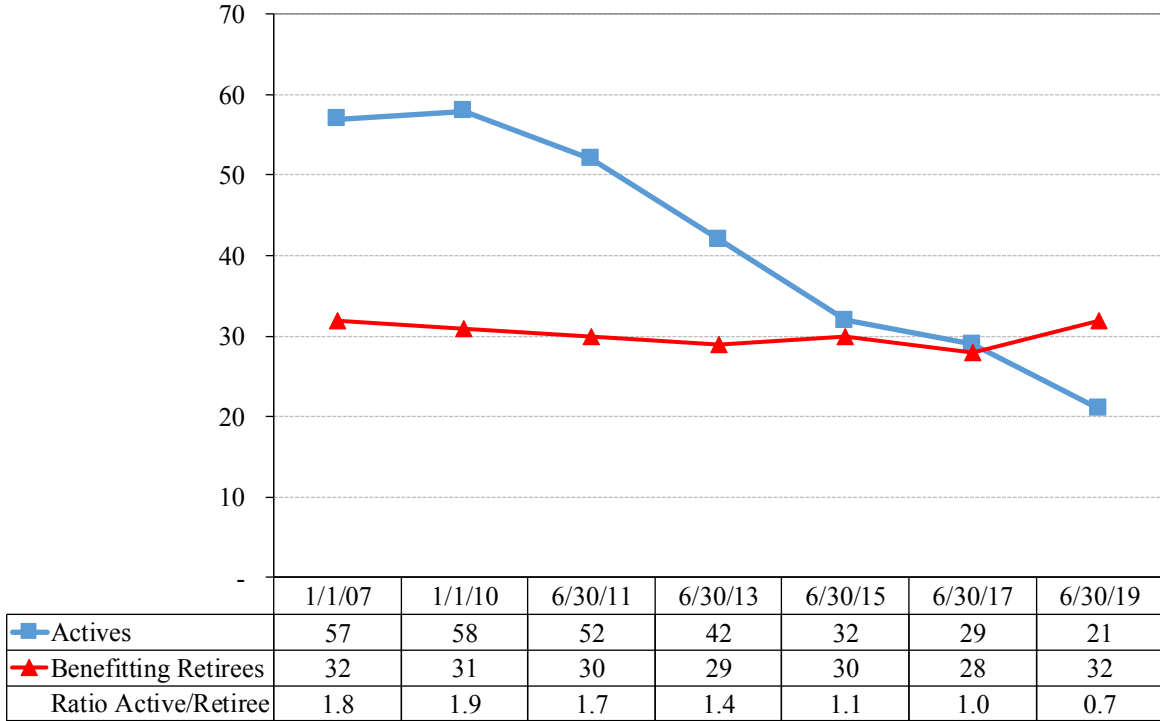
Plan Participant Reconciliation (6/30/2017 – 6/30/2019)

	Actives	Retirees			Total
		Service	Disability	Beneficiary	
June 30, 2017	29	16	8	4	28
Terminations	(3)	-	-	-	-
Deaths	-	-	-	-	-
New Eligible Retirees	(5)	5	-	-	5
New Ineligible Retirees	-	-	-	-	-
Adjustments ³	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
June 30, 2019	21	21	7	4	32

³ 1 retiree moved out of the country and is no longer eligible.

SECTION 1
INTRODUCTION & DATA SUMMARY

Historical Participant Counts



SECTION 2 PROGRAM DESCRIPTION

Design of Current Program

Health Plans

The City's post-retirement healthcare program covers service and disability retirements who retire directly from service with 10 years of City service. Benefits provided are dependent on bargaining group and hire date.

Tier 1: For retirees hired before January 1, 1992, the City pays the full cost of medical and dental premiums for the former employee. In addition the City pays a percentage of the spouse's medical plan premium starting at the retiree's age 60. The percentage is 10% for each year of service after 10 years, reaching 100% for those retiring with 19 or more years of service. In addition, the spouse may participate in the dental program – but at their own cost.

Tier 2: For retirees hired on or after January 1, 1992 and before July 1, 2003 (July 1, 2004 for Fort Bragg Police Officer Association members), the City pays the full cost of medical and dental premiums for the former employee only.

Tier 3: For retirees hired on or after July 1, 2003 (July 1, 2004 for Fort Bragg Police Officer Association members) and before July 1, 2007, the City pays the full cost of medical and dental premiums for the former employee until age 65 when Medicare becomes payable. Thereafter, coverage is limited to a supplemental prescription drug plan, which is paid for by the City.

Tier 4: For retirees hired on or after July 1, 2007 and before July 1, 2011 (January 1, 2012 for Fort Bragg Police Officer Association members), the retiree only may remain in the City's health plans until age 65, but at their own cost.

For retirees hired on or after July 1, 2011 (January 1, 2012 for Fort Bragg Police Officer Association members), the retiree and spouse receive no City payments towards medical and dental coverage and may not participate in the City's health plans.

The City also pays vision benefits for 4 grandfathered retirees. In addition, spouses of two Tier 2 retirees participate in the medical plan at their own expense. Otherwise, spouses of Tier 2-4 retirees may not participate in the City's health plans.

SECTION 3
ACTUARIAL METHODS AND ASSUMPTIONS

Economic Assumptions

Long-term Investment Return	6.75%
General Salary Increases	3.00%
Inflation Rate	2.75%

The City pre-funds using the California Employers' Retiree Benefit Trust (CERBT), the irrevocable trust set up by CalPERS for prefunding post-retirement benefits other than pensions. The 6.75% long-term investment return assumption is consistent with the CERBT asset allocation the City has chosen, Strategy #1 with a target allocation of 59% equities, 25% fixed income, 5% inflation linked bonds, 8% REITs, and 3% commodities. The general salary increase assumption is based on 2.75% future inflation plus 0.25% across-the-board pay increases.

CERBT administrative fees are estimated as 0.05% of market value of assets and are included in the Normal Cost.

Demographic Assumptions

Pre-retirement disability, termination, and retirement probabilities	CalPERS 2017 experience study (1997-2015 experience) assumptions for Public Agencies for retirement formula covering employee (i.e., 2% at 55 for general employees and 2% at 50 for FBPA members).
Pre- and Post-retirement mortality probabilities	CalPERS 2017 experience study mortality table assumptions for pre-retirements, service retirements and disabilities adjusted for future mortality improvement using Scale MP-2018.
CalPERS Reciprocal Service	City service plus ½ years between age 30 and City hire age.

SECTION 3
ACTUARIAL METHODS AND ASSUMPTIONS

Medical Coverage of current employees after retirement	<p>Tiers 1-3: All future retirees (including employees currently waiving coverage) are expected to elect medical and dental coverage available to them at retirement.</p> <p>Tier 4: 75% of future retirees (including employees currently waiving coverage) are expected to elect medical and dental coverage available to them at retirement.</p> <p>To the extent allowable under the plan, employees with spouse or family coverage are assumed to cover their spouses after retirement.</p>
Medicare Coverage	<p>All employees, retirees and spouses are assumed to be covered by Medicare A and B at age 65.</p>
Spouse ages	<p>Employees: Female spouse is three years younger than male spouse.</p> <p>Retirees: Spouse date of birth was provided by the City.</p>
PPACA High Cost Plan Excise Tax	<p>2% load, City-paid medical premiums</p>

SECTION 3
ACTUARIAL METHODS AND ASSUMPTIONS

Medical Assumptions

Future Increases in Premium Rates

Medical premiums and claims are assumed to increase at the rates shown below.

<u>Year</u>	<u>Increase from Prior Year</u>	
	<u>Non-Medicare</u>	<u>Medicare</u>
2021	7.25%	6.30%
2022	7.00%	6.10%
2023	6.75%	5.90%
2024	6.50%	5.70%
2025	6.25%	5.50%
2026	6.00%	5.30%
2027	5.80%	5.15%
2028	5.60%	5.00%
2029	5.40%	4.85%
2030	5.20%	4.70%
2031-2035	5.05%	4.60%
2036-2045	4.90%	4.50%
2046-2055	4.75%	4.45%
2056-2065	4.60%	4.40%
2066-2075	4.30%	4.20%
2076+	4.00%	4.00%

Dental costs are assumed to increase at 5.00% per year. Vision costs are assumed to increase at 3.00% per year.

Premium for Tier 3 Supplemental Pharmacy Plan

Since the plan has not been installed, the pharmacy portion of the Transamerica premium has been used.

Implied Subsidy for Pre-Medicare Retirees

Under the current REMIF rate structure, active employees are partially subsidizing early retiree claims costs. This subsidy, known as an implied subsidy, is included in the valuation.

Claims Costs for Pre- and Post-Medicare Retirees

Information regarding age/gender based claim costs used in the valuation may be found in Appendix A.

SECTION 3
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Cost Method

The level percentage of pay Entry Age Normal Cost Method has been used to calculate contribution levels and the Unfunded Actuarial Accrued Liability. This is the same actuarial method that is used to fund California PERS retirement benefits. For purposes of calculating the 2020/21 Actuarially Determined Contribution, the Unfunded Actuarial Accrued Liability is amortized as a level dollar amount over the closed 22-year period from July 1, 2020 to June 30, 2042.

Demographic Data

Data as of June 30, 2019 was provided by the City. The data has been checked for general reasonability but has not been audited.

Funding Policy

Starting with the 2011/12 plan year, the City began fully prefunding the plan by paying the Annual Required Contribution. Beginning in the 2018/19 plan year the City annually contributes \$5,000 to the trust. Starting in 2020/21 sufficient benefit payments will be withdrawn from the trust so that the total contribution (\$5,000 plus projected benefit payments minus withdrawals from trust) does not exceed the ADC.

Assets

The Actuarial Value of Assets is set equal to the Market Value of Assets.

Changes since the Last Valuation

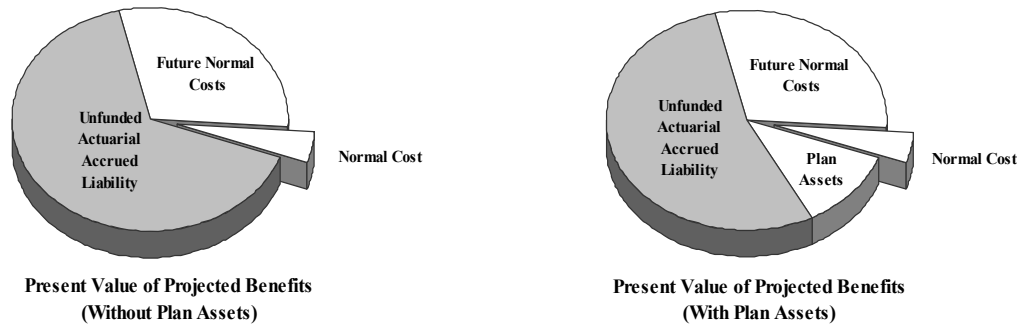
The following assumptions were changed:

- The aging factors and methodology used in the development of the claims cost were modified.
- The CalPERS mortality assumptions and the mortality improvement scale were updated.
- CERBT administrative fees were included in the Normal Cost.

SECTION 4 VALUATION RESULTS

Terminology

This report develops the AAL and Normal Cost using the Entry Age Normal actuarial cost method. It is designed to produce a Normal Cost that, if all assumptions are met, will generally be a level percent of payroll. The following charts illustrate a sample PVPB, both with and without plan assets, with the shaded area representing the unfunded AAL:



- **The Present Value of Projected Benefits (PVPB)** is a measure of the City’s total obligation for expected retiree healthcare benefits due to both past and future service for current employees and retirees.
- **The Actuarial Accrued Liability (AAL)** is a measure of the City’s obligation for benefits earned or allocated to past service.
- **The Normal Cost (NC)** is the value of City-provided benefits expected to be earned or allocated to the current fiscal year determined as of the middle of the fiscal year.
- **Plan Assets** must be segregated in a trust for the sole purpose of paying Plan benefits in order to be considered Plan Assets for GASBS 75.
- **The Unfunded Actuarial Accrued Liability (UAAL)** is the difference between the AAL and the Plan Assets.
- **Expected Benefit Payments** are the City-paid retiree healthcare benefit payments for the current fiscal year. They include payments for current retirees and active employees expected to retire during the year.
- **The Actuarially Determined Contribution (ADC)** is the sum of the Normal Cost plus amortization of the Unfunded Actuarial Accrued Liability (or less an amortization of excess assets) determined as of the middle of the fiscal year.

SECTION 4
VALUATION RESULTS

Asset Reconciliation⁴
July 1, 2017 – June 30, 2019

	<u>Total</u>
■ Assets as of July 1, 2017	\$ 2,060,673
• Contributions 7/1/2017-6/30/2018	215,000
• Disbursements 7/1/2017-6/30/2018	-
• Net Investment Earnings 7/1/2017-6/30/2018	164,052
• Administrative Expenses 7/1/2017-6/30/2018	<u>(3,826)</u>
■ Assets as of June 30, 2018	2,435,899
• Accounting Adjustment ⁵	1,737
• Contributions 7/1/2018-6/30/2019	5,000
• Disbursements 7/1/2018-6/30/2019	-
• Net Investment Earnings 7/1/2018-6/30/2019	151,091
• Administrative Expenses 7/1/2018-6/30/2019	<u>(1,199)</u>
■ Assets as of July 1, 2019	2,592,528

The net return on market value of assets was 8.0% for fiscal year 2017/18 and 6.2% for fiscal year 2018/19. The expected return on assets was 6.75%, so there was a gain on assets during 2017/18 and a loss during 2018/19.

Results

Shown on the next page for all current employees and retirees by Miscellaneous and Safety are:

- (1) The present value of all future post-retirement health benefits anticipated to be paid by the City
- (2) The associated Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability
- (3) Actuarially Determined Contribution (ADC) amounts.

⁴ Fiscal year 2017/18 amounts are based on the 6/30/18 “California Employers’ Retiree Benefit Trust Agent Multiple-Employer Other Postemployment Benefits Plan Schedule of Changes in Fiduciary Net Position by Employer” report. Fiscal year 2018/19 is based on the City’s quarterly CERBT statements.

⁵ Adjustment to match 6/30/18 amount to the City’s quarterly CERBT statements

SECTION 4
VALUATION RESULTS

Results of Post-Retirement Health Valuation as of June 30, 2019

	Miscellaneous	Safety	Total
(1) Present Value of Future Benefits			
Actives	\$ 1,671,470	\$ 667,719	\$ 2,339,189
Inactives	<u>3,089,111</u>	<u>918,885</u>	<u>4,007,997</u>
Total PVFB	4,760,581	1,586,604	6,347,186
(2) Unfunded Actuarial Accrued Liability			
Actuarial Accrued Liability			
Actives	1,331,939	438,333	1,770,272
Inactives	<u>3,089,111</u>	<u>918,885</u>	<u>4,007,997</u>
Total AAL	4,421,050	1,357,218	5,778,269
Assets ⁶	<u>1,983,587</u>	<u>608,941</u>	<u>2,592,528</u>
UAAL	2,437,463	748,277	3,185,741
(3) FY 2020/21 ADC Amounts*			
22-Year Funding - \$ amount			
Normal Cost	\$ 53,124	\$ 26,410	\$ 79,534
22-year Funding of UAAL	<u>205,694</u>	<u>63,562</u>	<u>269,256</u>
Total	258,817	89,972	348,790
22-Year Funding - % of covered pay			
Normal Cost	5.4%	6.4%	5.7%
22-year Funding of UAAL	<u>21.0%</u>	<u>15.4%</u>	<u>19.3%</u>
Total**	26.4%	21.9%	25.0%
(4) Projected 2020/21 Covered Payroll⁷	980,988	411,537	1,392,525

*Contributions are assumed to be payable at the middle of the year.

**Differences due to rounding.

⁶ Allocated based on AAL.

⁷ Payroll for plan participants only.

SECTION 4
VALUATION RESULTS

Actuarially Determined Contribution (ADC)

The Actuarially Determined Contribution for 2020/21 and 2021/22 are shown below based on the following.

- 1) Estimated trust earnings in 2019/20 and 2020/21 of 6.75%.
- 2) In 2019/20 the City contributes \$5,000 to the trust, pays benefit payments outside of the trust and makes no trust withdrawals.
- 3) In 2020/21, the City contributes \$5,000 to the trust and sufficient benefit payments are withdrawn from the trust so that the total contribution (\$5,000 plus projected benefit payments minus withdrawals from trust) does not exceed the ADC.

	2020/21	2021/22
■ ADC - \$ (Middle of Year)		
• Normal Cost	\$ 79,534	\$ 73,957
• UAAL ⁸ Amortization	269,256	269,256
• Total	348,790	343,213
■ Projected Covered Payroll⁹	1,392,525	1,327,943
■ ADC - %		
• Normal Cost	5.7%	5.6%
• UAAL Amortization	19.3%	20.3%
• Total	25.0%	25.8%

⁸ 22 years from July 1, 2020, 21 years from July 1, 2021

⁹ Payroll for plan participants only.

SECTION 4
VALUATION RESULTS

Comparison to Prior Valuation

A summary of valuation results appears below along with a comparison to the prior valuation.

	<u>6/30/2017</u>	<u>6/30/2019</u>
■ Discount Rate	6.75%	6.75%
■ Present Value of Future Benefits	\$ 6,253,590	\$ 6,347,186
■ Funded Status		
• Actuarial Accrued Liability (AAL)	5,451,715	5,778,269
• Assets	<u>2,060,673</u>	<u>2,592,528</u>
• Unfunded AAL	3,391,042	3,185,741
■ Funded Ratio (Assets/AAL)	37.8%	44.9%
	<u>2018/19</u>	<u>2020/21</u>
■ ADC - \$ Middle of the Year		
• Normal Cost	\$ 107,982	\$ 79,534
• UAAL Amortization	<u>267,408</u>	<u>269,256</u>
• Total	375,390	348,790
■ ADC - % of Covered Pay		
• Normal Cost	5.7%	5.7%
• UAAL Amortization	<u>14.1%</u>	<u>19.3%</u>
• Total as % of Covered Pay	19.9%	25.0%
■ Projected Covered Payroll¹⁰	\$ 1,890,932	\$ 1,392,525

¹⁰ Payroll for plan participants only.

SECTION 4
VALUATION RESULTS

An analysis of changes in the plan's Unfunded Actuarial Accrued Liability (UAAL) is below (amounts in 000's).

	<u>AAL</u>	<u>Assets</u>	<u>UAAL</u>
■ Actual at 6/30/2017	\$ 5,452	\$ 2,061	\$ 3,391
■ Expected at 6/30/2019	5,844	2,671	3,173
● Experience			
○ Demographic and other	(46)	-	(46)
○ Premiums and claims increased less than expected	(238)	-	(238)
○ Contribution loss	-	(88)	88
○ Investment gain	-	10	(10)
○ Total	<u>(284)</u>	<u>(78)</u>	<u>(206)</u>
● Assumption and Method Changes			
○ Change in Claims Methodology	167	-	167
○ CalPERS 1997-2015 Experience Study for Mortality	70	-	70
○ Change in mortality improvement	<u>(19)</u>	<u>-</u>	<u>(19)</u>
○ Total	<u>219</u>	<u>-</u>	<u>219</u>
■ Actual at 6/30/2019	5,778	2,593	3,186

SECTION 4
VALUATION RESULTS

Projections

Shown below are projected Actuarially Determined Contributions (ADC) assuming the City annually contributes \$5,000 to the trust and that sufficient benefit payments are withdrawn from the trust so that the total contribution (\$5,000 plus projected benefit payments minus withdrawals from trust) does not exceed the ADC.

The projections assume no new entrants since the plan is closed to new hires and that our actuarial assumptions are realized. The amortization period for unfunded liabilities is the 22-year period from 7/1/2020 to 6/30/2042. Amortization payments are determined as level dollar amounts.

Unfunded Actuarial Accrued Liability (UAAL) and Actuarially Determined Contribution (ADC)
(thousands)

Fiscal Year Beginning July 1	UAAL	UAAL Pymt	Normal Cost	Total ADC	Covered Payroll ¹¹	ADC as % of Covered Payroll	Total City Payroll ¹²	ADC as % of Total
2020	\$ 3,142	\$ 269	\$ 80	\$ 349	\$1,393	25.1%	4,367	8.0%
2021	3,076	269	74	343	1,328	25.8%	4,498	7.6%
2022	3,005	269	69	338	1,246	27.1%	4,633	7.3%
2023	2,930	269	64	333	1,175	28.3%	4,772	7.0%
2024	2,850	269	60	329	1,116	29.5%	4,915	6.7%
2025	2,764	269	56	326	1,061	30.7%	5,062	6.4%
2026	2,672	269	52	321	1,000	32.1%	5,214	6.2%
2027	2,574	269	48	317	935	33.9%	5,371	5.9%
2028	2,470	269	44	313	869	36.0%	5,532	5.7%
2029	2,358	269	41	310	818	37.9%	5,698	5.4%
2030	2,239	269	37	307	768	40.0%	5,869	5.2%
2031	2,112	269	34	303	714	42.4%	6,045	5.0%

¹¹ Payroll for plan participants only.

¹² Estimated City payroll including employees not eligible for plan. Estimated from 6/30/18 CalPERS valuation reports.

SECTION 4
VALUATION RESULTS

Shown below are projected contributions assuming the City annually contributes \$5,000 to the trust and that sufficient benefit payments are withdrawn from the trust so that the total contribution (\$5,000 plus projected benefit payments minus withdrawals from trust) does not exceed the ADC.

Projected Contribution: (thousands)				
Fiscal year Beginning July 1	ADC	Trust Contributions	Projected Benefit Payments	Withdrawal from Trust ¹³
2020	\$ 349	\$ 5	\$ 362	\$ (19)
2021	343	5	388	(52)
2022	338	5	424	(94)
2023	333	5	446	(122)
2024	329	5	422	(101)
2025	326	5	421	(103)
2026	321	5	423	(111)
2027	317	5	459	(152)
2028	313	5	476	(174)
2029	310	5	473	(174)
2030	307	5	473	(177)
2031	303	5	500	(209)

These yearly projections assume that funds invested at the CERBT (Strategy #1) earn 6.75% each year, that premiums increase according to our medical trend assumption and that all of our other assumptions are realized. To the extent that actual experience differs from our assumption, the projected ADCs and the projected drawdowns available from the Trust will be different.

¹³ Assumes withdrawal at end of fiscal year so includes ½ year’s interest.

SECTION 4
VALUATION RESULTS

Projected Benefit Payments

Shown below are the projected benefit payments. (thousands)

Fiscal year Beginning July 1	Retiree Premiums	Implied Subsidy	Total
2019	\$ 301	\$ 30	\$ 331
2020	326	36	362
2021	349	39	388
2022	378	46	424
2023	400	46	446
2024	394	28	422
2025	396	25	421
2026	403	20	423
2027	432	27	459
2028	449	27	476
2029	452	21	473
2030	453	20	473
2031	474	26	500

Sensitivity Analysis

Sensitivity of the results is illustrated below for the 22-year funding contribution for a healthcare trend sensitivity. The valuation healthcare trend is increase (or decreased) 1% for all years.

	UAAL	Normal Cost	UAAL Pymt	ADC	ADC as % of Covered Pay ¹⁴
Baseline	\$3,142,026	\$79,534	\$269,256	\$348,790	25.0%
Medical Trend increased by 1%	3,903,335	91,861	336,033	427,893	30.7%
Medical Trend decreased by 1%	2,586,099	69,577	213,486	283,062	20.3%

¹⁴ Payroll for plan participants only.

SECTION 5
HEALTH PLAN SUMMARIES AND PREMIUMS

Medical Coverage

Medical plans offered by the City of Fort Bragg are described below. Open enrollment is conducted yearly for both employees and retirees.

Monthly 2019/20 REMIF Medical Premiums

	EPO \$250	EPO \$500	PPO \$500	HSA \$1,350	Blue Card PPO \$250
Under Age 65:					
Single	\$ 976.00	\$ 845.00	\$ 839.00	\$ 717.00	\$ 976.00
Dual	2,044.00	1,773.00	1,760.00	1,500.00	2,044.00

Monthly 2018/19 REMIF Medical Premiums

	EPO \$250	EPO \$500	HSA \$1,350	Blue Card PPO \$250
Under Age 65:				
Single	\$ 955.00	\$ 827.00	\$ 700.00	\$ 955.00
Dual	1,999.00	1,734.00	1,467.00	1,999.00

Monthly 2019 and 2020 Medicare Premiums

	Transamerica January 1, 2019	Transamerica January 1, 2020
Over Age 65 and Eligible for Medicare:		
Single	\$ 403.46	\$ 420.16
Dual	806.92	840.32
Over Age 65 and Eligible for Medicare:		
RX Only Retiree	198.00	205.00

SECTION 5
HEALTH PLAN SUMMARIES AND PREMIUMS

1. Medical Plan Provisions for REMIF Self-Funded Plan and Anthem BC

	EPO \$250	EPO \$500	PPO \$500	HSA \$1,350	Blue Card PPO \$250
Deductible	\$250	\$500	\$500	\$1,350	\$250
Office Visit Co-pay	\$25/visit	\$30/visit	\$30/visit	10%	\$25/visit
In-patient Hospital (In network)	No Charge	10%	20%	10%	No Charge
Emergency Room	\$150/visit	\$150/visit	\$150/visit +20%	10%	\$150/visit
X-ray and Lab	\$10/visit	10%	20%	10%	\$10/visit
Rx	\$10 generic \$25 brand	\$15 generic \$35 brand	\$15 generic \$35 brand	\$10 generic \$25 brand	\$10 generic \$25 brand

	Transamerica	
Hospital Confinement Benefit	1st – 90th day 60 day Lifetime Reserve Period After Lifetime Reserve, 365 days per lifetime	Medicare deductible / co-pay Medicare co-pay 100%
Skilled Nursing Facility Care	First 20 days 21 st – 100 th day	\$0 (covered by Medicare) Medicare co-pay
Hospice Care	Medicare Co-pay	
Outpatient Medical Expenses	Medicare Part B Deductible Other Medicare-approved amounts Clinical lab services Part B Excess Charges	Medicare deductible Generally 20% (80% covered by Medicare) \$0 (covered by Medicare) 100%
Home Health Care	Medically Necessary skilled care and medical supplies Durable Medical Equipment Other Medicare-approved amounts	\$0 (covered by Medicare) Medicare deductible 20% (80% covered by Medicare)
RX	Deductible Retail Specialty Drugs	\$0 30 day \$5 generic/ \$25 preferred/ \$60 non-preferred 33%

SECTION 5
HEALTH PLAN SUMMARIES AND PREMIUMS

Dental Coverage

Dental coverage is provided through Delta Dental. Premiums effective July 1, 2019 – June 30, 2020 are \$56.84, \$96.20 and \$143.20 for 1-person, 2-person and 3-person coverage respectively. Percentages of reasonable and customary charges paid under the dental plan are shown below. The yearly maximum covered amount is \$1,500.

Category of Care	Percent Paid by Dental Plan (In Network)	Percent Paid by Dental Plan (Out of Network)
Preventative	100%	100%
Basic and Restorative	85%	80%
Prosthodontics	50%	50%
Orthodontics	50%	50%
	(Lifetime orthodontics max is \$1,000)	

Vision Coverage

Vision coverage is provided through VSP Vision Care. A premium of \$18.20 per member was assumed effective July 1, 2019.

SECTION 6
ACTUARIAL ASSUMPTIONS – LIFE EXPECTANCIES

Actuarial Assumptions – Life Expectancies

CalPERS (1997-2015) mortality rates after Service Retirement with Scale MP-18

Age at 6/30/2019	Male	Female
50	34.8	37.5
55	30.1	32.8
60	25.5	28.1
65	21.2	23.6
75	13.1	14.8
85	6.7	7.9
95	3.1	3.6

APPENDIX A
ADDITIONAL ASSUMPTIONS AND METHODS

Monthly Claims Costs

The sample monthly claims costs are shown below.

Age	7/1/19-6/30/20					
	REMIF EPO250		REMIF EPO500		REMIF HSA1350	
	Male	Female	Male	Female	Male	Female
35	\$ 406	\$ 689	\$ 352	\$ 597	\$ 248	\$ 486
45	580	845	503	733	399	622
55	963	1,121	835	972	750	873
64	1,353	1,359	1,173	1,179	1,204	1,183

Age	7/1/19-6/30/20			
	TransAmerica Medicare		Medicare Rx ¹⁵	
	Male	Female	Male	Female
65	\$ 322	\$ 393	\$ 158	\$ 192
75	368	451	180	221
85	410	502	200	246

¹⁵ Prorated based on Medicare premium.

APPENDIX B
ACTIVES BY AGE AND SERVICE TABLE

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	1	-	-	-	1
35-39	-	-	-	2	-	-	-	2
40-44	-	-	-	3	-	-	-	3
45-49	-	-	-	1	1	1	-	3
50-54	-	-	-	2	2	-	-	4
55-59	-	-	-	1	-	-	1	2
60-64	-	-	1	2	2	-	1	6
≥ 65	-	-	-	-	-	-	-	-
Total	-	-	1	12	5	1	2	21