



**TOWN OF STRATFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM
JULY 1, 2007 VALUATION**

**TOWN OF STRATFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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TOWN OF STRATFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM

CERTIFICATION

We have performed an actuarial valuation of the Town of Stratford Other Post-Employment Benefits Program as of July 1, 2007. The results of this valuation, along with supporting data, are set forth in the following report.

Milliman has prepared this report in compliance with Government Accounting Standard No. 45. No attempt is being made to offer any accounting opinion or advice. The calculations reported herein have been made on a basis consistent with our understanding of the plan provisions. Additional determinations may be needed for purposes other than meeting accounting requirements.

In preparing this report, we relied on employee census data and claims and premium information as of the valuation date, furnished by the Town of Stratford. We performed a limited review of the financial information used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the financial information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate, all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices, and the methods and assumptions produced results which are reasonable. Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. Actual experience will not conform exactly to the assumptions made for this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience. The actuarial method and assumptions used in this valuation are discussed on pages 16-21 of this report. A summary of the plan provisions starts on page 22 of this report.

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CERTIFICATION

This report may not be used without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this section. We understand that the plan sponsor may distribute this report to its auditor in connection with its audit. We will consent to this distribution as long as the work is distributed in its entirety, and the auditor is advised to have an actuary review the work. Milliman does not intend to benefit any third party recipient of its work product, including the auditor, and does not intend to create any legal duty from Milliman to the auditor even if Milliman consents to the release of its work product. In the event that the auditor's audit reveals any error or inaccuracy in the data underlying this report, Milliman requests that the auditor or the plan sponsor notify Milliman as soon as possible.

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

MILLIMAN INC.

February 6, 2008



Steve A. Lemanski, FSA, FCA
Consulting Actuary



Rebecca A. Sielman, FSA
Consulting Actuary

TOWN OF STRATFORD
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OVERVIEW OF GASB 43 AND GASB 45

GASB 43 requires retiree medical **plans** to disclose information about asset and liability levels and show historical contribution information. GASB 43 only applies in situations where a separate trust is established to prefund these benefits. GASB 45 requires **employers** to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded. GASB 43 is effective starting in FY 2006-07 for a Phase I government, FY 2007-08 for a Phase II government, and FY 2008-09 for a Phase III government. GASB 45 is effective for the fiscal year following implementation of GASB 43.

GASB 43 and 45 apply to just about any benefit that is provided after retirement except for pension benefits: medical insurance, dental, vision, and hearing benefits plus life insurance and long term care insurance. The benefits provided by the Town to retirees include medical insurance. The philosophy driving the accounting standard is that these post-employment benefits are part of the compensation that is paid to employees in return for their services, and the cost of these benefits should be recognized while the employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 43 and 45 extend the same thinking to all other post-employment benefits.

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THE VALUATION PROCESS

The process of determining the liability for retiree medical benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates: How likely is it that an employee will qualify for post-employment benefits and when will they start?

Medical inflation and claims costs assumptions: When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption: How long is a retiree likely to receive the benefits?

Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Town, the present value is divided into three pieces: the part that is attributed to past years (the "Accrued Liability" or "Past Service Liability"), the part that is being earned this year (the "Normal Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Normal Cost have been calculated, the next step is to determine an annual contribution. This consists of two pieces:

- Normal Cost – because the benefits earned each year should be paid for each year
- Past Service Cost – a catch-up payment to fund the Accrued Liability over the next 10-30 years

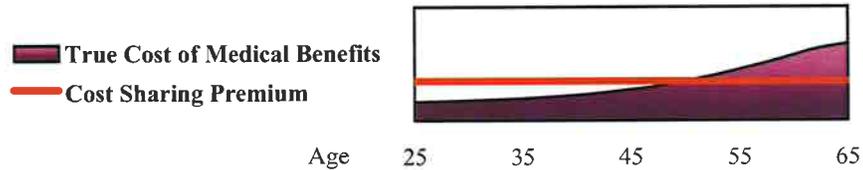
The final step is to keep track going forward of how much of the contribution is actually paid. There is no requirement to actually fund these benefits, but the cumulative deficiency must be disclosed on the Town's financial statements. In addition, the Discount Rate used to calculate the liabilities must reflect the expected investment income of whatever funds are set aside to prefund the benefits; if there is no prefunding then the Discount Rate will be much lower and the liabilities significantly higher than if the benefits are prefunded.

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IMPLICIT RATE SUBSIDIES

The cost of post-employment benefits is often borne partly or entirely by retirees. In most cases, the premium that is used to split the cost is lower than the true cost of providing the medical benefits, for two reasons:

- The cost sharing premium is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:



- The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit rate subsidy". GASB 43 and 45 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by Milliman's health actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed on the prior page. We term this amount the "gross liability".

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the retiree medical program – different retirees may pay different percentages based on their union, date of retirement, age at retirement, and other factors. We term this amount the "offset liability".

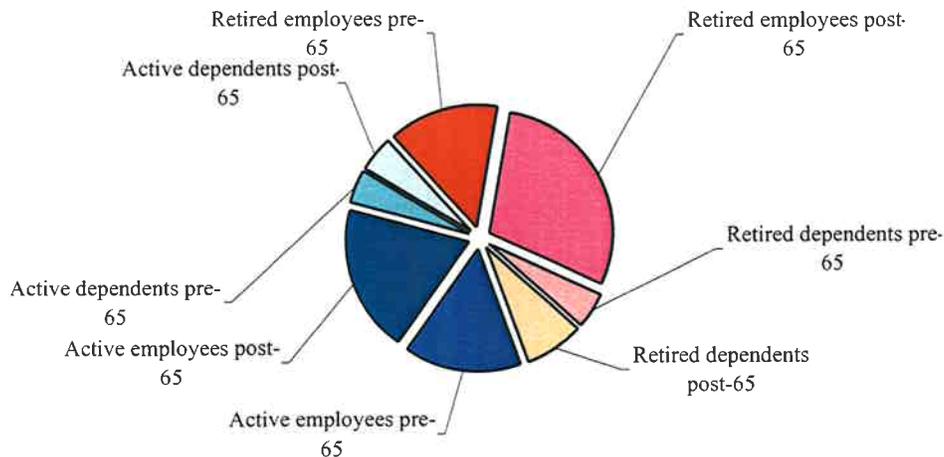
Finally, the net liability is calculated as the difference between the gross liability and the offset liability.

**TOWN OF STRATFORD
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SUMMARY OF LIABILITIES AS OF JULY 1, 2007

We have calculated the Accrued Liability separately for five groups of Town employees, who are eligible for different retiree medical benefits. We have broken the accrued liability for each group into several pieces: benefits that are expected to be paid prior to age 65 (i.e. prior to Medicare) and after age 65 (i.e. after Medicare) to current active members and their covered dependents after retirement, and the same figures for members who have already retired and are currently receiving benefits. In all cases, the Accrued Liability only reflects benefits that are paid for by the Town, taking into account any implicit rate subsidies.

	Fire	Police	Town	Teachers	BOE	Total
Current active members						
Employees under age 65	\$2,094,400	\$3,026,000	\$2,984,000	\$4,643,400	\$2,313,300	\$15,061,100
Employees over age 65	1,441,600	1,898,500	4,491,700	6,559,600	4,575,400	18,966,800
Dependents under age 65	921,700	1,274,200	1,146,600	585,300	532,600	4,460,400
Dependents over age 65	<u>469,700</u>	<u>609,100</u>	<u>1,006,600</u>	<u>1,138,800</u>	<u>1,410,600</u>	<u>4,634,800</u>
Total	4,927,400	6,807,800	9,628,900	12,927,100	8,831,900	43,123,100
Current retired members						
Employees under age 65	2,332,700	2,105,300	5,271,700	2,941,600	1,319,700	13,971,000
Employees over age 65	2,838,500	3,139,300	8,818,800	10,428,800	3,511,600	28,737,000
Dependents under age 65	1,110,800	1,272,100	1,982,200	126,700	141,300	4,633,100
Dependents over age 65	<u>1,250,500</u>	<u>1,108,900</u>	<u>2,892,100</u>	<u>1,283,800</u>	<u>1,049,500</u>	<u>7,584,800</u>
Total	7,532,500	7,625,600	18,964,800	14,780,900	6,022,100	54,925,900
Total Accrued Liability	12,459,900	14,433,400	28,593,700	27,708,000	14,854,000	98,049,000



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SENSITIVITY ANALYSIS

Our results are highly dependent on two key assumptions: the rate at which we assume medical costs will increase over time, and the discount rate we use to translate future payments into current dollars. The results shown on the prior page are based on our baseline assumptions; the figures below show how the accrued liability would change if we varied these assumptions.

Medical inflation rate baseline	Medical Benefits	
	Pre-65	Post-65
Initial inflation rate	9.00%	9.00%
Ultimate inflation rate	5.00%	5.00%
Yearly decrease in inflation rate	1.00%	1.00%
Years until ultimate inflation rate	4	4

To show the sensitivity of our results to this assumption, we have looked at the impact of an increase or decrease of 1.00% on these rates.

Discount rate baseline 8.25%

The discount rate is based on the long-term earnings potential of any investments set up in a trust to prefund these benefits. The 8.25% baseline discount rate assumes a trust is established and invested in 60% stocks / 40% bonds. We also looked at a 6.50% discount rate representing a more conservative portfolio of 55% stocks / 45% bonds. And finally, if the benefits are not prefunded, GASB 45 requires the discount rate to be set based on the expected earnings of the Town’s general fund. For this scenario, we used a discount rate of 4.00%.

Sensitivity to changes in assumptions

	<u>Discount rate</u>	<u>Medical inflation rate</u>		
		less 1.00%	Baseline	plus 1.00%
Accrued Liability	8.25%	86,395,600	98,049,000	112,265,600
	6.50%	107,907,600	124,666,100	145,556,500
	4.00%	158,157,000	188,636,900	228,002,800
Percent change	8.25%	-11.9%		14.5%
from baseline	6.50%	10.1%	27.1%	48.5%
	4.00%	61.3%	92.4%	132.5%

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FUNDING ALTERNATIVES

The **Annual Required Contribution (ARC)** of the retiree medical program consists of two pieces: a **Normal Cost** (the cost of benefits earned each year should be accrued in that year) plus a **Past Service Cost** (a catch-up accrual to amortize the Unfunded Accrued Liability). The amortization period should be reasonably related to the period of service over which retiree medical benefits are earned. We have selected a 30 year amortization period, which is the longest period permitted by GASB 45.

A common amortization technique produces annual payments that are designed to increase over time as payroll grows. On this basis, the ARC is determined as follows:

	Fire	Police	Town	Teachers	BOE	Total
Accrued Liability	12,459,900	14,433,400	28,593,700	27,708,000	14,854,000	98,049,000
Assets	0	0	0	0	0	0
Unfunded Accrued Liability	12,459,900	14,433,400	28,593,700	27,708,000	14,854,000	98,049,000
Amortization Period	30	30	30	30	30	30
Past Service Cost	699,500	810,400	1,605,400	1,555,700	834,000	5,505,000
Normal Cost	263,000	371,000	695,100	698,700	580,800	2,608,600
Interest to end of FY	79,400	97,500	189,800	186,000	116,700	669,400
ARC for FY 2008	1,041,900	1,278,900	2,490,300	2,440,400	1,531,500	8,783,000
Expected Benefit Payouts	557,000	653,200	1,484,400	1,363,800	596,400	4,654,800
Net Budget Impact	484,900	625,700	1,005,900	1,076,600	935,100	4,128,200

An alternative amortization technique is to calculate a level annual payment, much like a mortgage, which produces a higher amount in the short term but one that will not go up over time (unless the plan has adverse experience). On this basis, the ARC is:

Past Service Cost	1,046,600	1,212,400	2,401,900	2,327,500	1,247,700	8,236,100
Normal Cost	263,000	371,000	695,100	698,700	580,800	2,608,600
Interest to end of FY	108,000	130,600	255,500	249,700	150,900	894,700
ARC for FY 2008	1,417,600	1,714,000	3,352,500	3,275,900	1,979,400	11,739,400

As with the Accrued Liability, the ARC is highly dependent on the medical inflation rate and discount rate assumptions:

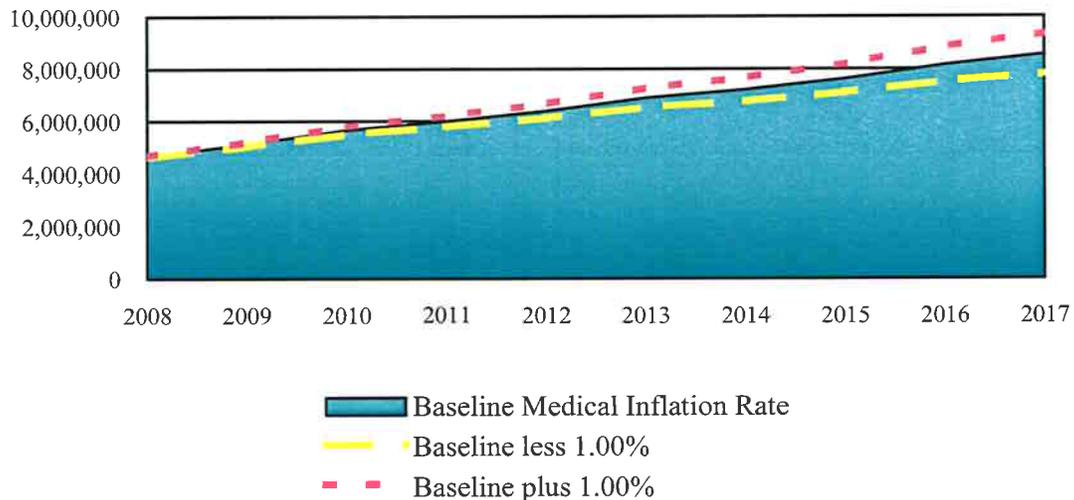
	<u>Discount rate</u>	<u>Medical inflation rate</u>		
		<u>less 1.00%</u>	<u>Baseline</u>	<u>plus 1.00%</u>
ARC for FY 2008	8.25%	7,554,300	8,783,000	10,320,500
using Level Percent	6.50%	8,529,200	10,168,000	12,275,500
Amortization	4.00%	11,171,900	13,927,200	17,630,300

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PROJECTED PAYOUTS

The annual Town payments for retiree medical benefits are expected to rise in coming years, both because medical costs are expected to rise over time and because more employees will retire and start to receive Town-paid medical benefits. The table and graph below show the expected annual payments for retiree medical benefits for the next 10 years under the different medical inflation rates described on the preceding page.

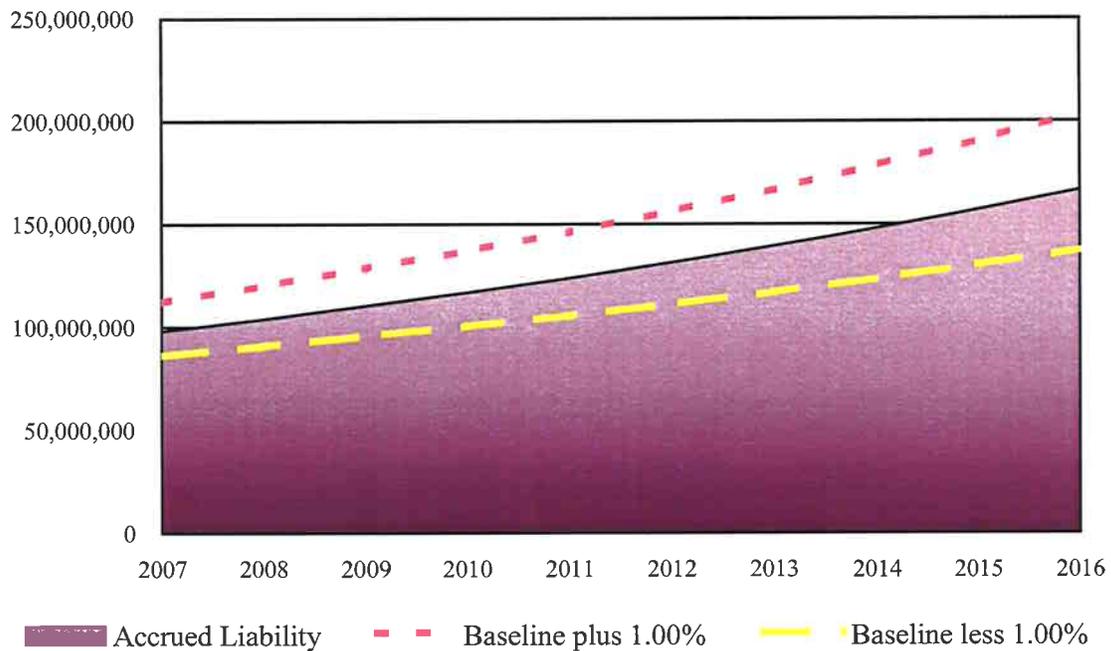
Fiscal Year	Baseline less 1.00%	Baseline Medical Inflation Rate	Baseline plus 1.00%
2008	\$4,630,200	\$4,654,800	\$4,679,400
2009	5,070,900	5,144,800	5,219,100
2010	5,526,700	5,659,100	5,793,600
2011	5,810,400	6,005,500	6,205,300
2012	6,122,100	6,387,100	6,661,100
2013	6,538,600	6,886,900	7,250,400
2014	6,767,200	7,196,500	7,649,000
2015	7,101,500	7,624,900	8,181,800
2016	7,517,600	8,149,200	8,827,700
2017	7,803,400	8,540,100	9,339,200



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PROJECTED LIABILITIES

The graph below shows how the Town's accrued liability for retiree medical benefits is expected to grow over the next 10 years under the different medical inflation rates described on the preceding page.



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GASB 45 SCHEDULE OF FUNDING PROGRESS

The following information is required to be disclosed in the Town's financial statement once the Town has implemented GASB 45.

(\$ 000s)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b - a) / c)
07/01/2007	\$0	\$98,049	\$98,049	0%	N/A	N/A

The results shown above are based on the baseline assumptions with respect to the medical inflation rate and the discount rate, as discussed in the Sensitivity Analysis section of this report. Please note that the baseline discount rate assumes that the Town will prefund its retiree medical program. The 8.25% baseline discount rate assumes a trust is established and invested in 60% stocks / 40% bonds.

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GASB 45 SCHEDULE OF EMPLOYER CONTRIBUTIONS

The following information is required to be disclosed in the Town's financial statement once the Town has implemented GASB 45.

(\$ 000s)

Year Ended June 30	Annual Required Contribution	Actual Contribution Made	Percentage Contributed
2008	\$8,783	N/A	N/A

The results shown above are based on the baseline assumptions with respect to the medical inflation rate and the discount rate, as discussed in the Sensitivity Analysis section of this report, and on the level percent amortization method as discussed in the Funding Alternatives section of this report. Please note that the baseline discount rate assumes that the Town will prefund its retiree medical program. The 8.25% baseline discount rate assumes a trust is established and invested in 60% stocks / 40% bonds.

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SUMMARY OF CENSUS DATA

The following were included in our analysis as of July 1, 2007 based on information provided by the Town.

	Fire	Police	Town	Teachers	BOE	Total
Number of members						
Active	91	103	227	652	185	1,258
Retired members	73	63	176	315	68	695
Spouses of retirees	47	40	101	106	34	328
Total	211	206	504	1,073	287	2,281
Average age						
Active	41.5	41.2	44.6	44.2	49.9	44.7
Retired	61.9	61.4	63.7	68.6	69.8	66.1
Average retirement age						
Active	55.4	55.5	57.7	60.0	59.4	58.8
Retired	50.5	52.3	56.0	59.0	61.8	57.0
Expected lifetime						
Active [to retirement]	13.9	14.3	13.1	15.8	9.5	14.1
Retired [lifetime]	21.4	21.2	20.3	19.9	17.9	20.1

The retiree census data excludes post 65 retired members who are paying 100% of the premium.

Where complete census data was not available, we have made assumptions which we believe to be reasonable.

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CURRENT PREMIUMS

The following is based on information received from the Town regarding the current premiums for medical and dental benefits provided to retirees:

2006-2007 Monthly Premiums		Employee	Spouse
Medical - Town Groups	Pre 65	\$430.87	\$486.90
	Post 65	318.08	310.47
Dental - Town Groups	Pre 65	34.86	56.53
	Post 65	34.86	56.53
2007-2008 Monthly Premiums			
Medical - BOE Groups	Pre 65	497.39	596.99
	Post 65	287.38	259.66
Dental - BOE Groups	Pre 65	35.07	51.05
	Post 65	35.07	51.05

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MEDICAL COST ADJUSTMENT FACTORS

Milliman's Health Cost Guidelines were used to develop the expected relationship of the true cost of medical benefits across age and gender. Representative factors are shown below.

Age	Town		Board of Ed.	
	Employee	Spouse	Employee	Spouse
40	2.98%	1.58%	1.36%	3.32%
45	4.24%	3.11%	2.92%	4.49%
50	4.95%	4.18%	4.04%	5.11%
55	5.14%	3.96%	3.73%	5.37%
60	4.57%	4.03%	3.92%	4.67%
65	2.32%	2.16%	2.13%	2.35%
70	2.25%	2.10%	2.07%	2.28%

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ACTUARIAL METHOD

The actuarial funding method used is the **Projected Unit Credit Cost Method**. Recommended annual contributions consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Accrued Liability** is determined directly as the present value of benefits accrued to date, where the accrued benefit for each Member is the pro-rata portion (based on service to date) of the **projected** benefit payable at death, disability, retirement or termination.

The **Normal Cost** is similarly determined as the present value of the portion of the **projected** benefit attributable to the current year.

The **Unfunded Accrued Liability** is the Accrued Liability less the value of any plan assets.

**TOWN OF STRATFORD
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ACTUARIAL ASSUMPTIONS

Healthy Mortality

Teachers and BOE Administrators*	RP-2000 projected forward 19 years using Scale AA, with a two-year age setback.
All Others	1994 Group Annuity Mortality Table

Disabled Mortality

Teachers and BOE Administrators*	RP-2000 projected forward 19 years using Scale AA, with an eight-year age set forward.
All Others	1994 Group Annuity Mortality Table.

Turnover

Police and Firefighters	10% in first five years of service, none thereafter.
Teachers and BOE Administrators*	Rates based on gender and length of service for the first ten years and gender and age thereafter:

Service	Male	Female
0-1	14.00%	12.00%
1-2	8.50	9.00
2-3	5.50	7.00
3-4	4.50	6.00
4-5	3.50	5.50
5-6	2.50	5.00
6-7	2.40	4.50
7-8	2.30	3.50
8-9	2.20	3.00
9-10	2.10	2.50

Age	Male	Female
25	1.20%	3.50%
35	1.20	3.50
45	1.26	1.30
55	3.36	1.60

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ACTUARIAL ASSUMPTIONS

All Others

Rates based on age per Crocker-Sarason T7 Table:

Age	Rate
20	9.94%
25	9.68
30	7.31
35	8.72
40	7.77
45	6.38
50	4.25
55	1.57
60	0.15

Retirement

Rates based on age, eligibility for pension benefits, and group:

**Police and
Firefighters**

Years of Service	Rate
25	40%
26 – 29	5%
30	40%
31+	10%
Age 65	100%

All Others

Age	Rate
<55	1%
55 – 59	5%
60	20%
61	10%
62 - 64	15%
65	40%
66 - 69	25%
70	100%

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ACTUARIAL ASSUMPTIONS

**Teachers and BOE
Administrators***

Age	Unreduced		Proratable		Reduced	
	Male	Female	Male	Female	Male	Female
50 - 51	27.5%	15.0%			2.0%	2.0%
52	27.5%	15.0%			3.0%	4.0%
53	27.5%	15.0%			3.0%	4.5%
54	27.5%	15.0%			5.0%	5.5%
55	38.5%	30.0%			5.0%	7.5%
56	38.5%	30.0%			7.0%	8.5%
57	38.5%	30.0%			10.0%	9.5%
58	38.5%	30.0%			11.0%	10.0%
59	38.5%	30.0%			12.0%	10.0%
60	22.0%	22.0%	6.0%	5.4%		
61	25.3%	22.5%	6.0%	7.2%		
62	25.3%	22.5%	15.0%	9.9%		
63 - 64	27.5%	22.5%	10.0%	7.2%		
65	36.3%	30.0%	20.0%	13.5%		
66	27.5%	30.0%	20.0%	10.8%		
67	27.5%	30.0%	20.0%	13.5%		
68	27.5%	30.0%	20.0%	10.8%		
69	27.5%	30.0%	35.0%	10.8%		
70 - 73	100.0%	40.0%	35.0%	10.8%		
74	100.0%	40.0%	35.0%	18.0%		
75 - 79	100.0%	40.0%	40.0%	18.0%		
80	100.0%	100.0%	40.0%	18.0%		

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ACTUARIAL ASSUMPTIONS

Disability

Rates based on age, gender, and group:

Teachers and BOE Administrators*	Age	Male	Female
	20	0.0455%	0.0500%
	30	0.0455	0.0410
	40	0.0715	0.0720
	50	0.3250	0.2630
	60	1.2805	0.5000
Police and Fire In Line of Service	20	0.0547%	0.0687%
	30	0.0680	0.0954
	40	0.1186	0.1897
	50	0.3631	0.4307
	60	1.0596	0.8530
Police and Fire Not In Line of Service	20	0.2185%	0.2745%
	30	0.2717	0.3810
	40	0.4735	0.7567
	50	1.4446	1.7117
	60	4.1716	3.3687
All Others In Line of Service	20	0.1297%	0.1629%
	30	0.1613	0.2261
	40	0.2810	0.4489
	50	0.8564	1.0144
	60	2.4654	1.9927
All Others Not In Line of Service	20	0.0068%	0.0086%
	30	0.0085	0.0119
	40	0.0148	0.0237
	50	0.0453	0.0536
	60	0.1313	0.1059

**TOWN OF STRATFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

ACTUARIAL ASSUMPTIONS

Future Retiree Coverage All current active members are assumed to elect coverage at retirement. 15% of Teachers are assumed to drop retiree coverage at age 65.

Future Dependent Coverage Current active members are assumed to elect dependent coverage at retirement as follows. All female spouses are assumed to be 3 years younger than males.

Group	Male	Female
BOE and Teachers	80%	40%
Police and Fire	60%	50%
All Other Town	60%	15%

* Certain actuarial demographic assumptions for Teachers and Administrators are based on the assumptions used in the 2006 valuation of the Connecticut State Teachers Retirement System by Gabriel, Roeder, Smith and Company.

TOWN OF STRATFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM

SUMMARY OF PLAN PROVISIONS

Police

Eligibility - Retire with 25 years of service.

Medical Benefit - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Life Insurance - \$5,000 until age 65.

Firefighters

Eligibility - Retire with 25 years of service.

Medical Benefit -

- Retire prior to July 1, 1987: Benevolent Society pays 100% of the cost for the retiree and 50% of the cost for the dependents.
- Retire after July 1, 1987 and prior to July 1, 1989: Town pays 50% of the cost for the retiree and 50% of the cost for the dependents.
- Retire on or after July 1, 1989: Town pays 100% of the cost for the retiree and 50% of cost for the dependents.

Life Insurance - Retire after July 1, 1989: \$5,000 until age 65.

Town Hall

Eligibility - 23 years of Continuous Service and, if hired after 7/1/1977, age 50, or 5 years of service and age 55.

Medical Benefit -

- Retire prior to July 1, 1986: Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.
- Retire after July 1, 1986 and prior to signing of 1987-1990 collective bargaining agreement: Town pays 75% of the cost for the retiree and 50% of the cost for the dependents.
- Retire after signing of 1987-1990 collective bargaining agreement: Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Life Insurance - Retire before September 1, 1999: \$5,000 until age 65. Retire after September 1, 1999: \$25,000 until age 70, \$5,000 thereafter.

TOWN OF STRATFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM
SUMMARY OF PLAN PROVISIONS

Public Works

Eligibility - 23 years of Continuous Service and, if hired after 7/1/1985, age 50, or 5 years of service and age 55.

Medical Benefit -

- Retire prior to July 1, 1985: Town pays 50% of the cost for the retiree and 50% of the cost for the dependents.
- Retire after July 1, 1985 and prior to July 1, 1986: Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.
- Retire after July 1, 1986 and prior to July 1, 1987: Town pays 75% of the cost for the retiree and 50% of the cost for the dependents.
- Retire on or after July 1, 1987: Town pays 100% of the cost for the retiree and 50% of cost for the dependents.

Life Insurance - \$5,000 until age 65.

Supervisors

Eligibility - 23 years of Continuous Service and, if hired after 4/1/1985, age 50, or 5 years of service and age 55.

Medical Benefit -

- Retire prior to July 2, 1985: Town pays 50% of the cost for the retiree and 50% of the cost for the dependents.
- Retire after July 2, 1985 and prior to March 31, 1986: Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.
- Retire after April 1, 1986 and prior to September 4, 1987: Town pays 75% of the cost for the retiree and 50% of the cost for the dependents.
- Retire on or after September 4, 1987: Town pays 100% of the cost for the retiree and 50% of cost for the dependents.

Life Insurance - Retire after August 2, 1985: \$5,000 until age 65.

TOWN OF STRATFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM

SUMMARY OF PLAN PROVISIONS

BOE Custodians	<p>Eligibility – 23 years of Continuous Service and, if hired after 4/1/1985, age 50, or 5 years of service and age 55.</p> <p>Medical and Dental Benefit – Board pays 100% of the cost for the retiree and 50% of the cost for the dependents.</p> <p>Life insurance - \$15,000.</p>
BOE Administrators	<p>Eligibility - An Administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse.</p> <p>Normal Retirement for Administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.</p> <p>Medical and Dental Benefit –Board pays 50% of the cost for the retiree only.</p>
BOE Nurses	<p>Eligibility – 23 years of Continuous Service and, if hired after 7/1/1977, age 50, or 5 years of service and age 55.</p> <p>Medical and Dental Benefit - Board pays 50% of the cost for the retiree only.</p>
BOE Paraprofessionals and Cafeteria Workers	<p>Eligibility – 23 years of Continuous Service and, if hired after 4/1/1985, age 50, or 5 years of service and age 55.</p> <p>Medical and Dental Benefit – Board pays 100% of the cost for the retiree and 50% of the cost for the dependents.</p> <p>Life insurance - \$7,000.</p>
BOE Secretaries	<p>Eligibility – 23 years of Continuous Service and, if hired after 4/1/1985, age 50, or 5 years of service and age 55.</p> <p>Medical and Dental Benefit – Board pays 100% of the cost for the retiree, and 50% of the cost for the dependents.</p> <p>Life insurance - \$15,000.</p>

TOWN OF STRATFORD
OTHER POST-EMPLOYMENT BENEFITS PROGRAM

SUMMARY OF PLAN PROVISIONS

Teachers

Eligibility - A Teacher retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse.

Normal Retirement for Teachers is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

Medical and Dental Benefit – Board pays 50% of the cost for the retiree only.

This exhibit summarizes our understanding of the major provisions of the Other Post-Employment Benefits Program. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the applicable collective bargaining agreements and other written materials. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.