

Town of Wayland

*Actuarial Valuation and Review of Other Postemployment
Benefits (OPEB) as of December 31, 2008
In Accordance with GASB Statements Number 43 and 45*

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May 26, 2009

*Mr. Michael DiPietro
Finance Director
41 Cochituate Road
Town Hall
Wayland, MA 01778*

Dear Mr. DiPietro:

We are pleased to submit this report on our actuarial valuation of postemployment welfare benefits as of December 31, 2008 under GASB Statements Number 43 and 45. It establishes the liabilities of the postemployment welfare benefit plan in accordance with GASB Statements Number 43 and 45 for the fiscal year beginning July 1, 2008 and summarizes the actuarial data.

This report is based on information received from the Town of Wayland. The actuarial projections were based on the assumptions and methods described in Exhibit II and on the plan of benefits as summarized in Exhibit III.

We look forward to discussing this material with you at your convenience.

Sincerely,

THE SEGAL COMPANY

By:

*Kathleen A. Riley, FSA, MAAA
Senior Vice President and Actuary*

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SECTION 1: Introduction for Town of Wayland December 31, 2008 Measurement under GASB

PURPOSE

This report presents the results of our actuarial valuation of the Town of Wayland (the “Employer”) postemployment welfare benefit plan as of December 31, 2008. The results are in accordance with the Governmental Accounting Standards, which prescribe an accrual methodology for accumulating the value of other postemployment benefits (OPEB) over participants’ active working lifetimes. The accounting standard supplements cash accounting, under which the expense for postemployment benefits is equal to benefit and administrative costs paid on behalf of retirees and their dependents (*i.e.*, a pay-as-you-go basis).

HIGHLIGHTS OF THE VALUATION

During the fiscal year ending June 30, 2009, we project the Town will pay benefits (net of retiree contributions) on behalf of retired employees of about \$1,924,000. This amount is less than the annual “cost” under the new accounting rules of \$3,033,000.

The GASB statements provide the method for selecting the investment return assumption (discount rate). If the benefits are pre-funded, the discount rate should be based on the estimated long-term investment yield on the investments expected to be used to finance the payment of benefits. If financing is on a pay-as-you-go basis, the discount rate should be based on the expected yield on the assets of the employer.

Because the Town of Wayland is funding the ARC, we have used a 7.5% investment return assumption to discount the liability.

To be considered a prefunded plan, the “contribution in relation to the ARC” must equal the ARC. Based on an ARC of \$3,033,000 and projected employee benefit payments of \$1,924,000, an additional contribution of the difference, or approximately \$1,109,000 will need to be added to an OPEB trust fund during the fiscal year ending June 30, 2009.

Assets set aside to fund OPEB liabilities must be held in a trust or equivalent arrangement, through which assets are accumulated and benefits are paid as they come due. Employer contributions to the plan are irrevocable, plan assets are dedicated to providing benefits to retirees and their spouses in accordance with the terms of the plan, and plan assets are legally protected from creditors of the employer.

GASB guidelines prohibit the offset of OPEB obligations by the future value of Medicare Part D subsidies. Therefore, these calculations do not include an estimate for retiree prescription drug plan federal subsidies that the Employer may be eligible to receive for plan years beginning in 2006.

Employer decisions regarding plan design, cost sharing between the Employer and its retirees, actuarial cost method, amortization techniques, and integration with Medicare are just some of the decisions that affect the magnitude of OPEB obligations. We are available to assist you with any investigation of such options you may wish to undertake.

SECTION 1: Introduction for Town of Wayland December 31, 2008 Measurement under GASB

- The **unfunded actuarial accrued liability (UAAL)** as of December 31, 2008 is \$40,088,000. Going forward, net unfunded plan obligations will be expected to change due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total actuarial accrued liability, less expected benefit payments and contributions. Future valuations will analyze the difference between actual and expected unfunded actuarial accrued liabilities.
 - As of December 31, 2008 the ratio of assets to the AAL (the funded ratio) is 1.87%.
- The **Annual Required Contribution (ARC)** for fiscal year 2009 is \$3,033,000. The ARC is expected to remain relatively level as a percentage of payroll, as long as the ARC is fully funded each year. If the ARC is not fully funded, it may be expected to increase as a percentage of payroll over time.
- **Valuation assumption changes** increased obligations by \$3,964,000. This was the net result of *increases* in obligations due to 1) lowering the discount rate, 2) changes in the retirement assumptions for non-Teacher employees, and the disability and turnover assumptions for Teacher employees consistent with the pension valuation, and 3) a change in the future trend on per capita health care costs, partially offset by 4) a change in the post-65 coverage election assumption. The complete set of assumptions is shown in Exhibit II.
- **Plan changes** decreased obligations by \$3,200,000. This was the results of implementing lower-cost Rate Saver Plan options for non-Medicare participants. The current plan of benefits is summarized in Exhibit III.

Plan obligations of \$40,852,000 as of December 31, 2008 represent an increase of \$3,780,000 from \$37,072,000 as shown in the December 31, 2007 valuation.

Plan obligations had been expected to increase \$1,851,000 due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total obligation, less expected benefit payments. The smaller than expected increase was the net effect of changes in the assumptions:

- An **actuarial experience loss** increased obligations by \$1,165,000. This was the net result of gains and losses due to demographic changes.

SECTION 1: Introduction for Town of Wayland December 31, 2008 Measurement under GASB

ACCOUNTING REQUIREMENTS

The Governmental Accounting Standards Board (GASB) issued Statement Number 43 -- *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement Number 45 -- *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Under these statements, all state and local governmental entities that provide other post employment benefits (OPEB) are required to report the cost of these benefits on their financial statements.

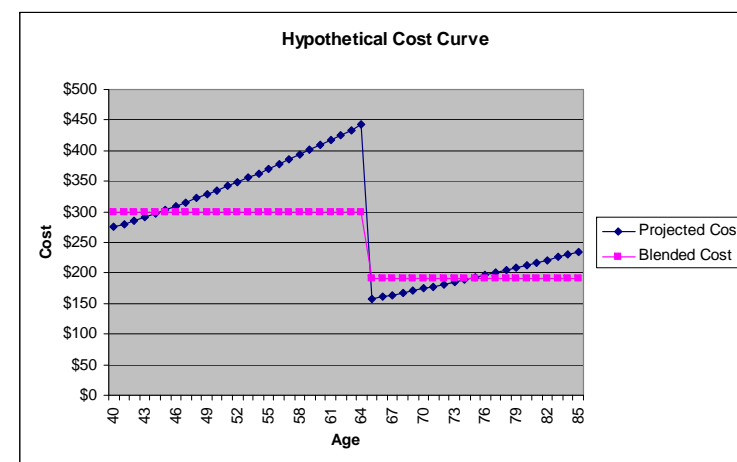
The statements cover postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. These benefits, referred to as OPEB, are typically financed on a pay-as-you-go basis. The new standard introduces an accrual-basis accounting requirement; thereby recognizing the employer cost of postemployment benefits over an employee's career. The standards also introduce a consistent accounting requirement for both pension and non-pension benefits.

The total cost of providing postemployment benefits is projected, taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions. This amount is then discounted to determine the actuarial present value of the total projected benefits (APB). The actuarial accrued liability (AAL) is the portion of the present value of the total projected benefits allocated to years of employment prior to the measurement date. The unfunded actuarial accrued liability (UAAL) is the difference between the AAL and actuarial value of assets in the Plan.

Once the UAAL is determined, the Annual Required Contribution (ARC) is determined as the normal cost (the APB allocated to the current year of service) and the amortization of the UAAL. This ARC is compared to actual contributions made and any difference is reported as the net OPEB obligation (NOO). In addition, required supplementary information (RSI) must be reported, including historical information about the UAAL and the progress in funding the Plan.

The benefits valued in this report are limited to those described in Exhibit III of Section 4.

The following graph illustrates why a significant accounting obligation may exist even though the retiree contributes most or all of the blended premium cost of the plan. The average cost for retirees is likely to exceed the average cost for the whole group, leading to an implicit subsidy for these retirees. The accounting standard requires the employer to identify and account for this implicit subsidy as well as any explicit subsidies the employer may provide.

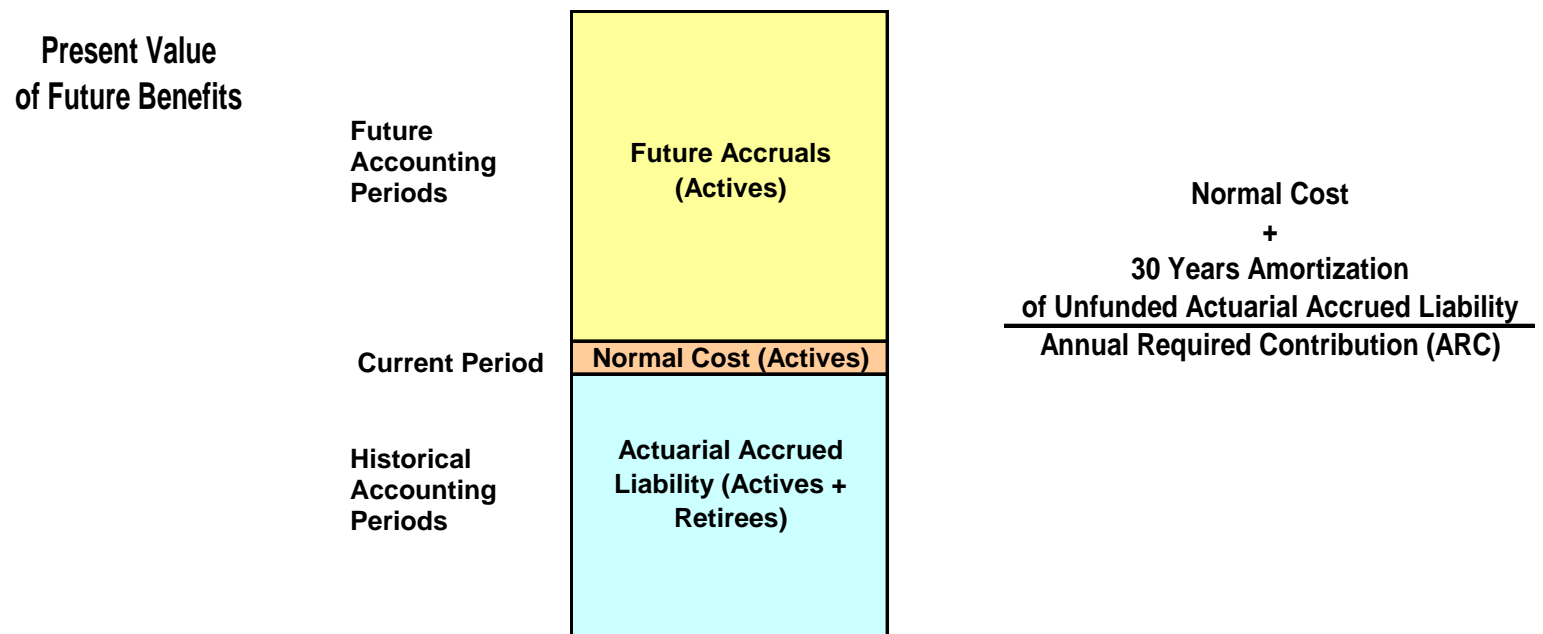


SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

This graph shows how the actuarial present value of the total projected benefits (APB) is broken down and allocated to various accounting periods.

The exact breakdown depends on the actuarial cost method and amortization methods selected by the employer.

GASB 43/45 Measurement



$$\begin{aligned} \text{Net OPEB Obligation} &= \text{ARC}_1 + \text{ARC}_2 + \text{ARC}_3 + \dots \\ &\quad - \text{Contribution}_1 - \text{Contribution}_2 - \text{Contribution}_3 - \dots \end{aligned}$$

SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

Actuarial computations under GASB statements are for purposes of fulfilling certain welfare plan accounting requirements. The calculations shown in this report have been made on a basis consistent with our understanding of GASB. Determinations for purposes other than meeting the financial accounting requirements of GASB may differ significantly from the results reported here.

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective, and the methods and assumptions use techniques designed to reduce short term volatility in accrued liabilities and the actuarial value of assets, if any.

The calculation of an accounting obligation does not, in and of itself, imply that there is any legal liability to provide the benefits valued, nor is there any implication that the Employer is required to implement a funding policy to satisfy the projected expense.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

SUMMARY OF VALUATION RESULTS

ALL DEPARTMENTS

The key results and significant assumptions for the current year are shown on a pre-funded basis.

	Pre-funded (8.0% interest rate)
Actuarial Accrued Liability by Participant Category	
1. Current retirees, beneficiaries and dependents	\$23,335,728
2. Current active employees	<u>17,516,298</u>
3. Total as of December 31, 2008: (1) + (2)	\$40,852,026
4. Actuarial value of assets as of December 31, 2008	764,076
5. Unfunded actuarial accrued liability (UAAL) as of December 31, 2008: (3) – (4)	<u>\$40,087,950</u>
Annual Required Contribution for Fiscal Year Ending June 30, 2009	
6. Normal Cost as of December 31, 2008	\$837,503
7. 30-year increasing amortization (3.5% per year) of the UAAL as of December 31, 2008	<u>2,195,517</u>
8. Total Annual Required Contribution (ARC): (6) + (7)	<u>\$3,033,020</u>

Note: Assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

DEPARTMENT RESULTS

Actuarial Accrued Liability (AAL) and Annual Required Contribution

	All Other	School	Septage	Water	Total
Actuarial Accrued Liability by Participant Category					
1. Current retirees, beneficiaries and dependents	\$6,853,250	\$16,044,471	\$76,354	\$361,653	\$23,335,728
2. Current active employees	<u>5,850,003</u>	<u>11,577,689</u>	<u>0</u>	<u>88,606</u>	<u>17,516,298</u>
3. Total as of December 31, 2008: (1) + (2)	\$12,703,253	\$27,622,160	\$76,354	\$450,259	\$40,852,026
4. Actuarial value of assets as of December 31, 2008	<u>240,698</u>	<u>523,378</u>	<u>0</u>	<u>0</u>	<u>764,076</u>
5. Unfunded actuarial accrued liability (UAAL) as of December 31, 2008: (3) – (4)	\$12,462,555	\$27,098,782	\$76,354	\$450,259	\$40,087,950
Annual Required Contribution for Fiscal Year Ending June 30, 2009					
6. Normal Cost as of December 31, 2008	\$219,626	\$611,719	\$0	\$6,158	\$837,503
7. 30-year increasing amortization (3.5% per year) of the UAAL as of December 31, 2008	<u>682,543</u>	<u>1,484,132</u>	<u>4,182</u>	<u>24,660</u>	<u>2,195,517</u>
8. Total Annual Required Contribution (ARC): (6) + (7)	\$902,169	\$2,095,851	\$4,182	\$30,818	\$3,033,020

Note: Assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

FUNDING SCHEDULES

Total								
(1) Fiscal Year Ended June 30	(2) Projected Benefit Payments	(3) Normal Cost	(4) Amortization of UAAL	(5) Total Funding Requirement: (3) + (4)	(6) Additional Funding: (5) – (2)	(7) Assets at End of Year	(8) AAL at End of Year	(9) UAAL at End of Year: (8) – (7)
2009	\$1,923,845	\$837,503	\$2,195,517	\$3,033,020	\$1,110,319	\$1,943,414	\$41,810,980	\$39,867,567
2010	2,133,951	879,378	2,272,306	3,151,684	1,021,345	3,148,123	43,646,036	40,497,913
2011	2,342,937	923,347	2,351,775	3,275,122	938,495	4,357,284	45,447,626	41,090,342
2012	2,523,755	969,514	2,434,005	3,403,520	884,071	5,600,705	47,244,728	41,644,023
2013	2,699,896	1,017,990	2,519,092	3,537,082	839,331	6,890,994	49,044,245	42,153,251
2014	2,833,170	1,068,890	2,607,136	3,676,025	845,255	8,284,198	50,893,319	42,609,121
2015	2,953,719	1,122,334	2,698,241	3,820,575	869,465	9,806,993	52,811,498	43,004,505
2016	3,115,988	1,178,451	2,792,518	3,970,969	857,787	11,431,890	54,763,479	43,331,590
2017	3,298,450	1,237,373	2,890,077	4,127,450	831,998	13,151,915	56,733,771	43,581,856
2018	3,461,750	1,299,242	2,991,030	4,290,272	831,659	15,000,591	58,746,668	43,746,077
2019	3,567,230	1,364,204	3,095,500	4,459,705	895,690	17,054,306	60,868,523	43,814,217
2020	3,695,108	1,432,414	3,203,614	4,636,028	944,191	19,312,338	63,087,652	43,775,315
2021	3,879,863	1,504,035	3,315,498	4,819,533	942,967	21,738,452	65,355,915	43,617,463
2022	4,073,856	1,579,237	3,431,285	5,010,521	939,958	24,343,405	67,671,133	43,327,727
2023	4,277,549	1,658,199	3,551,113	5,209,312	935,014	27,138,604	70,030,667	42,892,064
2024	4,491,426	1,741,109	3,675,127	5,416,235	927,979	30,136,148	72,431,377	42,295,229
2025	4,715,998	1,828,164	3,803,472	5,631,636	918,685	33,348,872	74,869,561	41,520,689
2026	4,951,798	1,919,572	3,936,305	5,855,878	906,957	36,790,390	77,340,900	40,550,510
2027	5,199,387	2,015,551	4,073,786	6,089,337	892,613	40,475,150	79,840,395	39,365,245
2028	5,459,357	2,116,328	4,216,081	6,332,410	875,460	44,418,483	82,362,299	37,943,817
2029	5,732,325	2,222,145	4,363,365	6,585,510	855,295	48,636,658	84,900,040	36,263,382
2030	6,018,941	2,333,252	4,515,816	6,849,068	831,907	53,146,946	87,446,139	34,299,193
2031	6,319,888	2,449,915	4,673,623	7,123,538	805,072	57,967,684	89,992,126	32,024,442
2032	6,635,882	2,572,410	4,836,982	7,409,392	774,553	63,118,334	92,528,438	29,410,104
2033	6,967,676	2,701,031	5,006,097	7,707,128	740,095	68,619,555	95,044,319	26,424,763
2034	7,316,060	2,836,082	5,181,187	8,017,270	701,426	74,493,275	97,527,703	23,034,427
2035	7,681,863	2,977,887	5,362,495	8,340,381	658,518	80,763,037	99,965,093	19,202,056
2036	8,065,956	3,126,781	5,550,217	8,676,997	611,041	87,453,806	102,341,429	14,887,624
2037	8,469,254	3,283,120	5,744,527	9,027,646	558,392	94,591,794	104,639,938	10,048,143
2038	8,892,717	3,447,276	5,945,694	9,392,970	500,253	102,204,852	102,204,852	-

Notes: Assumes payment in the middle of the fiscal year.

If benefit payments are greater than the ARC for a given year, additional funding will be \$0.

SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

All Other

(1) Fiscal Year Ended June 30	(2) Projected Benefit Payments	(3) Normal Cost	(4) Amortization of UAAL	(5) Total Funding Requirement: (3) + (4)	(6) Additional Funding: (5) – (2)	(7) Assets at End of Year	(8) AAL at End of Year	(9) UAAL at End of Year: (8) – (7)
2009	\$537,451	\$219,626	\$682,543	\$902,169	\$364,718	\$627,709	\$13,011,241	\$12,383,532
2010	602,615	230,607	706,432	937,039	334,424	1,021,526	13,601,379	12,579,853
2011	654,227	242,138	731,157	973,295	319,068	1,428,957	14,194,219	12,765,262
2012	696,372	254,245	756,748	1,010,992	314,621	1,862,334	14,800,378	12,938,044
2013	744,568	266,957	783,234	1,050,191	305,623	2,318,885	15,415,209	13,096,323
2014	795,972	280,305	810,647	1,090,952	294,980	2,798,644	16,036,695	13,238,051
2015	865,110	294,320	839,020	1,133,339	268,229	3,286,648	16,647,639	13,360,991
2016	930,136	309,036	868,385	1,177,421	247,286	3,789,538	17,252,242	13,462,704
2017	983,609	324,488	898,779	1,223,266	239,657	4,322,236	17,862,769	13,540,533
2018	1,053,708	340,712	930,236	1,270,948	217,240	4,871,643	18,463,226	13,591,584
2019	1,116,778	357,748	962,794	1,320,542	203,764	5,448,283	19,060,989	13,612,706
2020	1,163,678	375,635	996,492	1,372,127	208,449	6,073,029	19,673,503	13,600,474
2021	1,222,714	394,417	1,031,369	1,425,786	203,072	6,739,056	20,290,219	13,551,163
2022	1,290,797	414,138	1,067,467	1,481,605	190,808	7,442,319	20,903,046	13,460,727
2023	1,361,788	434,844	1,104,829	1,539,673	177,885	8,184,928	21,509,699	13,324,771
2024	1,429,556	456,587	1,143,498	1,600,084	170,529	8,975,606	22,114,131	13,138,525
2025	1,501,171	479,416	1,183,520	1,662,936	161,765	9,816,498	22,713,312	12,896,815
2026	1,579,952	503,387	1,224,943	1,728,330	148,378	10,706,577	23,300,604	12,594,027
2027	1,663,259	528,556	1,267,816	1,796,372	133,114	11,647,586	23,871,665	12,224,080
2028	1,747,287	554,984	1,312,190	1,867,174	119,886	12,645,455	24,425,833	11,780,378
2029	1,837,058	582,733	1,358,116	1,940,850	103,792	13,701,478	24,957,260	11,255,782
2030	1,930,252	611,870	1,405,651	2,017,520	87,268	14,819,571	25,462,127	10,642,556
2031	2,025,148	642,463	1,454,848	2,097,312	72,164	16,005,860	25,938,189	9,932,328
2032	2,125,437	674,586	1,505,768	2,180,354	54,918	17,263,239	26,379,279	9,116,040
2033	2,237,697	708,316	1,558,470	2,266,786	29,089	18,588,142	26,772,029	8,183,887
2034	2,356,464	743,732	1,613,016	2,356,748	284	19,982,547	27,107,814	7,125,267
2035	2,475,506	780,918	1,669,472	2,450,390	(25,116)	21,455,197	27,383,914	5,928,717
2036	2,603,713	819,964	1,727,903	2,547,867	(55,846)	23,006,434	27,588,277	4,581,842
2037	2,737,500	860,962	1,788,380	2,649,342	(88,158)	24,640,513	27,711,761	3,071,249
2038	2,872,360	904,010	1,850,973	2,754,984	(117,376)	26,366,853	26,366,853	-

Notes: Assumes payment in the middle of the fiscal year.

If benefit payments are greater than the ARC for a given year, additional funding will be \$0.

SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

School								
(1) Fiscal Year Ended June 30	(2) Projected Benefit Payments	(3) Normal Cost	(4) Amortization of UAAL	(5) Total Funding Requirement: (3) + (4)	(6) Additional Funding: (5) – (2)	(7) Assets at End of Year	(8) AAL at End of Year	(9) UAAL at End of Year: (8) – (7)
2009	\$1,350,251	\$611,719	\$1,484,132	\$2,095,851	\$745,600	\$1,315,704	\$28,268,944	\$26,953,240
2010	1,491,461	642,305	1,536,077	2,178,382	686,921	2,126,597	29,508,691	27,382,094
2011	1,644,832	674,420	1,589,839	2,264,259	619,427	2,928,328	30,715,699	27,787,371
2012	1,784,175	708,141	1,645,484	2,353,625	569,450	3,738,370	31,903,720	28,165,350
2013	1,913,208	743,548	1,703,076	2,446,624	533,416	4,571,805	33,083,771	28,511,965
2014	1,994,932	780,726	1,762,683	2,543,409	548,477	5,483,364	34,306,138	28,822,774
2015	2,047,159	819,762	1,824,377	2,644,139	596,980	6,513,579	35,606,506	29,092,927
2016	2,143,136	860,750	1,888,230	2,748,980	605,844	7,630,250	36,947,388	29,317,138
2017	2,270,914	903,788	1,954,318	2,858,106	587,192	8,811,333	38,300,975	29,489,642
2018	2,362,964	948,977	2,022,720	2,971,697	608,733	10,103,330	39,707,496	29,604,165
2019	2,403,661	996,426	2,093,515	3,089,941	686,280	11,572,630	41,226,505	29,653,875
2020	2,482,928	1,046,247	2,166,788	3,213,035	730,107	13,197,568	42,828,911	29,631,343
2021	2,607,075	1,098,559	2,242,625	3,341,185	734,110	14,948,527	44,477,017	29,528,490
2022	2,737,428	1,153,487	2,321,117	3,474,605	737,176	16,833,987	46,170,528	29,336,541
2023	2,874,300	1,211,162	2,402,356	3,613,518	739,218	18,862,974	47,908,940	29,045,966
2024	3,018,015	1,271,720	2,486,439	3,758,159	740,144	21,045,095	49,691,513	28,646,419
2025	3,168,916	1,335,306	2,573,464	3,908,770	739,855	23,390,574	51,517,250	28,126,675
2026	3,327,361	1,402,071	2,663,535	4,065,607	738,245	25,910,296	53,384,860	27,474,564
2027	3,493,729	1,472,175	2,756,759	4,228,934	735,205	28,615,845	55,292,732	26,676,887
2028	3,668,416	1,545,783	2,853,246	4,399,029	730,613	31,519,549	57,238,895	25,719,346
2029	3,851,837	1,623,073	2,953,109	4,576,182	724,345	34,634,533	59,220,980	24,586,448
2030	4,044,428	1,704,226	3,056,468	4,760,694	716,266	37,974,763	61,236,181	23,261,418
2031	4,246,650	1,789,438	3,163,445	4,952,882	706,232	41,555,107	63,281,202	21,726,095
2032	4,458,982	1,878,909	3,274,165	5,153,075	694,092	45,391,390	65,352,216	19,960,826
2033	4,681,931	1,972,855	3,388,761	5,361,616	679,684	49,500,456	67,444,802	17,944,345
2034	4,916,028	2,071,498	3,507,368	5,578,865	662,837	53,900,235	69,553,890	15,653,655
2035	5,161,829	2,175,073	3,630,125	5,805,198	643,368	58,609,811	71,673,696	13,063,885
2036	5,419,921	2,283,826	3,757,180	6,041,006	621,085	63,649,501	73,797,651	10,148,150
2037	5,690,917	2,398,017	3,888,681	6,286,699	595,782	69,040,933	75,918,324	6,877,391
2038	5,975,463	2,517,918	4,024,785	6,542,703	567,240	74,807,131	74,807,131	-

Notes: Assumes payment in the middle of the fiscal year.

If benefit payments are greater than the ARC for a given year, additional funding will be \$0.

SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

Septage

(1) Fiscal Year Ended June 30	(2) Projected Benefit Payments	(3) Normal Cost	(4) Amortization of UAAL	(5) Total Funding Requirement: (3) + (4)	(6) Additional Funding: (5) – (2)	(7) Assets at End of Year	(8) AAL at End of Year	(9) UAAL at End of Year: (8) – (7)
2009	\$5,009	\$0	\$4,182	\$4,182	\$0	\$0	\$76,616	\$76,616
2010	5,468	0	4,274	4,274	0	0	76,693	76,693
2011	5,885	0	4,362	4,362	0	0	76,343	76,343
2012	6,275	0	4,433	4,433	0	0	75,563	75,563
2013	6,630	0	4,485	4,485	0	0	74,357	74,357
2014	6,917	0	4,517	4,517	0	0	72,763	72,763
2015	7,139	0	4,531	4,531	0	0	70,818	70,818
2016	7,334	0	4,528	4,528	0	0	68,526	68,526
2017	7,504	0	4,507	4,507	0	0	65,885	65,885
2018	7,602	0	4,465	4,465	0	0	62,944	62,944
2019	7,621	0	4,406	4,406	0	0	59,763	59,763
2020	7,602	0	4,331	4,331	0	0	56,364	56,364
2021	7,538	0	4,240	4,240	0	0	52,777	52,777
2022	7,426	0	4,133	4,133	0	0	49,036	49,036
2023	7,263	0	4,011	4,011	0	0	45,184	45,184
2024	7,046	0	3,876	3,876	0	0	41,267	41,267
2025	6,774	0	3,728	3,728	0	0	37,339	37,339
2026	6,447	0	3,570	3,570	0	0	33,455	33,455
2027	6,069	0	3,405	3,405	0	0	29,672	29,672
2028	5,644	0	3,237	3,237	0	0	26,045	26,045
2029	5,181	0	3,071	3,071	0	0	22,627	22,627
2030	4,692	0	2,912	2,912	0	0	19,460	19,460
2031	4,190	0	2,767	2,767	0	0	16,575	16,575
2032	3,689	0	2,646	2,646	0	0	13,994	13,994
2033	3,203	0	2,559	2,559	0	0	11,723	11,723
2034	2,742	0	2,526	2,526	0	0	9,759	9,759
2035	2,317	0	2,580	2,580	263	273	8,089	7,816
2036	1,933	0	2,705	2,705	773	1,094	6,692	5,598
2037	1,593	0	2,852	2,852	1,259	2,481	5,542	3,061
2038	1,300	0	3,061	3,061	1,762	4,494	4,494	-

Notes: Assumes payment in the middle of the fiscal year.

If benefit payments are greater than the ARC for a given year, additional funding will be \$0.

SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

Water

(1) Fiscal Year Ended June 30	(2) Projected Benefit Payments	(3) Normal Cost	(4) Amortization of UAAL	(5) Total Funding Requirement: (3) + (4)	(6) Additional Funding: (5) – (2)	(7) Assets at End of Year	(8) AAL at End of Year	(9) UAAL at End of Year: (8) – (7)
2009	\$31,135	\$6,158	\$24,660	\$30,818	\$0	\$0	\$454,179	\$454,179
2010	34,407	6,466	25,523	31,989	0	0	459,273	459,273
2011	37,993	6,789	26,416	33,206	0	0	461,365	461,365
2012	36,934	7,129	27,341	34,470	0	0	465,065	465,065
2013	35,491	7,485	28,298	35,783	293	303	470,909	470,605
2014	35,351	7,859	29,288	37,148	1,797	2,189	477,723	475,534
2015	34,311	8,252	30,313	38,566	4,255	6,766	486,535	479,769
2016	35,383	8,665	31,374	40,039	4,657	12,101	495,324	483,222
2017	36,423	9,098	32,473	41,571	5,148	18,347	504,142	485,796
2018	37,476	9,553	33,609	43,162	5,686	25,618	513,002	487,384
2019	39,170	10,031	34,785	44,816	5,647	33,394	521,265	487,872
2020	40,900	10,532	36,003	46,535	5,635	41,741	528,874	487,133
2021	42,537	11,059	37,263	48,322	5,785	50,870	535,903	485,033
2022	38,206	11,612	38,567	50,179	11,973	67,099	548,523	481,424
2023	34,199	12,192	39,917	52,109	17,910	90,701	566,845	476,143
2024	36,810	12,802	41,314	54,116	17,306	115,447	584,466	469,019
2025	39,137	13,442	42,760	56,202	17,065	141,800	601,660	459,861
2026	38,038	14,114	44,257	58,371	20,333	173,517	621,981	448,464
2027	36,331	14,820	45,806	60,626	24,295	211,720	646,326	434,606
2028	38,010	15,561	47,409	62,970	24,960	253,478	671,525	418,047
2029	38,250	16,339	49,068	65,407	27,158	300,647	699,173	398,526
2030	39,569	17,156	50,786	67,942	28,373	352,613	728,372	375,760
2031	43,901	18,014	52,563	70,577	26,676	406,717	756,160	349,443
2032	47,774	18,914	54,403	73,317	25,543	463,704	782,949	319,245
2033	44,846	19,860	56,307	76,167	31,322	530,957	815,765	284,808
2034	40,826	20,853	58,278	79,131	38,305	610,494	856,239	245,745
2035	42,211	21,896	60,317	82,213	40,003	697,757	899,395	201,638
2036	40,390	22,991	62,428	85,419	45,030	796,776	948,810	152,034
2037	39,244	24,140	64,613	88,754	49,510	907,867	1,004,310	96,444
2038	43,595	25,347	66,875	92,222	48,627	1,026,374	1,026,374	-

Notes: Assumes payment in the middle of the fiscal year.

If benefit payments are greater than the ARC for a given year, additional funding will be \$0.

SECTION 2: Valuation Results for the Town of Wayland December 31, 2008 Measurement under GASB

May, 2009

ACTUARIAL CERTIFICATION

This is to certify that The Segal Company has conducted an actuarial valuation of certain benefit obligations of the Town of Wayland other postemployment benefit programs as of December 31, 2008, in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Number 43 and 45 for the determination of the liability for postemployment benefits other than pensions.

The actuarial valuation is based on the plan of benefits verified by the Town and on participant, premium and expense data provided by the Town or from vendors employed by the Town.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security at termination or adequacy of funding an ongoing plan.

To the best of our knowledge, this report is complete and accurate and in our opinion presents the information necessary to comply with GASB Statements Number 43 and 45 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries, and other professional actuarial organizations and collectively meet their "General Qualification Standards for Statements of Actuarial Opinion" to render the actuarial opinion contained herein.



Kathleen A. Riley, FSA, MAAA
Senior Vice President and Actuary



Howard Atkinson, Jr., ASA, MAAA, FCA
Vice President and Health Actuary

SECTION 3: Valuation Details for the Town of Wayland December 31, 2008 Measurement under GASB

CHART 1

Required Supplementary Information – Schedule of Employer Contributions

Fiscal Year Ended June 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
2009	\$3,033,020	\$--	--%

SECTION 3: Valuation Details for the Town of Wayland December 31, 2008 Measurement under GASB

This schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CHART 2**Required Supplementary Information – Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
12/31/2008	\$764,076	\$40,852,026	\$40,087,950	1.87%	N/A	N/A

Note: Enter covered payroll for fiscal 2009.

SECTION 3: Valuation Details for the Town of Wayland December 31, 2008 Measurement under GASB

CHART 3

Required Supplementary Information – Net OPEB Obligation/(Asset) (NOO/NOA)

Fiscal Year Ended June 30,	Annual Required Contribution (a)	Interest on Existing NOO/(NOA) (b)	ARC Adjustment (c)	Annual OPEB Cost (a) + (b) + (c) (d)	Actual Contribution Amount (e)	Net Increase in NOO/(NOA) (d) - (e) (f)	NOO/(NOA) as of Following Date (g)
2008	N/A	N/A	N/A	N/A	N/A	N/A	\$(750,000)
2009	\$3,033,020	\$(56,250)	\$44,156	\$3,020,926	--	--	--

SECTION 3: Valuation Details for the Town of Wayland December 31, 2008 Measurement under GASB

CHART 4**Required Supplementary Information**

Valuation date	December 31, 2008
Actuarial cost method	Projected Unit Credit
Amortization method	Payments increasing at 3.5%
Remaining amortization period	30 years as of July 1, 2008
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.5%
Inflation rate	3.5%
Medical/drug cost trend rate	9.00% decreasing by 0.75% for 5 years and by 0.25% for 1 year to an ultimate level of 5.00% per year.
Part B premium	6.0%
Plan membership:	
Current retirees, beneficiaries, and dependents	449
Current active members	<u>418</u>
Total	867

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

This exhibit summarizes the participant data used for the current and prior valuations.

The December 31, 2008 and December 31, 2007 valuations were based on census data as of January 1, 2009 and January 1, 2008 respectively.

EXHIBIT I**Summary of Participant Data**

	January 1, 2009	January 1, 2008
Active employees covered for medical benefits		
Number of employees		
Male	170	173
Female	<u>248</u>	<u>255</u>
Total	418	428
Average age	45.4	44.6
Average service	10.2	9.7
Retired employees, spouses and beneficiaries covered for medical benefits		
Number of individuals	402	394
Average age	70.5	70.3
Number receiving a reimbursement for Medicare Part B Penalty	43	43
Retired employees with life insurance coverage		
Number of individuals	272	267
Average age	71.4	71.0
Number with life insurance only	47	47

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

EXHIBIT II

Actuarial Assumptions and Actuarial Cost Method

Data:	Detailed census data, premium rates, and summary plan descriptions for postemployment welfare benefits were provided by the Town of Wayland.
Actuarial Cost Method:	Projected Unit Credit
Per Capita Cost Development:	Per capita costs were based on the fully-insured premium rates effective July 1, 2008 (January 1, 2009 for certain Medicare Advantage plans). Premiums were combined by taking a weighted average based on the number of participants in each plan, and were then trended to the midpoint of the valuation year at assumed trend rates. For plans that are not community rated, actuarial factors were applied to the weighted premium to estimate individual retiree and spouse costs by age and by gender.
Measurement Date:	December 31, 2008
Discount Rate:	7.5%
Mortality Rates:	
<i>Pre-Retirement (Non-Teachers)</i>	RP-2000 Healthy Employee Mortality Table
<i>Healthy (Non-Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table
<i>Disabled (Non-Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table set forward 2 years
<i>Pre-Retirement (Teachers)</i>	RP-2000 Healthy Employee Mortality Table projected 10 years with Scale AA
<i>Healthy (Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table projected 10 years with Scale AA
<i>Disabled (Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table set forward 3 years for males

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

Termination Rates before Retirement:	Groups 1 and 2 (excluding Teachers) - Rate per year (%)		
	Mortality		Disability
	Age	Male	
	20	0.03	0.02
	25	0.04	0.02
	30	0.04	0.03
	35	0.08	0.05
	40	0.11	0.07
	45	0.15	0.11
	50	0.21	0.17
	55	0.30	0.25
	60	0.49	0.39

Notes: 55% of the rates shown represent accidental disability and death.

Group 4 – Rate per year (%)

Age	Mortality		Disability
	Male	Female	
20	0.03	0.02	0.20
25	0.04	0.02	0.20
30	0.04	0.03	0.30
35	0.08	0.05	0.30
40	0.11	0.07	0.30
45	0.15	0.11	1.00
50	0.21	0.17	1.25
55	0.30	0.25	1.20
60	0.49	0.39	0.85

Notes: 90% of the rates shown represent accidental disability and death.

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

Teachers - Rate per year (%)

Age	Mortality		Disability
	Male	Female	
20	0.03	0.02	0.00
25	0.03	0.02	0.01
30	0.04	0.02	0.01
35	0.07	0.04	0.01
40	0.10	0.06	0.01
45	0.13	0.10	0.03
50	0.18	0.14	0.05
55	0.25	0.23	0.08
60	0.42	0.37	0.10

*Notes: 35% of the disability rates shown rates represent accidental disability.
55% of the death rates shown represent accidental death.*

Withdrawal Rates:

Years of Service	Rate per year (%)		Years of Service	Group 4
	Groups 1 and 2 (excluding Teachers)			
0	15.0		0	1.5
1	12.0		1	1.5
2	10.0		2	1.5
3	9.0		3	1.5
4	8.0		4	1.5
5 – 9	7.6		5	1.5
10 – 14	5.4		6	1.5
15 – 19	3.3		7	1.5
20 – 24	2.0		8	1.5
25 – 29	1.0		9	1.5
30+	0.0		10	1.5
			11+	0.0

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

Age	Teachers - Rate per year (%)					
	0 – 4 Years of Service		5 – 9 Years of Service		10+ Years of Service	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
30	11.4	12.0	4.5	9.0	1.0	5.0
40	9.7	11.0	5.4	6.5	1.7	2.9
50	10.0	8.2	4.8	4.2	2.2	2.1
60	7.5	8.0	5.5	5.5	5.0	5.0

Age	Rate per year (%)		
	Groups 1 and 2 (excluding Teachers)		Group 4
	Male	Female	
45 – 49	--	--	1.0
50 – 54	--	--	2.0
55 – 59	2.0	5.5	15.0
60 – 61	12.0	5.0	20.0
62 – 64	30.0	15.0	25.0
65 – 68	40.0	15.0	100.0
69	50.0	20.0	--
70	100.0	100.0	--

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

Teachers - Rate per year (%)						
Years of Service						
Age	Less than 20		20 – 29		30 or more	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50 – 53	--	--	1.0	1.5	2.0	2.0
54	--	--	1.0	1.5	2.0	2.0
55	3.0	2.0	3.0	3.0	6.0	6.0
56	8.0	2.0	5.0	3.0	20.0	15.0
57	15.0	8.0	8.0	7.0	35.0	30.0
58	15.0	10.0	10.0	7.0	50.0	35.0
59	20.0	15.0	20.0	11.0	50.0	35.0
60	15.0	20.0	20.0	16.0	50.0	35.0
61	30.0	20.0	25.0	20.0	50.0	35.0
62	20.0	25.0	30.0	30.0	40.0	35.0
63	30.0	24.0	30.0	30.0	40.0	40.0
64	40.0	20.0	30.0	30.0	50.0	30.0
65	40.0	30.0	40.0	30.0	50.0	35.0
66	40.0	30.0	30.0	30.0	50.0	35.0
67	40.0	30.0	30.0	30.0	50.0	35.0
68	40.0	30.0	30.0	30.0	50.0	30.0
69	40.0	30.0	30.0	30.0	50.0	30.0
70	100.0	100.0	100.0	100.0	100.0	100.0

Dependents:

Demographic data was available for spouses of current retirees. For future retirees, husbands were assumed to be three years older than their wives and 55% were assumed to have an eligible spouse who also opts for health coverage at that time.

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

Per Capita Health Costs:

Calendar year 2009 medical and prescription drug claims costs are shown in the table below for retirees and for spouses at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Age	Non-Medicare Plans				Medicare Supplement			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
45	\$6,954	\$8,724	\$4,314	\$6,512	N/A	N/A	N/A	N/A
50	8,254	9,402	5,765	7,550	N/A	N/A	N/A	N/A
55	9,804	10,121	7,715	8,739	N/A	N/A	N/A	N/A
60	11,642	10,909	10,328	10,136	N/A	N/A	N/A	N/A
65	13,827	11,753	13,827	11,753	\$4,427	\$3,763	\$4,427	\$3,763
70	16,026	12,666	16,026	12,666	5,131	4,055	5,131	4,055
75	17,269	13,633	17,269	13,633	5,529	4,365	5,529	4,365
80	18,598	14,699	18,598	14,699	5,955	4,706	5,955	4,706

Medicare Advantage Plans:

\$2,323

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

Health Care Cost Trend Rates:

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are “net” and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that must be applied to that year’s cost to yield the next year’s projected cost.

Year Ending December 31	Medical/Drug	Medicare Part B Premium
2009	9.00%	6.0%
2010	8.25%	6.0%
2011	7.50%	6.0%
2012	6.75%	6.0%
2013	6.00%	6.0%
2014	5.25%	6.0%
2015 & later	5.00%	6.0%

Retiree Contribution Increase Rate: Retiree contributions are expected to increase with medical trend.

Participation and Coverage Election: 100% of active employees with coverage are assumed to elect retiree coverage.

100% of retirees over age 65 are assumed to remain in their current medical plan for life.

For future retirees hired prior to 1986 and current retirees under age 65, 65% are assumed to be eligible for Medicare and are assumed to enroll in a Medicare Supplement plan upon reaching age 65, 25% are assumed to be eligible for Medicare and are assumed to enroll in a Medicare Advantage plan upon reaching age 65, and 10% are assumed to be ineligible for Medicare and remain enrolled in a non-Medicare plan.

For future retirees hired in 1986 or later, 72% are assumed to enroll in a Medicare Supplement plan upon reaching age 65 and 28% are assumed to enroll in a Medicare Advantage plan.

75% of current and future retirees with medical coverage are assumed to have life insurance coverage.

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

Plan Design:	Development of plan liabilities was based on the substantive plan of benefits in effect as described in Exhibit III.
Administrative Expenses:	Administrative expenses for self-insured plans were based on current vendor contractual rates and fees. Administrative expenses for insured plans were assumed to be included in the fully insured premium rates.
Annual Maximum Benefits:	No increase in the annual maximum benefit levels was assumed.
Lifetime Maximum Benefits:	No information was available regarding accumulations toward lifetime maximum benefits and no such accumulations were assumed.
Missing Participant Data:	A missing census item for a given participant was assumed to equal the average value of that item over all other participants of the same status for whom the item is known.
Assumption Changes since Prior Valuation:	<p>The discount rate was decreased from 8.5% to 7.5%</p> <p>Medical/dug trend was changed from 10.00% in 2008 decreasing by 1.00% per year to 5.00% by 2013 to 9.00% in 2009 decreasing by 0.75% per year to 5.25% in 2014 and by 0.25% to 5.0% by 2015.</p> <p>The retirement assumption for non-Teacher employees, and the disability and turnover assumptions for Teacher employees, were changed, consistent with the most recent valuations of the Middlesex County Retirement System or the Massachusetts Teachers Retirement System, respectively.</p> <p>The plan election assumption upon reaching age 65 for future retirees hired prior to 1986 and current retirees under age 65 was changed from 68% in a Medicare Supplement plan, 22% in a Medicare Advantage plan, and 10% in a non-Medicare plan, to 65%, 25%, and 10%, respectively. For employees hired in 1986 or later, the percentages changed from 75% in a Medicare Supplement plan and 25% in a Medicare Advantage plan to 72% and 28%, respectively.</p>

SECTION 4: Supporting Information for the Town of Wayland December 31, 2008 Measurement under GASB

EXHIBIT III

Summary of Plan

This exhibit summarizes the major benefit provisions as included in the valuation. To the best of our knowledge, the summary represents the substantive plans as of the measurement date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Eligibility: Retired and receiving a pension from the Middlesex County Retirement System or the Massachusetts Teachers Retirement System.

Group 1 (including Teachers):

- Retirees with at least 10 years of creditable service are eligible at age 55;
- Retirees with at least 20 years of creditable service are eligible at any age.

Group 4:

- Retirees with at least 10 years of creditable service are eligible at age 45;
- Retirees with at least 20 years of creditable service are eligible at any age.

Disability: Accidental (job-related) Disability has no age or service requirement. Ordinary (non-job related) Disability has no age requirement but requires 10 years of creditable service.

Pre-Retirement Death: Surviving spouses of members who die in active service on Accidental (job-related) Death are eligible at any age. Surviving spouses of members who die in active service on Ordinary (non-job related) Death are eligible after two years of service.

Post-Retirement Death: Surviving spouse is eligible.

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Benefit Types:	The Town participates in the West Suburban Health Group. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, Fallon Community Health Plan and Tufts Health Plan. The Town of Wayland also pays 50% of the retiree life insurance premium and reimburses the Medicare Part B penalty for 43 retirees and spouses. (Dental coverage is offered but it is 100% retiree paid and therefore has no impact on this valuation.)
Duration of Coverage:	Lifetime.
Dependent Benefits:	Medical and prescription drugs.
Dependent Coverage:	Benefits are payable to a spouse for their lifetime, regardless of when the retiree dies.
MGL Chapter 32B, Section 18:	Adopted.

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Retiree Contributions:

Premium rates and retiree contributions as of July 1, 2008 are summarized on the following pages:

	Subscribers			Retirees 65 and over*	Monthly Premium (eff. 7/1/2008)	Town cost	Retiree cost
	Active	Retiree	Total				
<u>Non-Medicare Actives and Retirees</u>							
Harvard Pilgrim HMO							
Individual	65	31	96	7	\$563.00	\$413.80	\$149.20
Family	118	16	134	0	\$1,467.00	\$997.56	\$469.44
Harvard Pilgrim PPO							
Individual	0	4	4	2	\$1,122.00	\$561.00	\$561.00
Family	2	2	4	0	\$2,493.00	\$1,246.50	\$1,246.50
Harvard Pilgrim HMO (Rate Saver Plan)							
Individual	16	0	16	0	\$478.00	\$382.40	\$95.60
Family	15	1	16	0	\$1,247.00	\$872.90	\$374.10
BCBS Network Blue of NE							
Individual	31	8	39	5	\$608.00	\$432.29	\$175.71
Family	37	10	47	1	\$1,633.00	\$1,061.45	\$571.55
BCBS Blue Choice (Rate Saver Plan)							
Individual	6	0	6	0	\$517.00	\$413.60	\$103.40
Family	4	0	4	0	\$1,388.00	\$971.60	\$416.40
Fallon Select							
Individual	19	0	19	0	\$500.00	\$355.50	\$144.50
Family	11	0	11	0	\$1,348.00	\$876.20	\$471.80
Fallon Select Care (Rate Saver Plan)							
Individual	12	0	12	0	\$425.00	\$340.00	\$85.00
Family	9	0	9	0	\$1,146.00	\$802.20	\$343.80
Fallon Direct							
Individual	2	0	2	0	\$464.00	\$329.90	\$134.10
Family	4	0	4	0	\$1,253.00	\$814.45	\$438.55
Tufts EPO							
Individual	28	10	38	1	\$579.00	\$413.98	\$165.02
Family	29	6	35	1	\$1,516.00	\$959.63	\$556.37
Tufts POS							
Individual	0	2	2	2	\$1,122.00	\$561.00	\$561.00
Family	0	0	0	0	\$2,493.00	\$1,246.50	\$1,246.50
Tufts Navigator (Rate Saver Plan)							
Individual	9	1	10	0	\$492.00	\$393.60	\$98.40
Family	1	0	1	0	\$1,289.00	\$902.30	\$386.70
<u>Non-Medicare Total</u>	418	91	509	19			

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	Subscribers			Monthly Premium (eff. 7/1/2008)	Town cost	Retiree cost
	Active	Retiree	Total			
<u>Medicare Supplement Plans</u>						
Medex 3	N/A	56	56	\$413.00	\$206.50	\$206.50
BCBS Managed Blue for Seniors	N/A	20	20	\$372.91	\$265.14	\$107.77
Harvard Pilgrim Medicare Enhance	N/A	23	23	\$400.00	\$200.00	\$200.00
Tufts Medicare Complement	N/A	25	25	\$323.00	\$230.94	\$92.06
<u>Medicare Advantage plans</u>						
Fallon Senior**	N/A	1	1	\$213.00	\$151.44	\$61.56
Harvard Pilgrim First Seniority Freedom**	N/A	15	15	\$245.00	\$122.50	\$122.50
Medicare HMO Blue**	N/A	3	3	\$223.50	\$158.91	\$64.59
Tufts Medicare Preferred	N/A	28	28	\$153.00	\$109.39	\$43.61
<u>Medicare Total</u>		171	171			
<u>Retiree Total***</u>		262				

* 19 of 190 over-65 retirees are in a non-Medicare plan

** Premiums effective January 1, 2009

*** In addition, there are 140 spouses of retirees covered under an individual or family policy.

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Benefit Descriptions:

Harvard Pilgrim HMO	
Medical	
<i>Annual deductible</i>	None
<i>Coinsurance</i>	100%
<i>Physicians Office Visit</i>	\$5
<i>Emergency Room</i>	\$30 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	None
Prescription Drugs	
<i>Retail Copay</i>	\$5 generic/\$10 formulary brand/\$25 non-formulary brand
<i>Mail Copay</i>	\$10 generic/\$20 formulary brand/\$75 non-formulary brand

Harvard Pilgrim PPO	In-Network	Out-of-Network
Medical		
<i>Annual deductible</i>	None	\$100 individual/\$200 family
<i>Coinsurance</i>	100%	80%
<i>Physicians Office Visit Copay</i>	\$5	Coinsurance & deductible
<i>Emergency Room Copay</i>	\$40 (waived if admitted)	\$40 (waived if admitted)
<i>Out-of-pocket Maximum (including deductible)</i>	None	\$1,600 individual/\$3,200 family
Prescription Drugs		
<i>Retail Copay</i>	\$5 generic/\$10 formulary brand/\$25 non-formulary brand	
<i>Mail Copay</i>	\$10 generic/\$20 formulary brand/\$75 non-formulary brand	

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Harvard Pilgrim HMO (RSP)	
Medical	
<i>Annual deductible</i>	None
<i>Hospital Inpatient</i>	\$250
<i>Physicians Office Visit Copay</i>	\$20 (\$40 for specialists)
<i>Emergency Room Copay</i>	\$75 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	\$2,000 individual/\$4,000 family
Prescription Drugs	
<i>Retail Copay</i>	\$10 generic/\$25 formulary brand/\$45 non-formulary brand
<i>Mail Copay</i>	\$20 generic/\$50 formulary brand/\$90 non-formulary brand
BCBS Network Blue of NE	
Medical	
<i>Annual deductible</i>	None
<i>Coinsurance</i>	100%
<i>Physicians Office Visit Copay</i>	\$5
<i>Emergency Room Copay</i>	\$25 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	None
Prescription Drugs	
<i>Retail Copay</i>	\$5 generic/\$10 formulary brand/\$25 non-formulary brand
<i>Mail Copay</i>	\$5 generic/\$10 formulary brand/\$25 non-formulary brand

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BCBS Choice (RSP)	
Medical	
<i>Annual deductible</i>	None
<i>Hospital Insurance Copay</i>	\$250 Tier 1, \$500 Tier 2, \$1,000 Tier 3
<i>Physicians Office Visit Copay</i>	\$15 Tier 1, \$25 Tier 2, \$45 Tier 3 and specialists
<i>Emergency Room Copay</i>	\$100 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	None
Prescription Drugs	
<i>Retail Copay</i>	\$15 generic/\$30 formulary brand/\$50 non-formulary brand
<i>Mail Copay</i>	\$30 generic/\$60 formulary brand/\$100 non-formulary brand

Fallon Direct Care/Fallon Select Care	
Medical	
<i>Annual deductible</i>	None
<i>Coinsurance</i>	100%
<i>Physicians Office Visit Copay</i>	\$5
<i>Emergency Room Copay</i>	\$25 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	None
Prescription Drugs	
<i>Retail Copay</i>	\$5 Tier 1/\$15 Tier 2/\$35 Tier 3
<i>Mail Copay</i>	\$10 Tier 1/\$30 Tier 2/\$70 Tier 3

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Fallon Direct Care/Fallon Select Care (RSP)	
Medical	
<i>Annual deductible</i>	None
<i>Hospital Inpatient Copay</i>	\$250
<i>Physicians Office Visit Copay</i>	\$20 (\$40 for specialists)
<i>Emergency Room Copay</i>	\$75 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	\$1,000 hospital copay maximum
Prescription Drugs	
<i>Retail Copay</i>	\$10 Tier 1/\$25 Tier 2/\$45 Tier 3
<i>Mail Copay</i>	\$20 Tier 1/\$50 Tier 2/\$90 Tier 3

Tufts EPO	
Medical	
<i>Annual deductible</i>	None
<i>Coinsurance</i>	100%
<i>Physicians Office Visit Copay</i>	\$5
<i>Emergency Room Copay</i>	\$25 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	None
Prescription Drugs	
<i>Retail Copay</i>	\$5 generic/\$10 formulary brand/\$25 non-formulary brand
<i>Mail Copay</i>	\$10 generic/\$20 formulary brand/\$50 non-formulary brand

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Tufts POS	In-Network	Out-of-Network
Medical		
<i>Annual deductible</i>	None	\$100 individual/\$200 family
<i>Coinsurance</i>	100%	80%
<i>Physicians Office Visit Copay</i>	\$5	Coinsurance & deductible
<i>Emergency Room Copay</i>	\$25 (waived if admitted)	\$25 (waived if admitted)
<i>Out-of-pocket Maximum (including deductible)</i>	None	\$1,500 individual/\$3,000 family
Prescription Drugs		
<i>Retail Copay</i>	\$5 generic/\$10 formulary brand/\$25 non-formulary brand	
<i>Mail Copay</i>	\$10 generic/\$20 formulary brand/\$50 non-formulary brand	

Tufts Navigator (RSP)	
Medical	
<i>Annual deductible</i>	None
<i>Hospital Insurance Copay</i>	\$150 Tier 1/\$250 Tier 2
<i>Physicians Office Visit Copay</i>	\$20 (\$40 for specialists)
<i>Emergency Room Copay</i>	\$75 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	None
Prescription Drugs	
<i>Retail Copay</i>	\$10 generic/\$25 formulary brand/\$45 non-formulary brand
<i>Mail Copay</i>	\$20 generic/\$50 formulary brand/\$90 non-formulary brand

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Medex 3	
Medical	
<i>Hospital Inpatient</i>	Covered in full
<i>Outpatient and Physician Services</i>	Covered in full
<i>Emergency Room</i>	Covered in full
Prescription Drugs	
<i>Retail Copay</i>	After \$50 deductible, 0% generic/20% brand
<i>Mail Copay</i>	\$2 generic/\$15 brand

BCBS Managed Blue for Seniors	
Medical	
<i>Hospital Inpatient</i>	Covered in full
<i>Outpatient and Physician Services</i>	\$10 copay per visit
<i>Emergency Room</i>	\$50 copay per visit (waived if admitted)
Prescription Drugs	
<i>Retail Copay</i>	25% generic/50% formulary brand/75% non-formulary brand
<i>Mail Copay</i>	\$5 generic/\$30 formulary brand/\$50 non-formulary brand

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Harvard Pilgrim Medicare Enhance	
Medical <i>Hospital Inpatient</i> <i>Outpatient and Physician Services</i> <i>Emergency Room</i>	Covered in full \$5 copay per visit \$30 copay per visit (waived if admitted)
Prescription Drugs <i>Retail Copay</i> <i>Mail Copay</i>	\$5 generic/\$10 formulary brand/\$25 non-formulary brand \$10 generic/\$20 formulary brand/\$75 non-formulary brand
Tufts Medicare Complement	
Medical <i>Hospital Inpatient</i> <i>Outpatient and Physician Services</i> <i>Emergency Room</i>	Covered in full \$10 copay per visit \$50 copay per visit
Prescription Drugs <i>Retail Copay</i> <i>Mail Copay</i>	\$8 generic/\$20 formulary brand/\$35 non-formulary brand \$16 generic/\$40 formulary brand/\$70 non-formulary brand

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Fallon Senior Plan	
Medical	
<i>Hospital Inpatient</i>	Covered in full
<i>Outpatient and Physician Services</i>	\$10 copay per visit (\$20 for specialists)
<i>Emergency Room</i>	\$50 copay per visit (waived if admitted)
Prescription Drugs	
<i>Retail Copay</i>	\$5 Tier 1/\$20 Tier 2/\$40 Tier 3
<i>Mail Copay</i>	\$10 Tier 1/\$40 Tier 2/\$80 Tier 3
Harvard Pilgrim First Seniority Freedom (FS)	
Medical	
<i>Hospital Inpatient</i>	Covered in full
<i>Outpatient and Physician Services</i>	\$15 copay per visit
<i>Emergency Room</i>	\$50 copay per visit (waived if admitted)
Prescription Drugs	
<i>Retail Copay</i>	\$10 generic/\$20 formulary brand/\$35 non-formulary brand
<i>Mail Copay</i>	\$20 generic/\$40 formulary brand/\$105 non-formulary brand

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Medicare HMO Blue	
Medical <i>Hospital Inpatient</i> <i>Outpatient and Physician Services</i> <i>Emergency Room</i>	\$100 copay per day (up to \$500 per calendar year) \$10 copay per visit (\$20 for specialists) \$50 copay per visit
Prescription Drugs <i>Retail Copay</i> <i>Mail Copay</i>	\$10 generic/\$25 formulary brand/\$45 non-formulary brand \$20 generic/\$50 formulary brand/\$90 non-formulary brand
Tufts Medicare Preferred	
Medical <i>Hospital Inpatient</i> <i>Outpatient and Physician Services</i> <i>Emergency Room</i>	Annual deductible of \$200 \$10 copay per visit (\$15 for specialists) \$50 copay per visit
Prescription Drugs <i>Retail Copay</i> <i>Mail Copay</i>	\$10 generic/\$25 formulary brand/\$50 non-formulary brand \$20 generic/\$50 formulary brand/\$100 non-formulary brand

Retiree Life: \$5,000

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