



2014 Actuarial Results

Other Post Employment Benefits (OPEB)



What is OPEB?

- Other Post-employment Benefits (OPEB) include all retiree benefits that are not a part of pension plan.
 - Health Care
 - Life Insurance
 - Other

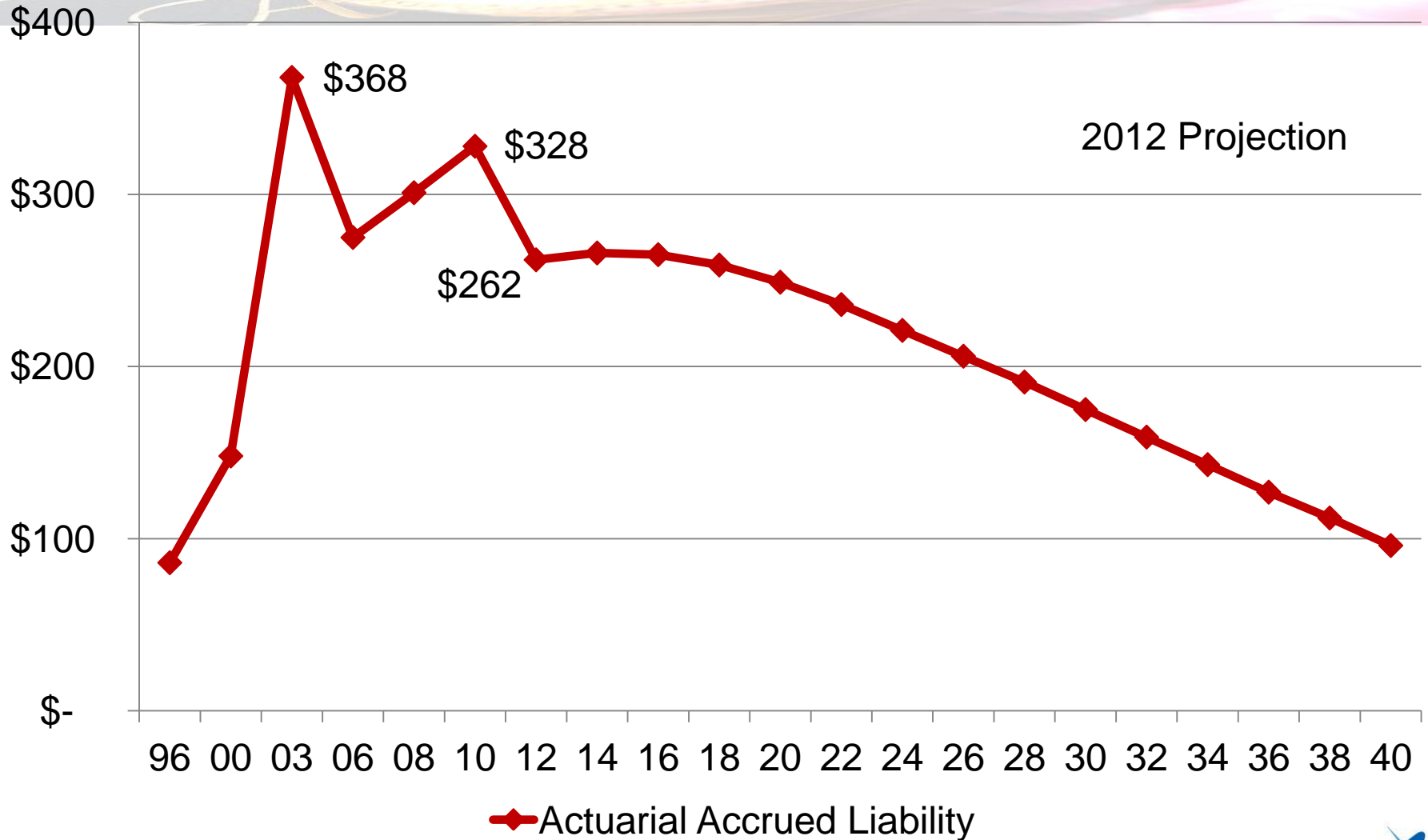
What is OPEB?

- Explicit Benefit – Retirees hired prior to benefit sunset dates who meet age and service criteria are eligible for **employer paid** retiree health insurance benefits for life.
- Implicit Rate Subsidy – Retirees pooled with actives to determine premium rates; MS 471.61 allows retirees to participate in health plans indefinitely - **retiree pays** total premium.

Council Funding Policy

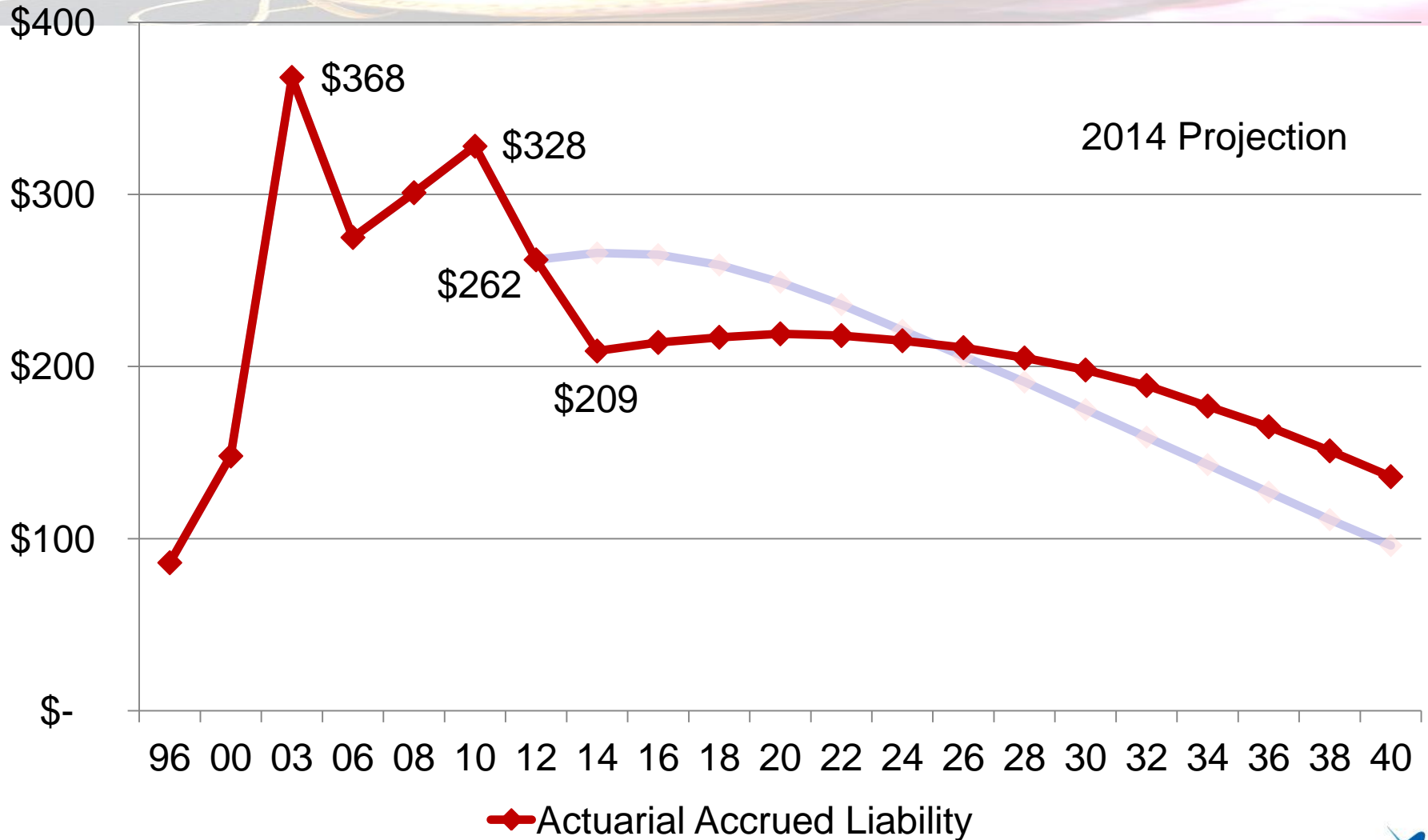
- Requires annual funding of explicit benefits:
 - Future costs associated with eligible active employees (normal cost)
 - Current costs associated with retirees (pay-as-go)
- For how long?
 - Until such time as funds set aside are adequate, with expected interest, to meet all projected future retiree benefits

Projected OPEB Liability



Dollars in Millions

Projected OPEB Liability



Dollars in Millions

Actuarial Gain \$57M

- Experience Based- \$36M
 - Medical Self-Insurance Impact (+)
 - Census/Demographics (-)
 - Actuary Model Adjustments (-)
- Assumption Based - \$21M
 - Discount Rate 7% (+)
 - Contribution Rate (-)
 - Medical Trend Rate (-)

OPEB Funding Status

■ OPEB Liability \$209M

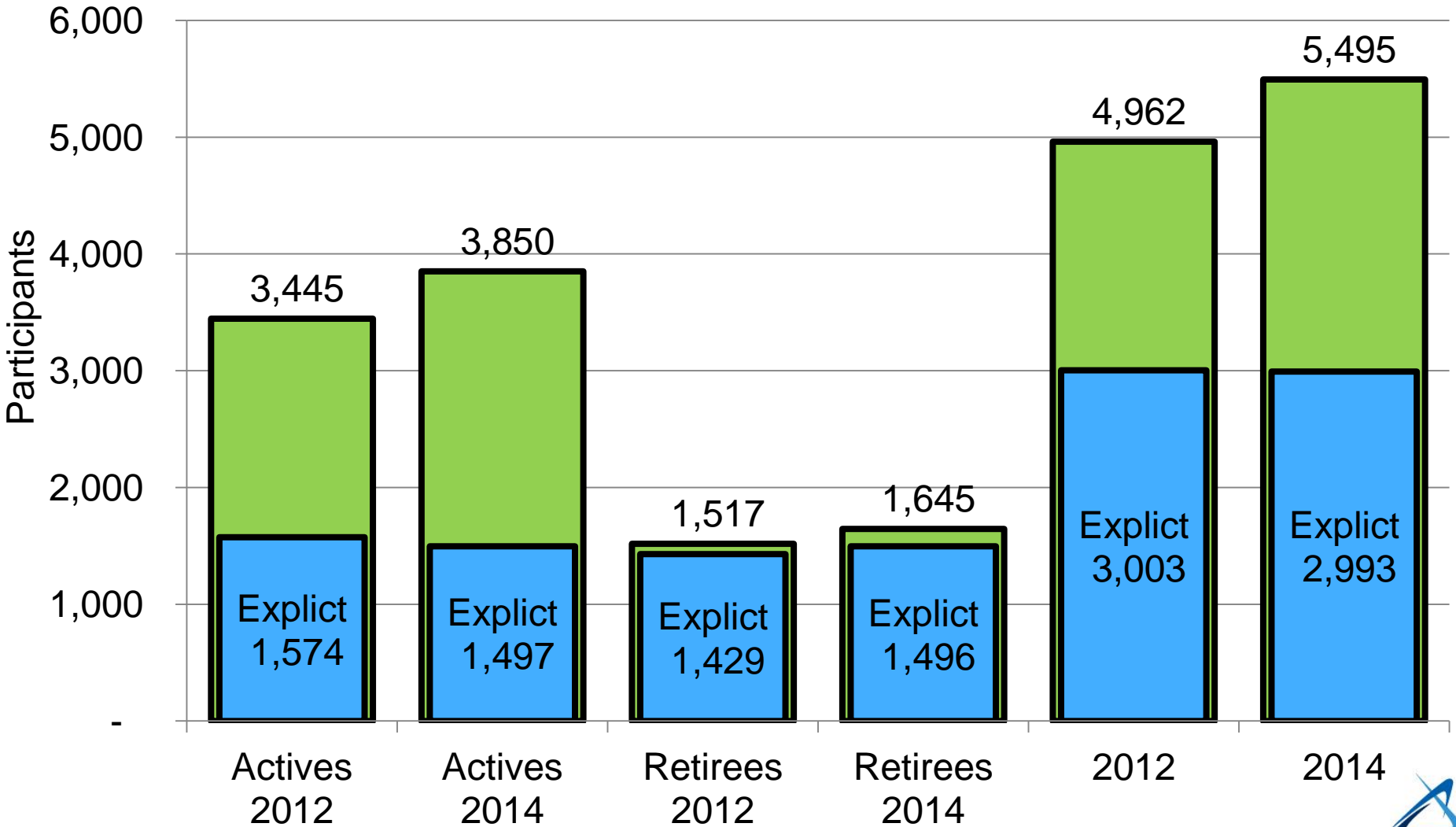


OPEB Funding Status

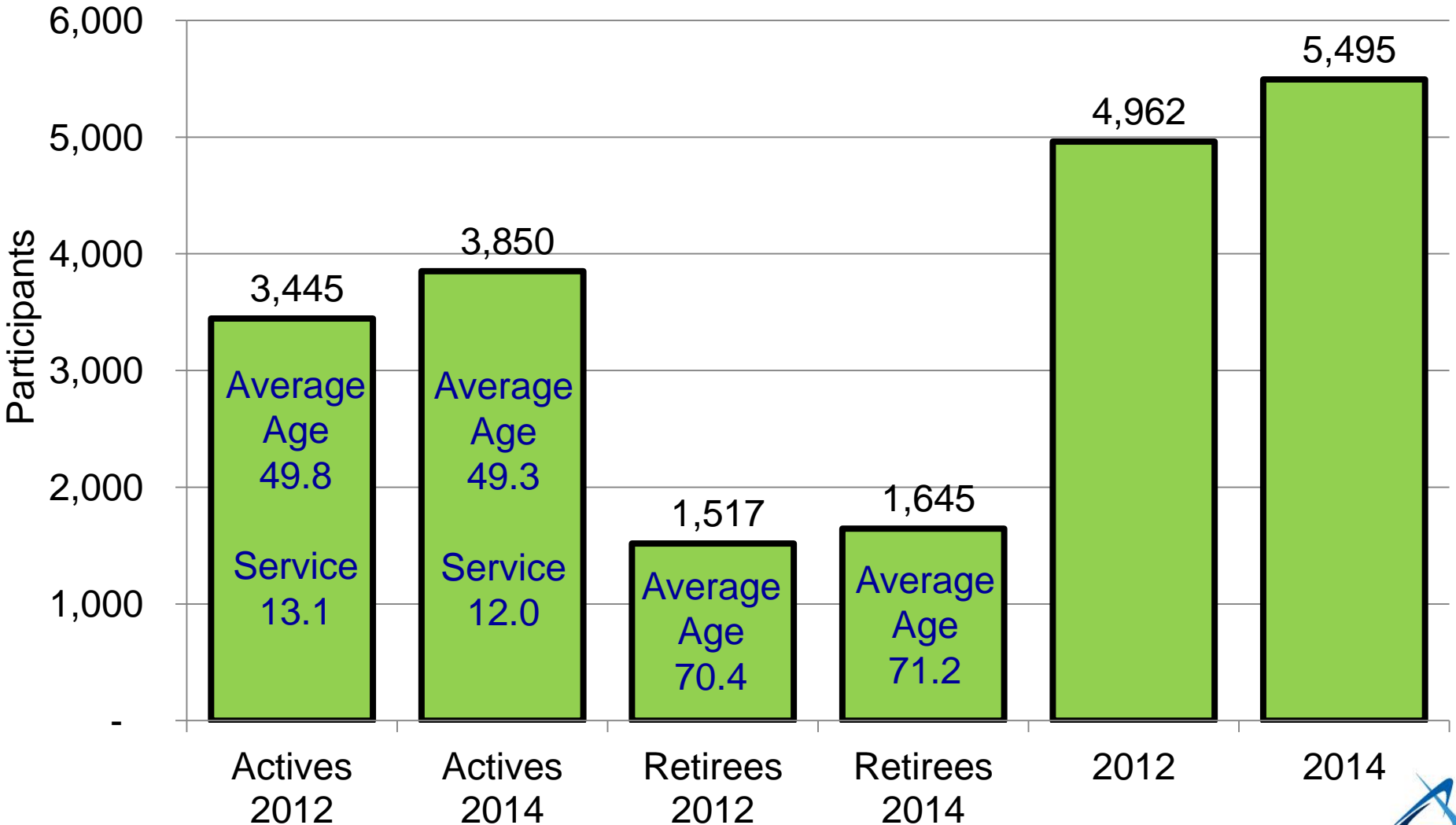
■ OPEB Liability \$209M ■ OPEB Reserve \$178M



Demographics



Demographics



Demographics

