

**Saginaw County
Other Postemployment Benefits**

**ACTUARIAL VALUATION REPORT
AS OF December 31, 2014**

April 13, 2015

Prepared By:

CBIZ Retirement Plan Services
6050 Oak Tree Blvd. South
Suite 500
Cleveland, OH 44131
Phone: (216) 447-9000
www.cbiz.com

Contents

Cover Letter and Retiree Premium Rate Development

1. Executive Summary	1
2. Important Notices	2
3. Valuation Results	5
4. Plan Assets	8
5. Participant Data.....	9
6. Actuarial methods and policies	14
7. Summary of Actuarial Assumptions.....	15
8. Summary of Plan Provisions	18
9. Glossary.....	23



April 13, 2015

Amy J. Deford
Retirement Administrator
County of Saginaw
111 S. Michigan
Saginaw, MI 48602

Dear Ms. Deford:

Submitted in this report are the December 31, 2014 actuarial valuation results for the Saginaw County Other Postemployment Benefits.

The purposes of this report are to:

- Provide the actuarial information needed to fulfill accounting reporting requirements under Governmental Accounting Standards Board Statement No. 45 (GASB 45); and
- Provide the Annual Required Contribution (ARC) for the fiscal years beginning October 1, 2015 and October 1, 2016.

We are available to answer any questions on the material in this report or to provide explanations or further details as appropriate. The undersigned credentialed actuaries collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are not aware of any direct or material indirect financial interest or relationship that would impair the objectivity of our work.

Respectfully submitted,

Richard F. McCleary, EA, MAAA, MSPA
Director, Actuarial Services

James W. Budai, ASA, EA
Consulting Actuary

1. Retiree Premium Rate Development

Starting per capita costs were developed on an experience-rated basis using historic claim experience. Non-Drug Medical and Prescription Drugs were analyzed separately. For pre-Medicare ages, active and retiree plan experience was used to develop premium equivalent rates. These rates were adjusted to reflect that for a pre-Medicare retiree group. The result was then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age (i.e., Morbidity). Starting per capita costs include Administrative Expenses. Starting costs for Medicare eligibles were developed using a Medicare Adjustment Factor of 0.40.

Morbidity Factors used are shown below.

Morbidity Factors	
<u>Age</u>	<u>Rate Per Age</u>
Under 65	4.50%
65 – 69	3.00%
70 – 74	2.50%
75 – 85	1.50%
86 & Older	0.00%

It is noted that gender-specific claim cost curves were used in the last GASB 45 actuarial valuation. For this valuation, separate age-specific claim cost curves were developed for Retirees and their Spouses. The revised approach better reflects how costs are tracked and managed.

Sample retiree premium rates developed are shown on the following page.

Retire Premium Rate Development – Illustrative Ages

Pre 65 Retiree Premium Rate Development				
Age	Future Retirees		Current Retirees	
	Male	Female	Male	Female
45	\$ 5,562	\$ 5,562	\$ 5,883	\$ 5,883
50	\$ 6,931	\$ 6,931	\$ 7,331	\$ 7,331
55	\$ 8,638	\$ 8,638	\$ 9,136	\$ 9,136
60	\$ 10,764	\$ 10,764	\$ 11,385	\$ 11,385

Post 65 Retiree Premium Rate Development				
Age	Future Retirees		Current Retirees	
	Male	Female	Male	Female
65	\$ 5,135	\$ 5,135	\$ 5,970	\$ 5,970
70	\$ 5,924	\$ 5,924	\$ 6,888	\$ 6,888
75	\$ 6,669	\$ 6,669	\$ 7,755	\$ 7,755

Statement of Actuarial Opinion

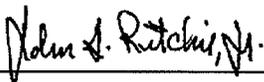
This Statement of Actuarial Opinion addresses the Starting Per Capita Costs and Health Care Trend Rates developed for the Actuarial Valuation as of September 30, 2014 of the Postretirement Health Plan for Saginaw County. The primary purpose of the valuation is to determine the obligations and cost as of for the 2015 Fiscal Year in accordance with Government Accounting Standard Board Statement No. 45.

In performing my work, I relied on information and data regarding plan provisions, enrollment, claims, and other related information provided by the County and/or CBIZ Retirement Plan Services. An audit of the information was not performed, but the information was reviewed for reasonableness as appropriate based on the purpose of my work. The accuracy of my results is dependent upon the accuracy and completeness of the underlying information. All of the information was relied upon in drawing conclusions.

I believe that the calculations performed and the results thereof are reasonable and appropriate for the purposes for which they have been used.

To the best of my knowledge, the analysis was conducted in a manner consistent with the Code of Professional Conduct and Qualification Standards of the American Academy of Actuaries and the applicable Standards of Practice of the Actuarial Standards Board, as well as conforming to generally accepted actuarial principles and practices.

I meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Opinion. There is no relationship between Saginaw County and Menard Consulting, Inc. that impairs objectivity.



John S. Ritchie, ASA, MAAA
Menard Consulting, Inc.

1. Executive Summary

The annual required contribution (ARC) is a component of the annual OPEB cost that is recognized by a plan sponsor under the accounting requirements of the Governmental Accounting Standards Board (GASB) Statement No. 45. The annual required contributions for the next two fiscal years determined by this valuation are:

Fiscal Year Beginning	Annual Required Contribution
October 1, 2015	\$11,532,059
October 1, 2016	\$12,051,002

Details regarding the derivation of the ARC can be found in Section 3, Valuation Results.

In addition to the ARC, GASB No. 45 requires liabilities and assets to be disclosed in financial statements. The liabilities and assets as of December 31, 2014 are as follows:

Derivation of UAL, Funded Percent, and Amortization Payment

Division	Actuarial Accrued Liabilities	Actuarial Value of Assets	Unfunded Accrued Liabilities (UAL)	Funded Percent	UAL Amortization
All Members Excluding MHA	\$142,410,788	\$14,898,591	\$127,512,197	10.46%	\$9,687,071
Mental Health Authority	664,742	0	664,742	0.00%	50,500
Total	\$143,075,530	\$14,898,591	\$128,176,939	10.41%	\$9,737,571

Census data used for this valuation were provided by Saginaw County as December 31, 2014. As requested, the results are shown split by division.

2. Important Notices

PURPOSE AND USE OF THIS REPORT

The purposes of this report are to:

- Provide the actuarial information needed to fulfill accounting reporting requirements under Governmental Accounting Standards Board Statement No. 45 (GASB 45); and
- Provide the Annual Required Contribution (ARC) for the fiscal years beginning October 1, 2015 and October 1, 2016.

The calculations contained herein have been made on a basis consistent with our understanding of GASB 45. Computations for purposes other than GASB 45 may be significantly different from these results and may not be appropriate. Decisions about benefit changes, investment policy, funding policy, benefit security and/or benefit-related issues should not be made solely on the basis of this valuation, but only after careful consideration of alternative economic, financial, demographic and societal factors, including financial scenarios that assume future sustained investment losses. Reliance on information contained in this report by anyone for anything other than the intended purpose could be misleading.

Consequently, this report is prepared solely for the internal business use of the Saginaw County. It may not be provided to third parties without our written consent, other than to auditors for use in satisfying accounting reporting requirements or as required due to public record disclosure laws. CBIZ is not responsible for the consequences of any unauthorized use.

LIMITATIONS OF THE VALUATION PROCESS

It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation year to the next, sometimes significantly if the group valued is small. As a result, valuation results may fluctuate over time as the demographics of the group change.

To prepare this valuation report, actuarial assumptions were used to present a single scenario from a wide range of possibilities. Different assumptions or scenarios within the range of possibilities may also be reasonable and results based on those assumptions would be different. Two different actuaries could, quite reasonably, arrive at different results based on the same data and different views of the future. A "sensitivity analysis" shows the degree to which results would be different if you substitute alternative assumptions, from the range of reasonable alternatives possibilities, for those used in

this report. Because we have not been engaged to perform such a sensitivity analysis, the results of such an analysis are not included in this report. At your request, CBIZ is available to perform such a sensitivity analysis.

HOW VALUATIONS IMPACT PLAN COSTS AND CONTRIBUTIONS

Valuations do not affect the ultimate cost of the Plan, only the timing of contributions into the Plan. Plan funding occurs over time. Contributions not made this year, for whatever reason, including errors, remain the responsibility of the Plan sponsor and can be made in later years. If the actuarially calculated contribution amounts are lower or higher over a period of years than necessary, it is normal and expected practice for adjustments to be made to future contribution amounts to account for this, with a view to funding the plan over time.

DATA AND METHODS USED IN PREPARING THIS REPORT

In preparing our report, we have relied on plan provisions, financial information, and employee census data provided by Saginaw County. While we have reviewed the data in accordance with Actuarial Standards of Practice No. 23, we have not verified or audited any of the data or information provided. If any of this information as summarized in this report is inaccurate or incomplete, the results shown could be materially impacted, and this report may need to be revised.

Because modeling all aspects of a situation is not possible or practical, we may use summary information, estimates, or simplifications of calculations to facilitate the modeling of future events in an efficient and cost-effective manner. We may also exclude factors or data that are immaterial in our judgment. Use of such simplifying techniques does not, in our judgment, affect the reasonableness of valuation results for the plan.

PROFESSIONAL STANDARDS

To the best of our knowledge and belief, this report has been prepared in accordance with generally accepted actuarial principles and practices. All costs, liabilities, rates of interest, and other factors in this valuation have been determined based on actuarial assumptions and methods which, taking into account the experience of the employer and reasonable expectations, are reasonable both individually and in the aggregate.

Our advice is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting, or investing advice.

YOUR RESPONSIBILITIES WHEN READING THIS REPORT

You should notify us after receipt of this report if you disagree with anything contained in the report or are aware of any information that would affect the results of the report that have not been communicated to us.

If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, that conditions have changed since the calculations

were made, that the information provided in this report is inaccurate or is anyway incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact us prior to making such decision or relying on information in the report.

3. Valuation Results

DETERMINATION OF ANNUAL REQUIRED CONTRIBUTION (ARC)

The ARCs for the fiscal year beginning fiscal years beginning October 1, 2015 and October 1, 2016 are shown below. A baseline ARC was determined as of December 31, 2014 and has been increased by 4.50% for the 2015 and 2016 fiscal years.

Division	Normal Cost	UAL Amortization	Interest to Fiscal Year	Baseline ARC for Fiscal Year Beg. 9/30/2015
All Members Excluding MHA	\$858,592	\$9,687,071	\$432,728	\$10,978,391
Mental Health Authority	4,316	50,500	2,256	57,072
Total	\$862,908	\$9,737,571	\$434,984	\$11,035,463

Division	ARC for Fiscal Year Beg. October 1, 2015	ARC for Fiscal Year Beg. October 1, 2016
All Members Excluding MHA	\$11,472,419	\$11,988,678
Mental Health Authority	59,640	62,324
Total	\$11,532,059	\$12,051,002

The derivation of the UAL Amortization, the funded percent, and other actuarial information is shown on the following pages.

PRESENT VALUE OF BENEFITS AS OF December 31, 2014

The Present Value of Benefits (PVB) is the present value of all benefits expected to be paid under the plan to the current and future retirees and beneficiaries. The PVB for this valuation is shown below.

Present Value of Benefits			
Division	Active Members	Retirees & Beneficiaries	Total
All Members Excluding MHA	\$40,077,321	\$109,782,736	\$149,860,057
Mental Health Authority	200,726	487,229	687,955
Total	\$40,278,047	\$110,269,965	\$150,548,012

ACTUARIAL ACCRUED LIABILITIES AS OF December 31, 2014

The Actuarial Accrued Liabilities (AAL) is the portion of the PVB attributed to past service. The AAL for this valuation is shown below.

Actuarial Accrued Liabilities			
Division	Active Members	Retirees & Beneficiaries	Total
All Members Excluding MHA	\$32,628,052	\$109,782,736	\$142,410,788
Mental Health Authority	177,513	487,229	664,742
Total	\$32,805,565	\$110,269,965	\$143,075,530

Derivation of UAL, Funded Percent, and Amortization Payment					
Division	Actuarial Accrued Liabilities	Actuarial Value of Assets	Unfunded Accrued Liabilities (UAL)	Funded Percent	UAL Amortization
All Members Excluding MHA	\$142,410,788	\$14,898,591	\$127,512,197	10.46%	\$9,687,071
Mental Health Authority	664,742	0	664,742	0.00%	50,500
Total	\$143,075,530	\$14,898,591	\$128,176,939	10.41%	\$9,737,571

The UAL was amortized over a 25 year period assuming level dollar and an interest rate of 6.00% to determine the baseline December 31, 2014 ARC. The amortization factor used is equal to 13.1631 and assumed to be made continuously.

4. Plan Assets

The reported Market Value of Assets used in this valuation as of December 31, 2014 is \$14,898,591.03. The actuarial value of assets is equal to the market value of assets.

5. Participant Data

The following pages summarize the census data used in this valuation.

Census Information				
Division	Active Count	Average Age	Average Service	Retiree Count
All Members Excluding MHA	235	51.7	19.8	482
Mental Health Authority	1	57.8	21.0	2
Total	236	51.7	19.8	484

All Members Excluding MHA Division

ACTIVE MEMBERS AS OF December 31, 2014 BY ATTAINED AGE AND YEARS OF SERVICE

Attained Age	Service to Valuation Date (Years)							Grand Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
30-34	-	-	3	-	-	-	-	3
35-39	-	-	12	5	-	-	-	17
40-44	-	-	5	23	6	-	-	34
45-49	-	-	4	19	14	4	-	41
50-54	-	-	9	13	12	10	3	47
55-59	-	-	5	9	9	10	8	41
60-64	-	-	4	13	8	4	5	34
65-69	-	-	1	2	2	1	5	11
70-74	-	-	1	3	1	-	1	6
75-79	-	-	-	-	-	1	-	1
Total	-	-	44	87	52	30	22	235

Mental Health Authority Division

**ACTIVE MEMBERS AS OF December 31, 2014
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Age	Service to Valuation Date (Years)							Grand Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
55-59	-	-	-	-	1	-	-	1
Total	-	-	-	-	1	-	-	1

**TOTAL of ALL ACTIVE MEMBERS AS OF December 31, 2014
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Age	Service to Valuation Date (Years)							Grand Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
30-34	-	-	3	-	-	-	-	3
35-39	-	-	12	5	-	-	-	17
40-44	-	-	5	23	6	-	-	34
45-49	-	-	4	19	14	4	-	41
50-54	-	-	9	13	12	10	3	47
55-59	-	-	5	9	10	10	8	42
60-64	-	-	4	13	8	4	5	34
65-69	-	-	1	2	2	1	5	11
70-74	-	-	1	3	1	-	1	6
75-79	-	-	-	-	-	1	-	1
Total	-	-	44	87	53	30	22	236

**RETIRED MEMBERS AS OF December
31, 2014
By ATTAINED AGE**

Attained Age	All Members Excluding MHA	Mental Health Authority	Total
45-49	1	-	1
50-54	17	-	17
55-59	50	-	50
60-64	92	-	92
65-69	87	2	89
70-74	76	-	76
75-79	56	-	56
80-84	51	-	51
85-89	29	-	29
90-94	21	-	21
95+	2	-	2
Total	482	2	484

Coverage Information

Coverage elected (eligible)	236
No coverage	81
Total active employees	317

6. Actuarial methods and policies

Actuarial Cost Method	The actuarial cost method used is the Individual Entry-Age Normal Actuarial Cost Method - Level Percent of Pay.
Amortization of unfunded actuarial accrued liability	The Unfunded Actuarial Accrued Liability (UAL) was amortized over a 25-year period assuming level dollar and an interest rate of 6.00% to determine the baseline December 31, 2014 ARC. The amortization factor used is equal to 13.1631 and assumed to be made continuously.
Method for Determining Actuarial Value of Assets	The reported Market Value of Assets used in this valuation as of December 31, 2014 is \$14,898,591.03. The actuarial value of assets is equal to the market value of assets.
Funding Policy	The Funding Policy is to fund the ARC for the OPEB Benefits.
Affordable Care Act (ACA)	Excise taxes on Cadillac plan benefits, if any, were not included in this valuation. Other legislative changes related to ACA were considered in the valuation to the extent they have already been implemented in the plan.
Changes in Actuarial Methods Since Prior Valuation	None.

7. Summary of Actuarial Assumptions

Discount Rates 6.00%

The discount rates used for this valuation have been chosen by Saginaw County and are based their policy to fund the plan and expected long term returns on plan assets.

If future contributions or expected asset returns are less than currently planned, the discount rate used for the valuation may need to be reduced in order to comply with GASB 45, increasing the plan's liabilities and Annual Required Contribution.

Health Care Trend Rates

Years After Valuation	Health Care Trend Inflation
1	9.00%
2	8.50%
3	8.00%
4	7.50%
5	7.00%
6	6.50%
7	6.00%
8	5.50%
9	5.00%
10+	4.50%

Mortality Table

MERS mortality assumption used for the 12/31/2014 pension valuation. Regular: 1994 Group Annuity Mortality Table, 50% M / 50% F Blend
 Disabled: Regular table set forward 10 years

There is no margin for future mortality improvements explicitly incorporated in this valuation.

Marriage

70% of the active members are assumed to be married. Females are assumed to be three years younger than males.

Retirement Rates

The service based retirement table used in this valuation is consistent with the MERS retirement rates used in the 12/31/2014 pension valuation, which are based on retirement income replacement. The service based rates in this valuation used were:

Service	Rates of Retirement
1	3.00%
2	5.00%
3	9.00%
4	11.00%
5	13.00%
6	16.00%
7	18.00%
8	19.00%
9	19.00%
10 to 20	20.00%
21 to 22	21.00%
23 to 26	22.00%
27 to 28	24.00%
29	25.00%
30	26.00%
31	29.00%
32	31.00%
33	33.00%
34	36.00%
35	40.00%
36 or more	42.00%

100% Retirement: Age 70.

Coverage Elected

Married future retirees are assumed to select two-person coverage. Future retirees are assumed to remain with their current active plan coverage.

Participation

100% of actives are assumed to elect coverage for both themselves and their spouse. 60% of active participants are assumed to elect two-person coverage, if eligible. 40% of active participants are assumed to elect single coverage.

Salary Scale

MERS merit and longevity salary scale used for 12/31/2014 pension valuation in addition to a 4.5% wage base.

Early Retirement	MERS early retirement assumptions were not used in this valuation. Instead, the MERS withdrawal assumption was allowed to operate during periods of early retirement.
2011 Public Act 152	It is assumed in this valuation that the County is not voluntarily capping medical benefits pursuant to Act 152.
Withdrawal Rates	MERS withdrawal assumption with scaling factor 0.80 used for the 12/31/2014 pension valuation.
Disability	MERS disability assumption used for the 12/31/2014 pension valuation.
Census Data	Census data were provided by Saginaw County as of 12/31/2014. We have reviewed the data for reasonableness only and have not performed a formal audit of the data used for this valuation.
Decrement Timing	Mid-Year.
Changes in assumptions from the prior report	Assumptions were updated to the current assumptions used by MERS consistent with the pension valuation.

8. Summary of Plan Provisions

Following is a summary of the major plan provisions used in the valuation of this report.

Preface

This description of retiree benefits is intended to be only a brief summary. Details are contained in Summary Plan Descriptions, Plan Documents, labor agreements, and employee booklets, as applicable. This summary describes our understanding of the essential features of the OPEB used in our report. All eligibility requirements and benefits shall be determined in strict accordance with relevant plan documents. To the extent that this summary does not accurately reflect OPEB provisions, the results of this valuation report may be inaccurate.

Participation

Members of the County of Saginaw Retirement System hired prior to March 1, 2005 who have not opted out of coverage and satisfy the following requirements are eligible to receive retiree health care.

Retirement Eligibility

OPEIU (A), SCDPH COA (D), Pub. H. Nurses (E), Animal (J), TPOAM (O), and Pros.
(R):

Age 50 with 25 years of service, or
at age 55 with 20 years of service, or
at age 60 with 6 years of service.

POLC Unit II Sgt's (C), POAM Unit III Cpt & Lt's (F), UAW
Mgr's (U), Non-Union (blank),

Upper Mgmt. (blank), Elec. (blank), and Judges (blank):
Age 55 with 15 years of service, or
at age 60 with 6 years of service, or
at any age with 25 years of service.

POAM Unit I (G), and POAM Non-312(Y):

Age 60 with 6 years of service, or
at any age with 25 years of service.

Juv. Dent. & Supr. (I & T):

Age 50 with 25 years of service, or
at age 55 with 15 years of service, or
at age 60 with 6 years of service.

Juv. Prob. (P), and Dist. Ct. Prob. Office (Q):

Age 55 with 20 years of service, or
 at age 60 with 6 years of service, or
 at any age with 25 years of service.

UAW Prof. (V), and UAW Tech's (W):

Age 50 with 25 years of service, or
 at age 55 with 15 years of service, or
 at age 60 with 6 years of service.

Early Retirement Members retiring with a reduced pension are not eligible for retiree health care coverage through the County.

Deferred Retirement Members retiring under deferred retirement conditions are not eligible for retiree health care coverage through the County.

Disability Retirement Members retiring under a disability (duty or non-duty) with 6 or more years of service are immediately eligible for subsidized retiree health care coverage.

Death-In-Service Surviving spouses of active members who die while in active employment with the County are not eligible for retiree health care coverage through the County.

Spouse Coverage Subsidized retiree health care coverage is provided to the beneficiary of retirees hired prior to the dates shown below. Beneficiaries of deceased retirees hired prior to the dates shown below are eligible for subsidized retiree health care. Spouses of retirees hired on or after the dates shown below are not eligible for retiree health care coverage.

Change Date

3/31/1996	OPEIU (A)
1/1/1999	POLC Unit II (C), Pub. H. Nurses (E), POAM Unit I (G), TPOAM (O), Dist. Ct. Prob. Office (Q), and POAM Non-312(Y)
1/1/1998	SCDPH COA (D)
1/1/2001	POAM Unit III Cpt & Lt's (F)
1/1/1996	Juv. Dent. & Supr. (I & T)

1/1/1997	Animal (J)
10/1/1999	Juv. Prob. (P), and Pros. (R)
1/1/1993	UAW Mgr's (U), UAW Prof. (V), UAW Tech's (W), Non-Union (blank), Upper Mgmt. (blank), Elec. (blank), and Judges (blank)

Medicare Enrollment

The County of Saginaw provides complementary retiree health care benefits at age 65 when a member becomes Medicare eligible. Member and spouse are required to enroll in Medicare parts A and B when eligible. Member is responsible for payment of Medicare B premiums.

Retiree Health Savings Plan

Employees hired on or after March 1, 2005 will not be eligible for retirement health insurance. They will be offered an employer sponsored health benefit savings plan. The County will contribute 1% of employee's gross wages to this Plan, while participants of the union enrolled in the plan have an option of not contributing or agreeing to a certain percentage. This decision is irrevocable and can only be changed at time of labor agreement negotiations.

Payment in Lieu of Retiree Health Insurance

Employees hired prior to March 1, 2005 may make an irrevocable election to refuse retirement health insurance and choose the employer sponsored health benefit savings plan. They will be offered a onetime incentive of \$15,000 by the County, and will not be eligible for retiree health insurance or a stipend in lieu of retiree health insurance. Once opting out of retiree health insurance, the County will contribute 1% of the employee's gross wages to this Plan.

Members who retire are eligible to receive a monthly cash benefit in place of County subsidized retiree health care coverage (\$150 monthly for all divisions except POLC Unit II - C whom receive \$75 monthly). If a retiree chooses the cash dollar monthly benefit, they are not eligible to opt back into the County's retiree health care plan.

Cash benefits are not considered OPEB benefits and are not valued in this valuation.

Medical Subsidy

The tables on the next page illustrate the service-related medical subsidy for members retiring after January 1, 1991 in the retiree health care program depending on the group. The County provides fully subsidized retiree health care for members who retired prior to January 1, 1991. OPEIU (A) members hired prior to March 29, 1986 follow the chart on the following page except that members with over 20 years of service receive 100% County paid retiree health care coverage. Pub. H. Nurses (E) members follow slightly different service-related medical subsidy tables depending on their date of retirement.

Service Related Medical Subsidy Percent

Years of Service	Service Related Medical Subsidy Percent							
	A OPEIU	C POLC UNIT II Sgt's	D SCDPH COA	E Pub. H. Nurses b.f. 10/1/84	E Pub. H. Nurses aft 10/1/84	F COAM Unit III Cpt. & Lt's.	G POAM Unit I	I & T Juv. Dent. & Supr.
0-5	0	0	0	0	0	0	0	0
6	25	25	25	25	20	20	20	20
7	30	30	30	30	25	25	25	25
8	35	35	35	35	30	30	30	30
9	40	40	40	40	35	35	35	35
10	45	45	45	45	40	40	40	40
11	50	50	50	50	45	45	45	45
12	55	55	55	55	50	50	50	50
13	60	60	60	60	55	55	55	55
14	65	65	65	65	60	60	60	60
15	70	70	70	70	65	65	65	65
16	75	75	75	75	70	70	70	70
17	80	80	80	80	75	75	75	75
18	85	85	85	85	80	80	80	80
19	90	90	90	90	85	85	85	85
20+	95	95	95	95	90	90	90	90

Service Related Medical Subsidy Percent								
Years of Service	J	O	P	Q	R	U	V	W
	Animal	TPOAM	Juv. Prob.	Dist. Ct. Prob. Office	Pros.	UAW Mgr's	UAW Prof.	UAW Tech
0-5	0	0	0	0	0	0	0	0
6	20	20	20	20	25	25	25	25
7	25	25	25	25	30	30	30	30
8	30	30	30	30	35	35	35	35
9	35	35	35	35	40	40	40	40
10	40	40	40	40	45	45	45	45
11	45	45	45	45	50	50	50	50
12	50	50	50	50	55	55	55	55
13	55	55	55	55	60	60	60	60
14	60	60	60	60	65	65	65	65
15	65	65	65	65	70	70	70	70
16	70	70	70	70	75	75	75	75
17	75	75	75	75	80	80	80	80
18	80	80	80	80	85	85	85	85
19	85	85	85	85	90	90	90	90
20+	90	90	90	90	95	95	95	95

Service Related Medical Subsidy Percent					
Years of Service	Y				
	POAM	Non-Union	Upper Mgmt	Elect.	Judges
0-5	0	0	0	0	0
6	20	25	25	25	25
7	25	30	30	30	30
8	30	35	35	35	35
9	35	40	40	40	40
10	40	45	45	45	45
11	45	50	50	50	50
12	50	55	55	55	55
13	55	60	60	60	60
14	60	65	65	65	65
15	65	70	70	70	70
16	70	75	75	75	75
17	75	80	80	80	80
18	80	85	85	85	85
19	85	90	90	90	90
20+	90	95	95	95	95

9. Glossary

Actuarial Accrued Liability	The portion of Present Value of Future benefits attributed to prior service periods.
Actuarial Cost Method	A procedure for determining the Actuarial Present Value of plan benefits and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and Actuarial Accrued Liability.
Amortization Payment	The portion of the Annual Required Contribution that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Actuarial Present Value	The value of a benefit or series of benefits payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions.
Implicit Employer Subsidy	The implicit employer subsidy, if applicable, equals the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for the coverage.
OPEB Plan	An OPEB plan having terms that specify the amount of benefits to be provided at a future date or after a certain period of time. The amount of the benefit specified usually is a function of one or more factors such as years of service and compensation.