

**City of Boston**

*Actuarial Valuation and Review of Other Postemployment  
Benefits (OPEB) as of June 30, 2009  
In accordance with GASB Statements Number 43 and 45*

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*March 15, 2010*

*Ms. Sally Glora, City Auditor  
City of Boston  
City Hall Room M-4  
Boston, MA 02201*

*Dear Sally:*

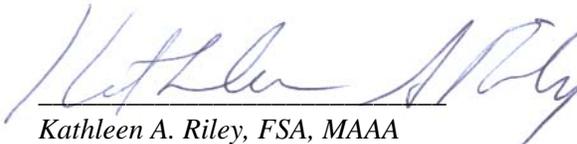
*We are pleased to submit this Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2009 under Governmental Accounting Standards Board Statements 43 and 45. It establishes the liabilities of the postemployment welfare benefit plan in accordance with GASB Statements Number 43 and 45 for the current year and summarizes the actuarial data.*

*This report is based on information received from the City. 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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**PURPOSE**

This report presents the results of our actuarial valuation of City of Boston (the “Employer”) postemployment welfare benefit plan as of June 30, 2009. 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, 2010, we project the City will pay benefits (net of retiree contributions) on behalf of retired employees of about \$134,757,000. Under prior accounting rules, this is the City’s “cost” of those benefit programs for retirees. Under new accounting rules, the annual “cost” will increase to \$261,226,000 (fully funded) and \$354,418,000 (partially funded).

The GASB statements provide the method for selecting the investment return assumption (discount rate). If the benefits are fully 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 continues to be pay-as-you-go, the discount rate should be based on the expected yield on the assets of the employer. If the benefits are partially funded, a blended discount rate can be used that reflects the proportionate amounts of plan and employer assets expected to be used. For the purpose of this valuation, we have used 8.00% and 5.25%, respectively, for fully funded and partially funded. In

the prior valuation, the pay-as-you-go discount rate was 4.50%. (If the 4.50% pay-as-you-go discount rate were used, the ARC would have been \$397,918,000 and the unfunded actuarial accrued liability would have been \$6,692,310,000.)

To be considered a prefunded plan, the “contribution in relation to the ARC” must equal the ARC. For example, if the ARC is \$261,226,000, and the employer pays benefits to retirees of \$134,757,000, then an additional contribution of the difference, or approximately \$126,469,000 will need to be added to an OPEB trust fund during the fiscal year ending June 30, 2010.

To determine the amortization payment on the unfunded actuarial accrued liability (UAAL), an amortization period and amortization method must be selected. We have used a 30-year open amortization of the UAAL (the maximum permitted by the GASB statements) for the accounting disclosures, with payments increasing at 4.5% year. The GASB statements allow for either an open or closed amortization period. In open amortization, the period is reset to the initial value every year and the UAAL is reamortized, while under a closed amortization, the remaining period decreases and the UAAL is eventually “paid off.” We have used a 30-year closed amortization in the funding schedules shown on pages 10 - 12.

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.

## SECTION 1: Introduction for the City of Boston June 30, 2009 Measurement Under GASB 43 and 45

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It is our understanding that as of June 30, 2009 approximately \$46 million is in a stabilization fund. Because this is not an irrevocable trust, those assets are not reflected in the disclosure information included in this report.

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.

- The **unfunded actuarial accrued liability (UAAL)** as of June 30, 2009 is \$3,692,968,000 (fully funded) and \$5,797,661,000 (partially funded). 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 June 30, the ratio of assets to the AAL (the funded ratio) is 0%.
- The **Annual Required Contribution (ARC)** is \$261,226,000 (fully funded) and \$354,418,000 (partially funded) this year. 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.

Plan obligations are \$3.693 billion (fully funded) as of June 30, 2009, an increase of \$594 million from \$3.099 billion as shown in the June 30, 2007 valuation.

Plan obligations had been expected to increase \$369 million due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total obligation, less expected benefit payments. The greater than expected increase was the net effect of the following:

- An **actuarial experience loss** increased obligations by \$149 million. This was the net result of gains and losses due to demographic changes. A portion of this loss is attributable to the increased election of the more costly insured non-Medicare plans over the Medicare carveout plans.
- **Valuation assumption changes** increased obligations by \$76 million. This was the net result of an *increase* in obligations due to a change in the future over-65 retirees enrollment assumptions, an *increase* in obligations due to a change in the future trend on per capita health care costs, based on our projections of what is likely to occur in the marketplace, and an *increase* in obligations due to a change in the mortality assumption, partially offset by a *decrease* in obligations due to lowering the valuation-year per capita health costs and a *decrease* in obligations due to a change in the marriage assumption. The complete set of assumptions is shown in Exhibit II.

**SECTION 1: Introduction for the City of Boston June 30, 2009 Measurement Under GASB 43 and 45**

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We have calculated liabilities separately for employees and retirees identified as Boston Public Schools, All Other City Departments, and Public Health Commission.

## SECTION 2: Valuation Results for the City of Boston June 30, 2009 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.

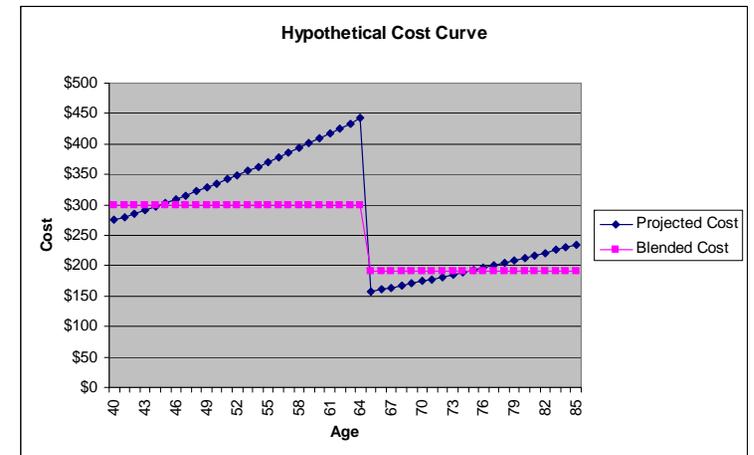
The statements cover postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. These benefits, 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.



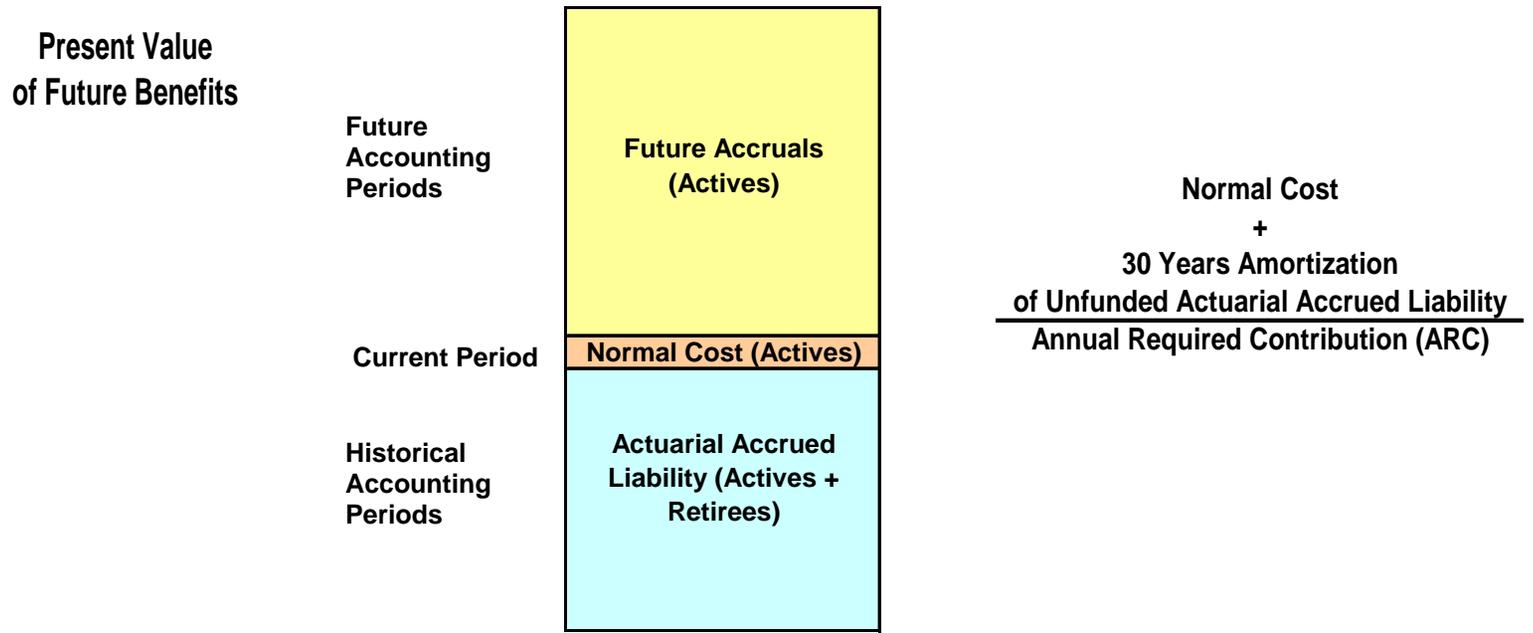
**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

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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**



$$\text{Net OPEB Obligation} = \text{ARC}_1 + \text{ARC}_2 + \text{ARC}_3 + \dots - \text{Contribution}_1 - \text{Contribution}_2 - \text{Contribution}_3 - \dots$$

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

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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 City of Boston June 30, 2009 Measurement under GASB**

**SUMMARY OF VALUATION RESULTS  
ALL DEPARTMENTS**

*The key results and significant assumptions for the current year are shown on a fully funded basis and a partially funded basis.*

	<b>8.00% interest rate</b>	<b>5.25% interest rate</b>
<b>Actuarial Accrued Liability by Participant Category</b>		
1. Current retirees, beneficiaries and dependents	\$1,725,151,903	\$2,267,400,529
2. Current active members	<u>1,967,816,446</u>	<u>3,530,260,694</u>
3. Total as of July 1, 2009: (1) + (2)	\$3,692,968,349	\$5,797,661,223
<b>Annual Required Contribution for Fiscal Year Ending June 30, 2010</b>		
4. Normal cost as of July 1, 2009	\$60,731,843	\$131,505,068
5. Adjustment for timing	<u>2,382,539</u>	<u>3,407,852</u>
6. Normal cost adjusted for timing: (4) + (5)	\$63,114,382	\$134,912,920
<b>Amortization Payments Increasing at 4.5%</b>		
7. 30-year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2009	\$190,633,128	\$213,960,803
8. Adjustment for timing	<u>7,478,630</u>	<u>5,544,628</u>
9. Amortization payment adjusted for timing: (7) + (8)	\$198,111,758	\$219,505,431
10. Total Annual Required Contribution (ARC): (6) + (9)	\$261,226,140	\$354,418,351
11. Projected net benefit payments for fiscal year ending June 30, 2010	\$134,757,197	\$134,757,197

*Notes: Adjustment for timing assumes payment in the middle of the fiscal year.  
Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

**DEPARTMENT RESULTS**

**Actuarial Accrued Liability (AAL) and Annual Required Contribution – Fully funded (8.00%)**

	<b>Boston Public Schools (A)</b>	<b>All Other Departments (City) (B)</b>	<b>Total City (A) + (B)</b>	<b>Public Health Commission (C)</b>	<b>All Departments Total (A) + (B) + (C)</b>
<b>Actuarial Accrued Liability by Participant Category</b>					
1. Current retirees, beneficiaries and dependents	\$767,252,583	\$939,396,255	\$1,706,648,838	\$18,503,065	\$1,725,151,903
2. Current active members	<u>812,673,096</u>	<u>1,067,788,283</u>	<u>1,880,461,379</u>	<u>87,355,067</u>	<u>1,967,816,446</u>
3. Total as of July 1, 2009: (1) + (2)	\$1,579,925,679	\$2,007,184,538	\$3,587,110,217	\$105,858,132	\$3,692,968,349
<b>Annual Required Contribution for Fiscal Year Ending June 30, 2010</b>					
4. Normal cost as of July 1, 2009	\$30,000,761	\$25,951,686	\$55,952,447	\$4,779,396	\$60,731,843
5. Adjustment for timing	<u>1,176,944</u>	<u>1,018,097</u>	<u>2,195,041</u>	<u>187,498</u>	<u>2,382,539</u>
6. Normal cost adjusted for timing: (4) + (5)	\$31,177,705	\$26,969,783	\$58,147,488	\$4,966,894	\$63,114,382
<b>Amortization Payments Increasing at 4.5%</b>					
7. 30-year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2009	\$81,556,663	\$103,612,008	\$185,168,671	\$5,464,457	\$190,633,128
8. Adjustment for timing	<u>3,199,508</u>	<u>4,064,749</u>	<u>7,264,257</u>	<u>214,373</u>	<u>7,478,630</u>
9. Amortization payment adjusted for timing: (7) + (8)	\$84,756,171	\$107,676,757	\$192,432,928	\$5,678,830	\$198,111,758
10. Total Annual Required Contribution (ARC): (6) + (9)	\$115,933,876	\$134,646,540	\$250,580,416	\$10,645,724	\$261,226,140
11. Projected net benefit payments for fiscal year ending June 30, 2010	\$59,147,603	\$74,286,325	\$133,433,928	\$1,323,269	\$134,757,197

*Notes: Adjustment for timing assumes payment in the middle of the fiscal year.  
Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

**DEPARTMENT RESULTS CONTINUED**

**Actuarial Accrued Liability (AAL) and Annual Required Contribution – Partially funded (5.25%)**

	<b>Boston Public Schools (A)</b>	<b>All Other Departments (City) (B)</b>	<b>Total City (A) + (B)</b>	<b>Public Health Commission (C)</b>	<b>All Departments Total (A) + (B) + (C)</b>
<b>Actuarial Accrued Liability by Participant Category</b>					
1. Current retirees, beneficiaries and dependents	\$1,006,687,842	\$1,235,031,959	\$2,241,719,801	\$25,680,728	\$2,267,400,529
2. Current active members	<u>1,415,496,068</u>	<u>1,955,980,361</u>	<u>3,371,476,429</u>	<u>158,784,265</u>	<u>3,530,260,694</u>
3. Total as of July 1, 2009: (1) + (2)	\$2,422,183,910	\$3,191,012,320	\$5,613,196,230	\$184,464,993	\$5,797,661,223
<b>Annual Required Contribution for Fiscal Year Ending June 30, 2010</b>					
4. Normal cost as of July 1, 2009	\$62,824,572	\$58,650,610	\$121,475,182	\$10,029,886	\$131,505,068
5. Adjustment for timing	<u>1,628,050</u>	<u>1,519,885</u>	<u>3,147,935</u>	<u>259,917</u>	<u>3,407,852</u>
6. Normal cost adjusted for timing: (4) + (5)	\$64,452,622	\$60,170,495	\$124,623,117	\$10,289,803	\$134,912,920
<b>Amortization Payments Increasing at 4.5%</b>					
7. 30-year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2009	\$89,389,910	\$117,763,272	\$207,153,182	\$6,807,621	\$213,960,803
8. Adjustment for timing	<u>2,316,470</u>	<u>3,051,744</u>	<u>5,368,214</u>	<u>176,414</u>	<u>5,544,628</u>
9. Amortization payment adjusted for timing: (7) + (8)	\$91,706,380	\$120,815,016	\$212,521,396	\$6,984,035	\$219,505,431
10. Total Annual Required Contribution (ARC): (6) + (9)	\$156,159,002	\$180,985,511	\$337,144,513	\$17,273,838	\$354,418,351
11. Projected net benefit payments for fiscal year ending June 30, 2010	\$59,147,603	\$74,286,325	\$133,433,928	\$1,323,269	\$134,757,197

*Notes: Adjustment for timing assumes payment in the middle of the fiscal year.  
Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

**FUNDING SCHEDULES**

**30 Years Closed (8.00% discount rate)**

**Total City (Boston Public Schools and All Other City Departments)**

<b>Fiscal Year Ended June 30</b>	<b>(1) Projected Benefit Payments</b>	<b>(2) Normal Cost with Interest</b>	<b>(3) Amortization of UAAL</b>	<b>(4) Total Funding Requirement: (2) + (3)</b>	<b>(5) Additional Funding: (4) - (1)</b>	<b>(6) Assets at End of Year</b>	<b>(7) AAL at End of Year</b>	<b>(8) UAAL at End of Year: (7) - (6)</b>
2010	\$133,433,928	\$58,147,488	\$192,432,928	\$250,580,416	\$117,146,488	\$121,742,201	\$3,795,839,071	\$3,674,096,869
2011	149,697,628	61,054,862	201,092,410	262,147,272	112,449,644	248,342,676	4,007,385,932	3,759,043,256
2012	166,364,981	64,107,606	210,141,568	274,249,174	107,884,193	380,326,632	4,221,707,825	3,841,381,193
2013	183,448,883	67,312,986	219,597,939	286,910,925	103,462,042	518,273,670	4,438,752,486	3,920,478,816
2014	200,830,197	70,678,635	229,479,846	300,158,481	99,328,284	662,960,544	4,658,595,214	3,995,634,670
2015	217,870,303	74,212,567	239,806,439	314,019,006	96,148,703	815,918,051	4,881,989,333	4,066,071,282
2016	234,597,658	77,923,195	250,597,729	328,520,924	93,923,266	978,799,416	5,109,727,602	4,130,928,185
2017	250,772,374	81,819,355	261,874,627	343,693,982	92,921,608	1,153,670,337	5,342,924,682	4,189,254,345
2018	266,828,010	85,910,323	273,658,985	359,569,308	92,741,298	1,342,343,547	5,582,343,480	4,239,999,933
2019	283,621,854	90,205,839	285,973,639	376,179,478	92,557,624	1,545,919,736	5,827,927,140	4,282,007,404
2020	300,509,573	94,716,131	298,842,453	393,558,584	93,049,011	1,766,292,683	6,080,294,492	4,314,001,809
2021	315,535,052	99,451,937	312,290,363	411,742,301	96,207,249	2,007,577,603	6,342,157,892	4,334,580,289
2022	331,311,804	104,424,534	326,343,430	430,767,964	99,456,160	2,271,541,685	6,613,742,356	4,342,200,671
2023	347,877,394	109,645,761	341,028,884	450,674,645	102,797,250	2,560,095,056	6,895,264,168	4,335,169,112
2024	365,271,264	115,128,049	356,375,184	471,503,233	106,231,969	2,875,302,160	7,186,928,847	4,311,626,687
2025	383,534,827	120,884,451	372,412,067	493,296,518	109,761,691	3,219,394,028	7,488,928,877	4,269,534,849
2026	402,711,569	126,928,674	389,170,610	516,099,284	113,387,715	3,594,781,521	7,801,441,196	4,206,659,675
2027	422,847,147	133,275,108	406,683,287	539,958,395	117,111,248	4,004,069,622	8,124,624,401	4,120,554,779
2028	443,989,505	139,938,863	424,984,035	564,922,898	120,933,394	4,450,072,861	8,458,615,657	4,008,542,796
2029	466,188,980	146,935,806	444,108,317	591,044,123	124,855,143	4,935,831,961	8,803,527,279	3,867,695,318
2030	489,498,429	154,282,596	464,093,191	618,375,788	128,877,359	5,464,631,798	9,159,442,950	3,694,811,152
2031	513,973,350	161,996,726	484,977,385	646,974,111	133,000,761	6,040,020,787	9,526,413,548	3,486,392,761
2032	539,672,018	170,096,563	506,801,367	676,897,930	137,225,912	6,665,831,801	9,904,452,553	3,238,620,752
2033	566,655,619	178,601,391	529,607,429	708,208,819	141,553,201	7,346,204,747	10,293,530,974	2,947,326,227
2034	594,988,400	187,531,460	553,439,763	740,971,223	145,982,824	8,085,610,928	10,693,571,780	2,607,960,852
2035	624,737,819	196,908,033	578,344,552	775,252,586	150,514,766	8,888,879,335	11,104,443,766	2,215,564,431
2036	655,974,710	206,753,435	604,370,057	811,123,492	155,148,782	9,761,225,026	11,525,954,823	1,764,729,798
2037	688,773,446	217,091,107	631,566,710	848,657,817	159,884,371	10,708,279,739	11,957,844,543	1,249,564,804
2038	723,212,118	227,945,662	659,987,212	887,932,874	164,720,756	11,736,124,949	12,399,776,107	663,651,158
2039	759,372,724	239,342,945	689,686,636	929,029,581	169,656,857	12,851,327,523	12,851,327,523	-

*Notes: Adjustment for timing assumes payment in the middle of the fiscal year.  
 Amortization payments calculated to increase 4.5% per year.  
 Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

**FUNDING SCHEDULES CONTINUED**

**30 Years Closed (8.00% discount rate)  
Public Health Commission**

<b>Fiscal Year Ended June 30</b>	<b>(1) Projected Benefit Payments</b>	<b>(2) Normal Cost with Interest</b>	<b>(3) Amortization of UAAL</b>	<b>(4) Total Funding Requirement: (2) + (3)</b>	<b>(5) Additional Funding: (4) - (1)</b>	<b>(6) Assets at End of Year</b>	<b>(7) AAL at End of Year</b>	<b>(8) UAAL at End of Year: (7) - (6)</b>
2010	\$1,323,269	\$4,966,894	\$5,678,830	\$10,645,724	\$9,322,455	\$9,688,179	\$118,113,349	\$108,425,169
2011	1,745,864	5,215,239	5,934,377	11,149,616	9,403,752	20,235,900	131,167,897	110,931,997
2012	2,225,700	5,476,001	6,201,424	11,677,425	9,451,725	31,677,292	145,039,140	113,361,848
2013	2,770,536	5,749,801	6,480,488	12,230,289	9,459,753	44,042,339	159,738,414	115,696,074
2014	3,350,101	6,037,291	6,772,110	12,809,401	9,459,300	57,396,120	175,310,096	117,913,977
2015	3,994,985	6,339,155	7,076,855	13,416,011	9,421,026	71,778,426	191,771,037	119,992,611
2016	4,722,302	6,656,113	7,395,314	14,051,427	9,329,125	87,215,811	209,122,395	121,906,584
2017	5,562,232	6,988,919	7,728,103	14,717,022	9,154,790	103,707,013	227,334,843	123,627,831
2018	6,482,715	7,338,365	8,075,868	15,414,232	8,931,517	121,285,479	246,410,848	125,125,369
2019	7,438,471	7,705,283	8,439,282	16,144,564	8,706,093	140,035,955	266,400,995	126,365,040
2020	8,465,108	8,090,547	8,819,049	16,909,596	8,444,488	160,014,601	287,323,819	127,309,218
2021	8,888,363	8,495,074	9,215,907	17,710,981	8,822,617	181,984,502	309,901,006	127,916,505
2022	9,332,782	8,919,828	9,630,622	18,550,450	9,217,669	206,122,544	334,263,933	128,141,389
2023	9,799,421	9,365,819	10,064,000	19,429,820	9,630,399	232,620,552	360,554,436	127,933,884
2024	10,289,392	9,834,110	10,516,880	20,350,991	10,061,599	261,686,517	388,925,649	127,239,132
2025	10,803,861	10,325,816	10,990,140	21,315,956	10,512,095	293,545,927	419,542,901	125,996,974
2026	11,344,054	10,842,107	11,484,696	22,326,803	10,982,749	328,443,209	452,584,694	124,141,485
2027	11,911,257	11,384,212	12,001,508	23,385,720	11,474,463	366,643,277	488,243,748	121,600,472
2028	12,506,820	11,953,423	12,541,575	24,494,998	11,988,178	408,433,219	526,728,141	118,294,922
2029	13,132,161	12,551,094	13,105,946	25,657,040	12,524,879	454,124,113	568,262,530	114,138,417
2030	13,788,769	13,178,648	13,695,714	26,874,362	13,085,593	504,052,990	613,089,476	109,036,486
2031	14,478,207	13,837,581	14,312,021	28,149,602	13,671,395	558,584,959	661,470,876	102,885,917
2032	15,202,118	14,529,460	14,956,062	29,485,522	14,283,404	618,115,505	713,689,499	95,573,995
2033	15,962,224	15,255,933	15,629,085	30,885,018	14,922,794	683,072,968	770,050,660	86,977,693
2034	16,760,335	16,018,730	16,332,394	32,351,123	15,590,788	753,921,228	830,884,014	76,962,787
2035	17,598,352	16,819,666	17,067,351	33,887,017	16,288,666	831,162,604	896,545,502	65,382,898
2036	18,478,269	17,660,649	17,835,382	35,496,032	17,017,762	915,340,990	967,419,446	52,078,457
2037	19,402,183	18,543,682	18,637,974	37,181,656	17,779,474	1,007,045,240	1,043,920,822	36,875,582
2038	20,372,292	19,470,866	19,476,683	38,947,549	18,575,257	1,106,912,833	1,126,497,698	19,584,866
2039	21,390,906	20,444,409	20,353,134	40,797,543	19,406,637	1,215,633,828	1,215,633,828	-

*Notes: Adjustment for timing assumes payment in the middle of the fiscal year.  
Amortization payments calculated to increase 4.5% per year.*

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

**FUNDING SCHEDULES CONTINUED**

**30 Years Closed (8.00% discount rate)  
All Departments**

<b>Fiscal Year Ended June 30</b>	<b>(1) Projected Benefit Payments</b>	<b>(2) Normal Cost with Interest</b>	<b>(3) Amortization of UAAL</b>	<b>(4) Total Funding Requirement: (2) + (3)</b>	<b>(5) Additional Funding: (4) - (1)</b>	<b>(6) Assets at End of Year</b>	<b>(7) AAL at End of Year</b>	<b>(8) UAAL at End of Year: (7) - (6)</b>
2010	\$134,757,197	\$63,114,382	\$198,111,758	\$261,226,140	\$126,468,943	\$131,430,381	\$3,913,952,420	\$3,782,522,039
2011	151,443,492	66,270,101	207,026,787	273,296,888	121,853,396	268,578,575	4,138,553,829	3,869,975,253
2012	168,590,681	69,583,606	216,342,993	285,926,599	117,335,918	412,003,924	4,366,746,965	3,954,743,041
2013	186,219,419	73,062,786	226,078,427	299,141,214	112,921,795	562,316,009	4,598,490,900	4,036,174,891
2014	204,180,298	76,715,926	236,251,956	312,967,882	108,787,584	720,356,664	4,833,905,311	4,113,548,647
2015	221,865,288	80,551,722	246,883,294	327,435,017	105,569,729	887,696,477	5,073,760,370	4,186,063,893
2016	239,319,960	84,579,308	257,993,043	342,572,351	103,252,391	1,066,015,227	5,318,849,997	4,252,834,769
2017	256,334,606	88,808,274	269,602,730	358,411,003	102,076,397	1,257,377,349	5,570,259,525	4,312,882,176
2018	273,310,725	93,248,687	281,734,852	374,983,540	101,672,815	1,463,629,026	5,828,754,328	4,365,125,302
2019	291,060,325	97,911,122	294,412,921	392,324,042	101,263,717	1,685,955,690	6,094,328,134	4,408,372,444
2020	308,974,681	102,806,678	307,661,502	410,468,180	101,493,499	1,926,307,283	6,367,618,311	4,441,311,028
2021	324,423,415	107,947,012	321,506,270	429,453,281	105,029,866	2,189,562,105	6,652,058,898	4,462,496,793
2022	340,644,586	113,344,362	335,974,052	449,318,414	108,673,828	2,477,664,229	6,948,006,289	4,470,342,060
2023	357,676,815	119,011,580	351,092,884	470,104,465	112,427,650	2,792,715,608	7,255,818,604	4,463,102,996
2024	375,560,656	124,962,159	366,892,064	491,854,223	116,293,568	3,136,988,677	7,575,854,496	4,438,865,819
2025	394,338,689	131,210,267	383,402,207	514,612,474	120,273,786	3,512,939,956	7,908,471,778	4,395,531,823
2026	414,055,623	137,770,781	400,655,306	538,426,087	124,370,464	3,923,224,730	8,254,025,890	4,330,801,160
2027	434,758,404	144,659,320	418,684,795	563,344,115	128,585,711	4,370,712,898	8,612,868,149	4,242,155,251
2028	456,496,324	151,892,286	437,525,611	589,417,897	132,921,572	4,858,506,080	8,985,343,798	4,126,837,718
2029	479,321,141	159,486,900	457,214,263	616,701,163	137,380,023	5,389,956,074	9,371,789,809	3,981,833,735
2030	503,287,198	167,461,245	477,788,905	645,250,150	141,962,952	5,968,684,788	9,772,532,426	3,803,847,638
2031	528,451,558	175,834,307	499,289,406	675,123,713	146,672,156	6,598,605,746	10,187,884,424	3,589,278,678
2032	554,874,135	184,626,023	521,757,429	706,383,452	151,509,316	7,283,947,306	10,618,142,052	3,334,194,746
2033	582,617,842	193,857,324	545,236,514	739,093,837	156,475,995	8,029,277,715	11,063,581,634	3,034,303,920
2034	611,748,734	203,550,190	569,772,157	773,322,347	161,573,612	8,839,532,155	11,524,455,794	2,684,923,639
2035	642,336,171	213,727,699	595,411,904	809,139,603	166,803,432	9,720,041,939	12,000,989,268	2,280,947,329
2036	674,452,980	224,414,084	622,205,439	846,619,524	172,166,544	10,676,566,015	12,493,374,270	1,816,808,255
2037	708,175,629	235,634,789	650,204,684	885,839,473	177,663,844	11,715,324,979	13,001,765,365	1,286,440,386
2038	743,584,410	247,416,528	679,463,895	926,880,423	183,296,013	12,843,037,782	13,526,273,806	683,236,024
2039	780,763,631	259,787,354	710,039,770	969,827,125	189,063,494	14,066,961,351	14,066,961,351	-

*Notes: Adjustment for timing assumes payment in the middle of the fiscal year.  
Amortization payments calculated to increase 4.5% per year.  
Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

**PROJECTION OF ARC**

**30 Years Open (5.25% discount rate)**

**Total City (Boston Public Schools and All Other City Departments)**

<b>Fiscal Year Ended June 30</b>	<b>(1) Projected Benefit Payments</b>	<b>(2) Normal Cost with Interest</b>	<b>(3) Amortization of UAAL</b>	<b>(4) ARC: (2) + (3)</b>	<b>(5) Additional Funding</b>	<b>(6) Assets at End of Year</b>	<b>(7) AAL at End of Year</b>	<b>(8) UAAL at End of Year: (7) – (6)</b>
2010	\$133,433,928	\$124,623,117	\$212,521,396	\$337,144,513	\$0	\$0	\$5,898,849,896	\$5,898,849,896
2011	149,697,628	130,854,273	223,336,539	354,190,812	-	-	6,189,207,849	6,189,207,849
2012	166,364,981	137,396,986	234,329,790	371,726,776	-	-	6,484,422,584	6,484,422,584
2013	183,448,883	144,266,836	245,506,924	389,773,760	-	-	6,784,657,350	6,784,657,350
2014	200,830,197	151,480,178	256,874,123	408,354,301	-	-	7,090,222,973	7,090,222,973
2015	217,870,303	159,054,186	268,443,152	427,497,338	-	-	7,402,119,389	7,402,119,389
2016	234,597,658	167,006,896	280,251,872	447,258,768	-	-	7,721,388,332	7,721,388,332
2017	250,772,374	175,357,241	292,339,723	467,696,964	-	-	8,049,391,761	8,049,391,761
2018	266,828,010	184,125,103	304,758,272	488,883,375	-	-	8,387,138,740	8,387,138,740
2019	283,621,854	193,331,358	317,545,721	510,877,079	-	-	8,734,833,219	8,734,833,219
2020	300,509,573	202,997,926	330,709,791	533,707,717	-	-	9,093,373,377	9,093,373,377
2021	315,535,052	213,147,822	344,284,492	557,432,314	-	-	9,465,734,963	9,465,734,963
2022	331,311,804	223,805,213	358,382,485	582,187,698	-	-	9,852,393,508	9,852,393,508
2023	347,877,394	234,995,474	373,021,776	608,017,250	-	-	10,253,836,998	10,253,836,998
2024	365,271,264	246,745,247	388,220,841	634,966,088	-	-	10,670,565,914	10,670,565,914
2025	383,534,827	259,082,510	403,998,627	663,081,137	-	-	11,103,093,221	11,103,093,221
2026	402,711,569	272,036,635	420,374,557	692,411,192	-	-	11,551,944,342	11,551,944,342
2027	422,847,147	285,638,467	437,368,524	723,006,991	-	-	12,017,657,083	12,017,657,083
2028	443,989,505	299,920,390	455,000,888	754,921,278	-	-	12,500,781,526	12,500,781,526
2029	466,188,980	314,916,410	473,292,478	788,208,888	-	-	13,001,879,875	13,001,879,875
2030	489,498,429	330,662,230	492,264,577	822,926,807	-	-	13,521,526,252	13,521,526,252
2031	513,973,350	347,195,342	511,938,925	859,134,267	-	-	14,060,306,449	14,060,306,449
2032	539,672,018	364,555,109	532,337,699	896,892,808	-	-	14,618,817,610	14,618,817,610
2033	566,655,619	382,782,864	553,483,507	936,266,371	-	-	15,197,667,860	15,197,667,860
2034	594,988,400	401,922,008	575,399,375	977,321,383	-	-	15,797,475,864	15,797,475,864
2035	624,737,819	422,018,108	598,108,724	1,020,126,832	-	-	16,418,870,311	16,418,870,311
2036	655,974,710	443,119,013	621,635,358	1,064,754,371	-	-	17,062,489,315	17,062,489,315
2037	688,773,446	465,274,964	646,003,437	1,111,278,401	-	-	17,728,979,732	17,728,979,732
2038	723,212,118	488,538,712	671,237,452	1,159,776,164	-	-	18,418,996,382	18,418,996,382
2039	759,372,724	512,965,648	697,362,194	1,210,327,842	-	-	19,133,201,167	19,133,201,167

*Notes: Adjustment for timing assumes payment in the middle of the fiscal year.  
Amortization payments calculated to increase 4.5% per year.  
Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

**PROJECTION OF ARC CONTINUED**

**30 Years Open (5.25% discount rate)  
Public Health Commission**

<b>Fiscal Year Ended June 30</b>	<b>(1) Projected Benefit Payments</b>	<b>(2) Normal Cost with Interest</b>	<b>(3) Amortization of UAAL</b>	<b>(4) ARC: (2) + (3)</b>	<b>(5) Additional Funding</b>	<b>(6) Assets at End of Year</b>	<b>(7) AAL at End of Year</b>	<b>(8) UAAL at End of Year: (7) – (6)</b>
2010	\$1,323,269	\$10,289,803	\$6,984,035	\$17,273,838	\$0	\$0	\$203,348,300	\$203,348,300
2011	1,745,864	10,804,293	7,698,976	18,503,269	-	-	223,317,257	223,317,257
2012	2,225,700	11,344,508	8,455,022	19,799,530	-	-	244,396,528	244,396,528
2013	2,770,536	11,911,733	9,253,105	21,164,838	-	-	266,605,430	266,605,430
2014	3,350,101	12,507,320	10,093,956	22,601,276	-	-	289,996,736	289,996,736
2015	3,994,985	13,132,686	10,979,575	24,112,261	-	-	314,596,062	314,596,062
2016	4,722,302	13,789,320	11,910,931	25,700,251	-	-	340,414,338	340,414,338
2017	5,562,232	14,478,786	12,888,438	27,367,224	-	-	367,433,710	367,433,710
2018	6,482,715	15,202,725	13,911,419	29,114,144	-	-	395,669,963	395,669,963
2019	7,438,471	15,962,862	14,980,473	30,943,335	-	-	425,187,930	425,187,930
2020	8,465,108	16,761,005	16,098,053	32,859,058	-	-	456,021,175	456,021,175
2021	8,888,363	17,599,055	17,265,432	34,864,487	-	-	488,898,709	488,898,709
2022	9,332,782	18,479,008	18,510,209	36,989,217	-	-	523,949,135	523,949,135
2023	9,799,421	19,402,958	19,837,254	39,240,212	-	-	561,308,870	561,308,870
2024	10,289,392	20,373,106	21,251,733	41,624,839	-	-	601,122,612	601,122,612
2025	10,803,861	21,391,761	22,759,122	44,150,883	-	-	643,543,826	643,543,826
2026	11,344,054	22,461,349	24,365,233	46,826,582	-	-	688,735,268	688,735,268
2027	11,911,257	23,584,417	26,076,227	49,660,644	-	-	736,869,531	736,869,531
2028	12,506,820	24,763,638	27,898,640	52,662,278	-	-	788,129,625	788,129,625
2029	13,132,161	26,001,820	29,839,400	55,841,220	-	-	842,709,596	842,709,596
2030	13,788,769	27,301,911	31,905,854	59,207,765	-	-	900,815,174	900,815,174
2031	14,478,207	28,667,006	34,105,791	62,772,797	-	-	962,664,462	962,664,462
2032	15,202,118	30,100,357	36,447,469	66,547,826	-	-	1,028,488,661	1,028,488,661
2033	15,962,224	31,605,374	38,939,641	70,545,015	-	-	1,098,532,847	1,098,532,847
2034	16,760,335	33,185,643	41,591,586	74,777,229	-	-	1,173,056,779	1,173,056,779
2035	17,598,352	34,844,925	44,413,139	79,258,064	-	-	1,252,335,765	1,252,335,765
2036	18,478,269	36,587,171	47,414,723	84,001,894	-	-	1,336,661,573	1,336,661,573
2037	19,402,183	38,416,530	50,607,385	89,023,915	-	-	1,426,343,395	1,426,343,395
2038	20,372,292	40,337,357	54,002,832	94,340,189	-	-	1,521,708,867	1,521,708,867
2039	21,390,906	42,354,224	57,613,467	99,967,691	-	-	1,623,105,149	1,623,105,149

*Notes: Adjustment for timing assumes payment in the middle of the fiscal year.  
Amortization payments calculated to increase 4.5% per year.*

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

**PROJECTION OF ARC CONTINUED**

**30 Years Open (5.25% discount rate)**

**All Departments**

<b>Fiscal Year Ended June 30</b>	<b>(1) Projected Benefit Payments</b>	<b>(2) Normal Cost with Interest</b>	<b>(3) Amortization of UAAL</b>	<b>(4) ARC: (2) + (3)</b>	<b>(5) Additional Funding</b>	<b>(6) Assets at End of Year</b>	<b>(7) AAL at End of Year</b>	<b>(8) UAAL at End of Year: (7) - (6)</b>
2010	\$134,757,197	\$134,912,920	\$219,505,431	\$354,418,351	\$0	\$0	\$6,102,198,196	\$6,102,198,196
2011	151,443,492	141,658,566	231,035,515	372,694,081	-	-	6,412,525,106	6,412,525,106
2012	168,590,681	148,741,494	242,784,812	391,526,306	-	-	6,728,819,111	6,728,819,111
2013	186,219,419	156,178,569	254,760,029	410,938,598	-	-	7,051,262,779	7,051,262,779
2014	204,180,298	163,987,497	266,968,079	430,955,576	-	-	7,380,219,709	7,380,219,709
2015	221,865,288	172,186,872	279,422,727	451,609,599	-	-	7,716,715,451	7,716,715,451
2016	239,319,960	180,796,216	292,162,803	472,959,019	-	-	8,061,802,670	8,061,802,670
2017	256,334,606	189,836,027	305,228,161	495,064,188	-	-	8,416,825,472	8,416,825,472
2018	273,310,725	199,327,828	318,669,691	517,997,519	-	-	8,782,808,703	8,782,808,703
2019	291,060,325	209,294,219	332,526,194	541,820,413	-	-	9,160,021,149	9,160,021,149
2020	308,974,681	219,758,930	346,807,844	566,566,774	-	-	9,549,394,551	9,549,394,551
2021	324,423,415	230,746,877	361,549,924	592,296,801	-	-	9,954,633,672	9,954,633,672
2022	340,644,586	242,284,221	376,892,694	619,176,915	-	-	10,376,342,642	10,376,342,642
2023	357,676,815	254,398,432	392,859,030	647,257,462	-	-	10,815,145,868	10,815,145,868
2024	375,560,656	267,118,353	409,472,574	676,590,927	-	-	11,271,688,526	11,271,688,526
2025	394,338,689	280,474,271	426,757,749	707,232,020	-	-	11,746,637,047	11,746,637,047
2026	414,055,623	294,497,985	444,739,790	739,237,775	-	-	12,240,679,610	12,240,679,610
2027	434,758,404	309,222,884	463,444,751	772,667,635	-	-	12,754,526,614	12,754,526,614
2028	456,496,324	324,684,028	482,899,528	807,583,556	-	-	13,288,911,151	13,288,911,151
2029	479,321,141	340,918,230	503,131,878	844,050,108	-	-	13,844,589,471	13,844,589,471
2030	503,287,198	357,964,141	524,170,431	882,134,572	-	-	14,422,341,427	14,422,341,427
2031	528,451,558	375,862,348	546,044,716	921,907,064	-	-	15,022,970,911	15,022,970,911
2032	554,874,135	394,655,465	568,785,168	963,440,633	-	-	15,647,306,271	15,647,306,271
2033	582,617,842	414,388,239	592,423,148	1,006,811,387	-	-	16,296,200,707	16,296,200,707
2034	611,748,734	435,107,651	616,990,961	1,052,098,612	-	-	16,970,532,643	16,970,532,643
2035	642,336,171	456,863,033	642,521,863	1,099,384,896	-	-	17,671,206,076	17,671,206,076
2036	674,452,980	479,706,185	669,050,081	1,148,756,266	-	-	18,399,150,888	18,399,150,888
2037	708,175,629	503,691,494	696,610,822	1,200,302,316	-	-	19,155,323,127	19,155,323,127
2038	743,584,410	528,876,069	725,240,284	1,254,116,353	-	-	19,940,705,249	19,940,705,249
2039	780,763,631	555,319,872	754,975,661	1,310,295,533	-	-	20,756,306,316	20,756,306,316

*Notes: Adjustment for timing assumes payment in the middle of the fiscal year.  
Amortization payments calculated to increase 4.5% per year.  
Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**SECTION 2: Valuation Results for the City of Boston June 30, 2009 Measurement under GASB**

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March 15, 2010

**ACTUARIAL CERTIFICATION**

This is to certify that The Segal Company has conducted an actuarial valuation of certain benefit obligations of the City of Boston other postemployment benefit programs as of June 30, 2009, 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 City and on participant, claims and expense data provided by the City or from vendors employed by the City.

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 City of Boston June 30, 2009 Measurement under GASB**

**CHART 1  
Required Supplementary Information – Schedule of Employer Contributions**

**Total City (Boston Public Schools and All Other City Departments)**

<b>Fiscal Year Ended June 30,</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2008	\$327,751,953	\$114,929,005	35.1%
2009	346,425,114	128,454,226	37.1%
2010	343,450,891	--	--

*Note: Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**Public Health Commission**

<b>Fiscal Year Ended June 30,</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2008	\$16,559,975	\$990,398	6.0%
2009	17,877,834	1,268,223	7.1%
2010	17,744,908	--	--

**SECTION 3: Valuation Details for the City of Boston June 30, 2009 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**

**Total City (Boston Public Schools and All Other City Departments)**

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)
6/30/2007	\$0	\$5,490,836,471	\$5,490,836,471	0.0%	\$669,802,000	819.8%
6/30/2009	0	5,613,196,230	5,613,196,230	0.0%	0	0.0%

*Notes: Enter covered payroll for fiscal 2010.  
Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**Public Health Commission**

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)
6/30/2007	\$0	\$163,981,208	\$163,981,208	0.0%	\$47,922,000	342.2%
6/30/2009	0	184,464,993	184,464,993	0.0%	0	0.0%

*Note: Enter covered payroll for fiscal 2010.*

**SECTION 3: Valuation Details for the City of Boston June 30, 2009 Measurement under GASB**

**CHART 3**  
**Required Supplementary Information – Net OPEB Obligation (NOO)**

**Total City (Boston Public Schools and All Other City Departments)**

<b>Fiscal Year Ended June 30,</b>	<b>Annual Required Contribution (a)</b>	<b>Interest on Existing NOO (b)</b>	<b>ARC Adjustment (c)</b>	<b>Annual OPEB Cost (a) + (b) + (c) (d)</b>	<b>Actual Contribution Amount (e)</b>	<b>Net Increase in NOO (d) - (e) (f)</b>	<b>NOO as of Following Date (g)</b>
2008	\$327,751,953	\$0	\$0	\$327,751,953	\$114,929,005	\$212,822,948	\$212,822,948
2009	344,100,040	9,577,033	-7,251,959	346,425,114	128,454,226	217,970,888	430,793,836
2010	337,144,513	22,616,676	-16,310,299	343,450,891	--	--	--

*Note: Does not reflect approximately \$46 million in stabilization fund for OPEB.*

**Public Health Commission**

<b>Fiscal Year Ended June 30,</b>	<b>Annual Required Contribution (a)</b>	<b>Interest on Existing NOO (b)</b>	<b>ARC Adjustment (c)</b>	<b>Annual OPEB Cost (a) + (b) + (c) (d)</b>	<b>Actual Contribution Amount (e)</b>	<b>Net Increase in NOO (d) - (e) (f)</b>	<b>NOO as of Following Date (g)</b>
2008	\$16,559,975	\$0	\$0	\$16,559,975	\$990,398	\$15,569,577	\$15,569,577
2009	17,707,738	700,631	-530,535	17,877,834	1,268,223	16,609,611	32,179,188
2010	17,273,838	1,689,407	-1,218,337	17,744,908	--	--	--

**SECTION 3: Valuation Details for the City of Boston June 30, 2009 Measurement under GASB**

**CHART 4  
Required Supplementary Information**

<b>Valuation date</b>	June 30, 2009	
<b>Actuarial cost method</b>	Projected Unit Credit	
<b>Amortization method</b>	Payments increasing at 4.50% per year	
<b>Remaining amortization period</b>	30 years open	
<b>Asset valuation method</b>	Market value	
<b>Actuarial assumptions:</b>		
Investment rate of return	5.25%	
Inflation rate	4.50%	
Medical/drug cost trend rate	Master Medical: 11.00% decreasing by 0.75% for 8 years to an ultimate level of 5.00% per year Medicare Advantage*: 20.00% for 1 year, then 9.25% decreasing by 0.75% for 5 years and by 0.50% for 1 year to an ultimate level of 5.00% per year. All Other: 10.00% decreasing by 0.75% for 6 years and by 0.50% for 1 year to an ultimate level of 5.00% per year.	
Administrative expense increase rate	4.0%	
<b>Plan membership:</b>		
	Total City (Boston Public Schools and All Other City Departments)	Public Health Commission
Current retirees, beneficiaries, and dependents	13,801	102
Current active members	<u>15,182</u>	<u>993</u>
Total	28,983	1,095

\* Based on known calendar year increases in 2010.

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

*This exhibit summarizes the participant data used for the current valuation.*

**EXHIBIT I  
Summary of Participant Data as of June 30, 2009**

	<b>Boston Public Schools (A)</b>	<b>All Other Departments (City) (B)</b>	<b>Total City (A) + (B)</b>	<b>Public Health Commission (C)</b>	<b>All Departments Total (A) + (B) + (C)</b>
<b>Retirees, Beneficiaries, and Dependents</b>					
Number	5,677	8,124	13,801	102	13,903
Average age	70.9	72.0	71.5	61.6	71.4
<b>Active Employees</b>					
Number	7,495	7,687	15,182	993	16,175
Average age	44.9	45.4	45.1	43.4	45.0
Average years of service	13.5	15.8	14.7	10.0	14.4
Average age at hire	31.4	29.6	30.5	33.4	30.7

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

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**EXHIBIT II**

**Actuarial Assumptions and Actuarial Cost Method**

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**Data:** Detailed census data, claims, premium rates, and summary plan descriptions for postemployment welfare benefits were provided by the Plan Administrator.

**Actuarial Cost Method:** Projected Unit Credit

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**Per Capita Cost Development:**

*Insured plans*

Per capita costs were based on the fully-insured premium rates effective July 1, 2009 (January 1, 2009 and January 1, 2010 for Medicare Advantage plans and supplemental Tufts Medicare Compliment), 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 premium to estimate individual retiree and spouse costs by age and by gender.

*Self-Funded plans (Blue Cross Blue Shield Master Medical, Blue Choice, and Blue Care Elect Preferred)*

Per capita claims costs were based on the monthly paid claims experience by participant group and by coverage (medical and prescription drug) for the period July 1, 2007 through June 30, 2009. Claims were adjusted as follows:

- paid claims were multiplied by a factor to yield an estimate of incurred claims,
- total claims were divided by the number of adult members to yield a per capita claim cost, and
- the per capita claim cost was trended to the midpoint of the valuation year at assumed trend rates.

Taking a weighted average, per capita medical and prescription drug claims were combined with a manual rate based on national data. The weights used in this average account for a number of factors including each plan year's volatility of claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

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<b>Measurement Date:</b>	June 30, 2009
<b>Discount Rate:</b>	8.00% fully funded and 5.25% partially funded (previously, 4.50% pay-as-you-go)
<b>Postretirement Mortality Rates:</b>	
<i>Healthy</i>	RP-2000 Combined Healthy Mortality Table (previously, 1994 Group Annuity Mortality Table)
<i>Disabled</i>	RP-2000 Combined Healthy Mortality Table set forward five years (previously, PBGC Mortality Table for Disabled Lives Receiving Social Security Benefits)

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<b>Termination Rates before Retirement:</b>	<b>Groups 1 and 2 - Rate (%)</b>				
	<b>Age</b>	<b>Mortality</b>		<b>Disability</b>	<b>Withdrawal</b>
		<b>Male</b>	<b>Female</b>		
	20	0.03	0.02	0.06	6.58
	25	0.04	0.02	0.09	5.27
	30	0.04	0.03	0.11	4.83
	35	0.08	0.05	0.15	4.47
	40	0.11	0.07	0.22	3.84
	45	0.15	0.11	0.36	3.21
	50	0.21	0.17	0.61	1.52
	55	0.36	0.27	1.01	0.33
	60	0.67	0.51	1.63	0.00

*Notes: 50% of the disability rates shown represent accidental disability.  
20% of the death rates shown represent accidental death.*

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

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Age	Group 4 - Rate (%)			
	Mortality		Disability	Withdrawal
	Male	Female		
20	0.03	0.02	0.12	0.00
25	0.04	0.02	0.17	0.00
30	0.04	0.03	0.22	0.00
35	0.08	0.05	0.29	0.00
40	0.11	0.07	0.44	0.00
45	0.15	0.11	0.72	0.00
50	0.21	0.17	1.21	0.00
55	0.36	0.27	2.02	0.00
60	0.67	0.51	3.25	0.00

*Notes: 90% of the disability rates shown represent accidental disability.  
50% of the death rates shown represent accidental death.*

**Retirement Rates:**

Age	Rate (%)			
	Groups 1 and 2	TARP	Age	Group 4
55	3.0	3.0	50	1.0
56	3.0	7.5	51	1.0
57	3.0	25.0	52	1.0
58	3.0	25.0	53	1.0
59	3.0	25.0	54	1.0
60	8.0	18.0	55	10.0
61	8.0	18.0	56	5.0
62	15.0	25.0	57	5.0
63	10.0	20.0	58	5.0
64	10.0	20.0	59	5.0

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

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<b>Age</b>	<b>Groups 1 and 2</b>	<b>Rate (%)</b>		<b>Age</b>	<b>Group 4</b>
		<b>TARP</b>			
65	35.0	35.0		60	10.0
66	20.0	20.0		61	15.0
67	20.0	20.0		62	15.0
68	20.0	20.0		63	15.0
69	20.0	20.0		64	25.0
70	100.00	100.0		65	100.00

**Dependents:**

Demographic data was available for spouses of current retirees. For current future retirees, husbands were assumed to be three years older than their wives. For future retirees who elect to continue their health coverage at retirement, 60% (previously, 65%) were assumed to have an eligible spouse who also opts for health coverage at that time.

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

**Per Capita Health Costs:** 2009-2010 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.

**Master Medical Indemnity Plan**

Age	Non-Medicare				Medicare Carveout			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
45	\$7,598	\$9,532	\$4,713	\$7,115	N/A	N/A	N/A	N/A
50	9,018	10,272	6,299	8,248	N/A	N/A	N/A	N/A
55	10,710	11,058	8,429	9,547	N/A	N/A	N/A	N/A
60	12,719	11,919	11,284	11,073	N/A	N/A	N/A	N/A
64	14,592	12,644	14,245	12,462	N/A	N/A	N/A	N/A
65	15,106	12,840	15,106	12,840	\$5,524	\$4,695	\$5,524	\$4,695
70	17,508	13,837	17,508	13,837	6,402	5,060	6,402	5,060
75	18,867	14,895	18,867	14,895	6,899	5,447	6,899	5,447
80	20,318	16,058	20,318	16,058	7,430	5,872	7,430	5,872

Age	Insured Non-Medicare Plans				Blue Choice and Blue Care Elect Preferred				Insured Medicare Supplement Plans			
	Retiree		Spouse		Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
45	\$7,103	\$8,911	\$4,406	\$6,651	\$7,058	\$8,854	\$4,378	\$6,609	N/A	N/A	N/A	N/A
50	8,431	9,603	5,889	7,711	8,377	9,542	5,851	7,661	N/A	N/A	N/A	N/A
55	10,012	10,337	7,880	8,925	9,949	10,271	7,830	8,868	N/A	N/A	N/A	N/A
60	11,891	11,142	10,549	10,351	11,815	11,071	10,482	10,285	N/A	N/A	N/A	N/A
64	13,642	11,820	13,317	11,651	13,555	11,745	13,232	11,576	N/A	N/A	N/A	N/A
65	14,122	12,004	14,122	12,004	14,032	11,927	14,032	11,927	\$3,870	\$3,290	\$3,870	\$3,290
70	16,367	12,936	16,367	12,936	16,263	12,853	16,263	12,853	4,485	3,545	4,485	3,545
75	17,638	13,924	17,638	13,924	17,526	13,836	17,526	13,836	4,834	3,816	4,834	3,816
80	18,994	15,012	18,994	15,012	18,873	14,916	18,873	14,916	5,205	4,114	5,205	4,114

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

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<b>Medicare Advantage Plans</b>	\$2,586
<b>Medicare Part B Premium for current retirees</b>	\$1,157
<b>Medicare Part B Premium for future retirees</b>	\$1,241

**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.

<b>Year Ending June 30,</b>	<b>Master Medical</b>	<b>Medicare Advantage</b>	<b>All Other</b>	<b>Medicare Part B for Current Retirees</b>	<b>Medicare Part B for Future Retirees</b>
2010	11.00%	20.00%*	10.00%	4.45%*	7.60%*
2011	10.25%	9.25%	9.25%	8.75%	1.57%
2012	9.50%	8.50%	8.50%	7.32%	3.80%
2013	8.75%	7.75%	7.75%	6.00%	6.00%
2014	8.00%	7.00%	7.00%	6.00%	6.00%
2015	7.25%	6.25%	6.25%	6.00%	6.00%
2016	6.50%	5.50%	5.50%	6.00%	6.00%
2017	5.75%	5.00%	5.00%	6.00%	6.00%
2018 and later	5.00%	5.00%	5.00%	6.00%	6.00%

\* Based on known calendar year increases in 2010.

**Retiree Contribution Increase Rate:** Retiree contributions for medical and prescription drug coverage are expected to increase with medical trend.

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

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<b>Administrative Expenses:</b>	An administrative expense load of \$459 per participant for self-insured non-Medicare and \$285 per participant for self-insured Medicare plans increasing at 4.0% per year was added for projected incurred self-insured claim costs in developing the benefit obligations. Administrative expenses are assumed to be included in the fully insured premium rates.
<b>Participation and Coverage Election:</b>	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 all future retirees and current retirees under age 65, 45% are assumed to enroll in the Blue Cross Master Medical Carveout Plan upon reaching age 65, 5% are assumed to enroll in one of the insured Medicare Supplement plans, 5% are assumed to enroll in one of the insured Medicare Advantage plans, 35% are assumed to remain enrolled in an insured non-Medicare HMO, and 10% are assumed to remain enrolled in the Blue Cross Master Medical (non-Medicare) plan (previously, 50%, 5%, 5%, 30% and 10%, respectively).
<b>Plan Design:</b>	Development of plan liabilities was based on the substantive plan of benefits in effect as described in Exhibit III.
<b>Annual Maximum Benefits:</b>	No increase in the annual maximum benefit levels was assumed.
<b>Lifetime Maximum Benefits:</b>	No information was available regarding accumulations toward lifetime maximum benefits and no such accumulations were assumed.
<b>Missing Participant Data:</b>	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.
<b>Assumption Changes Since Prior Valuation:</b>	The per capita health care costs were updated to reflect current experience.  The future over-65 enrollment assumption was revised.  The trend assumption was revised.

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

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The mortality assumption for healthy lives was changed from the 1994 Group Annuity Mortality Table to the RP-2000 Combined Healthy Mortality Table.

The mortality assumption for disabled lives was changed from the PBGC Mortality Table for disabled lives receiving Social Security benefits to the RP-2000 Combined Healthy Mortality Table set forward five years.

The marriage assumption was decreased from 65% to 60%.

The discount rate for the disclosure was increased from 4.50% to 5.25% based on the City's and the Public Health Commission's plans to partially fund the benefits.

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

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**EXHIBIT III**

**Summary of Plan**

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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.

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**Eligibility:** Retired and receiving a pension from the State-Boston Retirement System.

**Group 1 and Group 2 (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 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. Note that “direct pay” surviving spouses (those not receiving an Option C benefit) pay 50% of the premium cost for coverage.

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**Benefit Types:** Medical and prescription drug benefits are provided to all eligible retirees not enrolled in Medicare through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim HealthCare, and Neighborhood Health Plan. Medical and prescription drug benefits are provided to retirees enrolled in Medicare through supplemental and Medicare Advantage plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim HealthCare, and Tufts Health Plan. The City of

**SECTION 4: Supporting Information for the City of Boston June 30, 2009 Measurement under GASB**

Boston also pays 50% of the retiree life insurance premium and reimburses retirees 50% of their Medicare Part B premium.

**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.

**Retiree Contributions:**

Premium rates and retiree contributions as of July 1, 2009 are summarized on the following pages.

	Subscribers			Monthly Premium	City cost (\$)	Retiree cost (\$)	Retiree cost (%)
	Active	Retiree**	Total				
<b><u>Non-Medicare Actives and Retirees</u></b>							
BCBS Master Medical Indemnity							
Individual	22	937	959	\$1,261.67	\$946.23	\$315.44	25.0%
Family	37	339	376	\$2,927.07	\$2,195.31	\$731.76	25.0%
Harvard Pilgrim HMO							
Individual	5,192	1,747	6,939	\$571.85	\$514.65	\$57.20	10.0%
Family	6,932	1,720	8,652	\$1,538.21	\$1,384.37	\$153.84	10.0%
Neighborhood Health Plan HMO							
Individual	765	162	927	\$560.83	\$504.75	\$56.08	10.0%
Family	872	73	945	\$1,486.19	\$1,337.55	\$148.64	10.0%
BMC Advantage HMO							
Individual	66	3	69	\$571.85	\$514.65	\$57.20	10.0%
Family	14	2	16	\$1,538.21	\$1,384.37	\$153.84	10.0%
BCBS Blue Choice POS							
Individual	370	261	631	\$716.68	\$537.52	\$179.16	25.0%
Family	313	164	477	\$1,849.04	\$1,386.76	\$462.28	25.0%
Harvard Pilgrim POS							
Individual	592	157	749	\$609.81	\$518.33	\$91.48	15.0%
Family	525	136	661	\$1,640.36	\$1,394.32	\$246.04	15.0%
BCBS Blue Care Elect Preferred PPO							
Individual	267	113	380	\$996.71	\$747.51	\$249.20	25.0%
Family	207	58	265	\$2,312.38	\$1,734.26	\$578.12	25.0%
<b><u>Non-Medicare Total</u></b>	<b>16,174</b>	<b>5,872</b>					

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**Medicare**

BCBS Master Medical Part A Carveout	N/A	101	101	\$1,380.79	\$1,035.59	\$345.20	25.0%
BCBS Master Medical Part A&B Carveout	1	3,583	3,583	\$415.32	\$311.49	\$103.83	25.0%

**Medicare Supplement Plans**

BCBS Managed Blue for Seniors	N/A	137	137	\$370.80	\$333.72	\$37.08	10.0%
Tufts Medicare Complement*	N/A	149	149	\$326.00	\$293.40	\$32.60	10.0%

**Medicare Advantage Plans**

Medicare HMO Blue*	N/A	60	60	\$223.60	\$201.24	\$22.36	10.0%
Harvard Pilgrim First Seniority Freedom*	N/A	32	32	\$254.80	\$229.32	\$25.48	10.0%
Tufts Medicare Preferred HMO*	N/A	197	197	\$164.00	\$147.60	\$16.40	10.0%

**Retiree Total** **10,131**

\*Medicare Advantage and Tufts Medicare Complement premiums effective January 1, 2009.  
 \*\* In addition, there are 3,772 spouses of retirees covered under individual or family policies.

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**Benefit Descriptions:**

<p><b>Blue Cross Blue Shield Master Medical Indemnity</b> (including Medicare Carve-outs)</p>	
<p><b>Medical</b></p> <p><i>Annual deductible</i></p> <p><i>Coinsurance</i></p> <p><i>Physicians Office Visit</i></p> <p><i>Emergency Room</i></p> <p><i>Maximum Out-Of-Pocket Expense</i></p> <p><i>Lifetime Maximum</i></p>	<p>\$50 individual/\$100 family (Extended Benefits only)</p> <p>100% (80% Extended Benefits)</p> <p>Coinsurance &amp; deductible</p> <p>Covered in full</p> <p>None</p> <p>\$250,000/individual (Extended Benefits only)</p>
<p><b>Prescription Drugs</b></p> <p><i>Retail Copay</i></p> <p><i>Mail Copay</i></p>	<p>80% coinsurance (no deductible), with calendar year coinsurance maximum of \$200 per individual/\$400 per family</p> <p>\$5 generic/\$10 brand</p>

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

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<b>Boston Medical Center Advantage HMO</b>	<b>BMC Advantage Network</b>	<b>HPHC Provider Network</b>
<b>Medical</b>		
<i>Annual deductible</i>		None
<i>Coinsurance</i>		100%
<i>Physicians Office Visit Copay</i>	\$10	\$20
<i>Emergency Room Copay</i>		\$40
<i>Maximum Out-Of-Pocket Expense</i>	\$2,000 individual/\$4,000 family	
<i>Lifetime Maximum</i>	None	
<b>Prescription Drugs</b>		
<i>Retail Copay</i>	\$10 generic/\$15 brand formulary/\$30 brand non-formulary	
<i>Mail Copay</i>	\$20 generic/\$30 brand formulary/\$90 brand non-formulary	
<b>Blue Cross Blue Shield Blue Choice POS</b>	<b>In-Network</b>	<b>Out-Of-Network</b>
<b>Medical</b>		
<i>Annual deductible</i>	None	\$50 individual/\$100 family
<i>Coinsurance</i>	100%	80%
<i>Physicians Office Visit Copay</i>	\$10	Coinsurance & deductible
<i>Emergency Room Copay</i>	\$25	\$25
<i>Maximum Out-Of-Pocket Expense</i>	None	\$2,500 individual/\$5,000 family (including deductible)
<i>Lifetime Maximum</i>	None	\$1,000,000
<b>Prescription Drugs</b>		
<i>Retail Copay</i>	\$5 generic/\$10 brand	
<i>Mail Copay</i>	\$5 generic/\$10 brand	

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<b>Harvard Pilgrim POS</b>	<b>In-Network</b>	<b>Out-Of-Network</b>
<b>Medical</b>		
<i>Annual deductible</i>	None	\$200 individual/\$400 family
<i>Coinsurance</i>	100%	80%
<i>Physicians Office Visit Copay</i>	\$10	Coinsurance & deductible
<i>Emergency Room Copay</i>	\$30	\$30
<i>Maximum Out-Of-Pocket Expense</i>	None	\$1,700 individual/\$3,400 family (including deductible)
<i>Lifetime Maximum</i>	None	None
<b>Prescription Drugs</b>		
<i>Retail Copay</i>	\$5 generic/\$10 brand formulary/\$25 brand non-formulary	
<i>Mail Copay</i>	\$10 generic/\$20 brand formulary/\$75 brand non-formulary	

<b>Blue Cross Blue Shield Blue Care Elect Preferred PPO</b>	<b>In-Network</b>	<b>Out-Of-Network</b>
<b>Medical</b>		
<i>Annual deductible</i>	None	\$250 individual/\$500 family
<i>Coinsurance</i>	100%	80%
<i>Physicians Office Visit Copay</i>	\$15	Coinsurance & deductible
<i>Emergency Room Copay</i>	\$50	\$50
<i>Maximum Out-Of-Pocket Expense</i>	None	\$1,250 individual/\$2,500 family (including deductible)
<i>Lifetime Maximum</i>	None	None
<b>Prescription Drugs</b>		
<i>Retail Copay</i>	\$10 generic/\$25 preferred brand/\$45 non-preferred brand	
<i>Mail Copay</i>	\$10 generic/\$25 preferred brand/\$45 non-preferred brand	

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<b>Blue Cross Blue Shield Managed Blue for Seniors</b>	
<b>Medical</b>	
<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
<b>Prescription Drugs</b>	
<i>Retail Copay</i>	25% generic/50% brand formulary/75% brand non-formulary
<i>Mail Copay</i>	\$5 generic/\$30 brand formulary/\$50 brand non-formulary
<b>Medicare HMO Blue</b>	
<b>Medical</b>	
<i>Hospital Inpatient</i>	\$100 copay per day (up to a maximum of \$500 per year)
<i>Office Visits</i>	\$10 copay per visit (\$20 for specialists)
<i>Emergency Room</i>	\$50 copay per visit
<b>Prescription Drugs</b>	
<i>Retail Copay</i>	\$10 generic/\$25 preferred brand/\$45 non-preferred brand
<i>Mail Copay</i>	\$20 generic/\$50 preferred brand/\$90 non-preferred brand

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<b>Harvard Pilgrim First Seniority Freedom</b>	
<b>Medical</b>	
<i>Hospital Inpatient</i>	Covered in full
<i>Office Visits</i>	\$15 copay per visit
<i>Emergency Room</i>	\$50 copay per visit
<b>Prescription Drugs</b>	
<i>Retail Copay</i>	\$10 Tier 1/\$20 Tier 2/\$35 Tier 3
<i>Mail Copay</i>	\$20 Tier 1/\$40 Tier 2/\$105 Tier 3
<b>Tufts Medicare Complement</b>	
<b>Medical</b>	
<i>Hospital Inpatient</i>	Covered in full
<i>Outpatient and Physician Services</i>	\$10 per visit
<i>Emergency Room</i>	\$50 per visit
<b>Prescription Drugs</b>	
<i>Retail Copay</i>	\$8 Tier 1/\$20 Tier 2/\$35 Tier 3
<i>Mail Copay</i>	\$16 Tier 1/\$40 Tier 2/\$70 Tier 3

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<b>Tufts Medicare Preferred HMO</b>	
<b>Medical</b>	
<i>Hospital Inpatient</i>	\$200 deductible
<i>Outpatient and Physician Services</i>	\$10 copay per visit (\$15 for specialists)
<i>Emergency Room</i>	\$50 per visit
<b>Prescription Drugs</b>	
<i>Retail Copay</i>	\$10 Tier 1/\$25 Tier 2/\$50 Tier 3
<i>Mail Copay</i>	\$20 Tier 1/\$50 Tier 2/\$100 Tier 3

**Retiree Life:** \$5,000

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