

Town of Brookline

**Actuarial Valuation and Review of Other
Postemployment Benefits (OPEB)
as of June 30, 2012 in accordance with GASB
Statements No. 43 and No. 45**

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December 12, 2012

*Mr. Stephen E. Cirillo
Director of Finance
333 Washington Street
Town Hall
Brookline, MA 02445*

Dear Steve:

We are pleased to submit this report on our actuarial valuation of postemployment welfare benefits as of June 30, 2012 under Governmental Accounting Standards Board Statements Number 43 and 45. It establishes the liabilities of the postemployment welfare benefit plan in accordance with GASB Statements Number 43 and 45 for the fiscal year beginning July 1, 2012 and summarizes the actuarial data.

This report is based on information received from the Town of Brookline. 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 with you at your convenience.

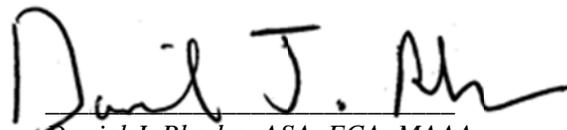
Sincerely,

THE SEGAL COMPANY

By:


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

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Daniel J. Rhodes, ASA, FCA, MAAA
Consulting Actuary

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SECTION 1: Executive Summary for Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

PURPOSE

This report presents the results of our actuarial valuation of the Town of Brookline (the “Employer”) postemployment welfare benefit plan as of June 30, 2012. 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, 2013, we project the Town will pay benefits (net of retiree contributions) on behalf of retired employees of about \$9,677,000. This amount is less than the annual “cost” (the “Annual Required Contribution,” or ARC) under the new accounting rules of approximately \$16,291,000.

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 is pay-as-you-go, the discount rate should be based on the expected yield on the assets of the employer. The funding assumption used in this valuation is 7.75% compared to 8.15% used in the prior valuation.

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 a partially funded discount rate of 7.25%. The blended assumption was based on a full

funding rate of 7.75% and a pay-as-you-go rate of 4.50%. In the prior valuation, the partially funded discount rate was also 7.25% and was based on a full funding rate of 8.15% and a pay-as-you-go rate of 5.50%.

To be considered a fully funded plan, the “contribution in relation to the ARC” must equal the ARC. For example, if the ARC is \$15,601,000, and the employer pays benefits to retirees of \$9,677,000, then an additional contribution of the difference, or approximately \$5,924,000 will need to be added to an OPEB trust fund during the fiscal year ending June 30, 2012. The Town has currently allocated \$2.6 million in fiscal 2013. The Town’s funding policy is to allocate \$2.7 million in fiscal 2014, increasing by approximately \$300,000 annually.

The GASB statements allow the use of one of six funding methods to determine the actuarial liabilities. We have used the projected unit credit cost method.

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), with payments increasing at 4.0%. 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.”

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

SECTION 1: Executive Summary for Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

spouses in accordance with the terms of the plan, and plan assets are legally protected from creditors of the employer.

It is our understanding that as of June 30, 2012, \$12,766,000 is held in an irrevocable trust.

Chapter 68 of the Acts of 2011 permits municipalities, authorities and certain other government entities of the Commonwealth to establish a liability trust fund for funding retiree benefits (other than pension), also known as Other Post-Employment Benefits (OPEB). The legislation also ensures that these entities have access to the state's investment trust, the State Retiree Benefits Trust Fund (SRBTF) for purposes of investment OPEB funds.

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.

This valuation does not include the potential impact of any future changes due to the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 other than those previously adopted as of the valuation date.

KEY VALUATION RESULTS

➤ The **unfunded actuarial accrued liability (UAAL)** as of June 30, 2012 is \$189,968,000 using the partially funded assumption of 7.25%. 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, 2012 the ratio of assets to the AAL (the funded ratio) is 6.30%.

➤ The **Annual Required Contribution (ARC)** for fiscal year 2013 is \$16,291,000. The ARC is expected to remain relatively level as a percentage of payroll, as long as the ARC is fully funded each year. If the ARC is not fully funded, it may be expected to increase as a percentage of payroll over time.

Plan obligations of \$202,734,000 as of June 30, 2012 represent a decrease of \$12,508,000 from \$215,242,000 as shown in the June 30, 2010 valuation.

Plan obligations had been expected to increase \$20,899,000 due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total obligation, less expected benefit payments. The decrease was the net effect of the following:

➤ An **actuarial experience loss** increased obligations by \$7,323,000. This was the net result of gains and losses due to demographic changes.

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- **Valuation assumption and plan changes** decreased obligations by \$40,730,000. This was the net result of (1) a *decrease* in obligations due to valuation year per capita health costs not increasing as much as projected, partially offset by (2) an *increase* in obligations due to changes in the mortality assumption for both teachers and non-teachers, (3) an *increase* in obligations due to a change in the future trend on per capita health costs based on our projections of what is likely to occur in the marketplace and (4) an *increase* in obligations due to the Town reimbursing a greater portion of the Part B premium and reducing the retiree contribution percentage. The complete set of assumptions is shown in Exhibit II.

FUNDING SCHEDULES

Following the Summary of the Valuation Results is a Funding Schedule for the Town that projects the additional funding requirements needed over the next 30 years to fully fund these obligations. We have also included a separate funding schedule which shows the funding requirements on a partial funding basis over the next 11 years, after which the projected funding contribution will fully fund the ARC.

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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 postemployment benefits (OPEB) are required to report the cost of these benefits on their financial statements.

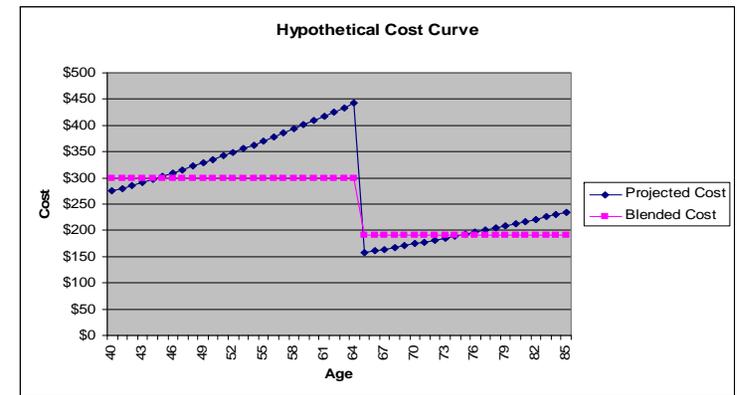
The statements cover postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. These benefits,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

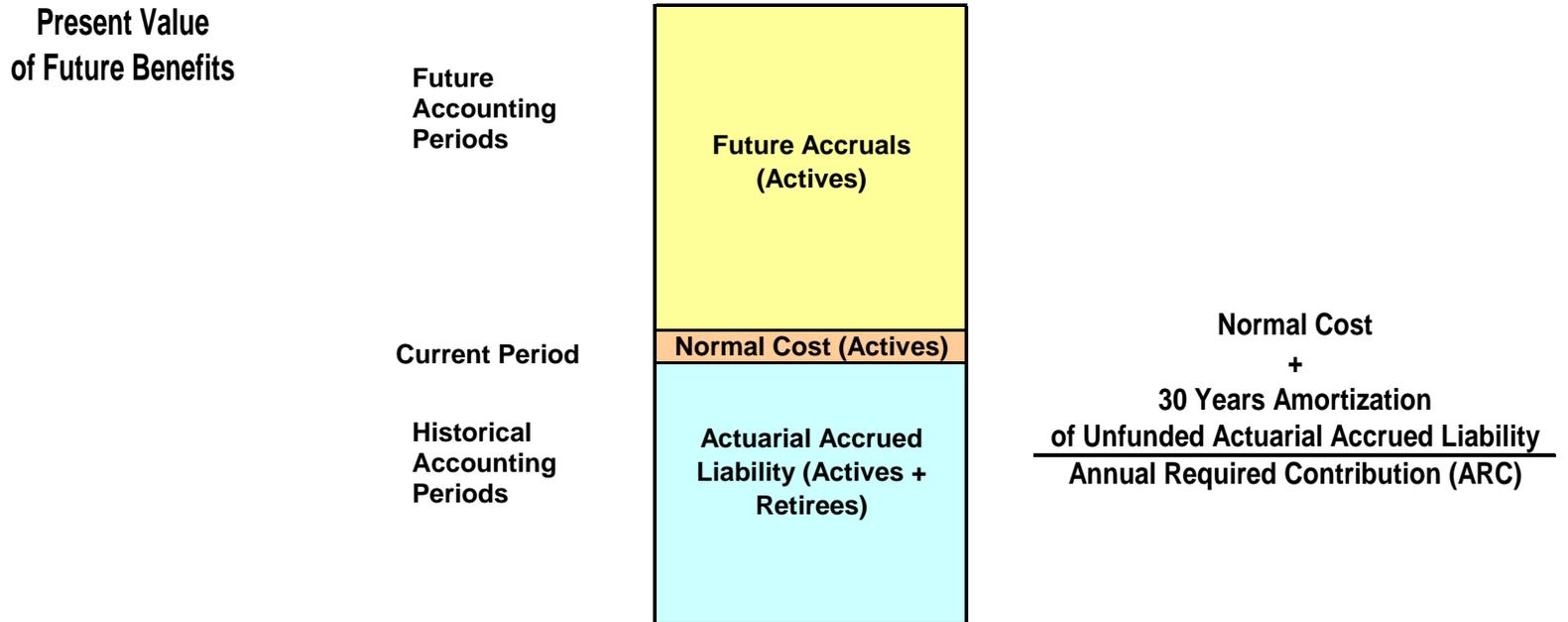


SECTION 1: Executive Summary for Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

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 1: Executive Summary for Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

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

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

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

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

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

SECTION 2: Valuation Results for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

**SUMMARY OF VALUATION RESULTS
ALL DEPARTMENTS**

The key results for the current year are shown on a funded basis and a pay-as-you-go basis.

	Full Funding (7.75% interest rate)	Partial Funding (7.25% interest rate)
Actuarial Accrued Liability by Participant Category		
1. Current retirees, beneficiaries and dependents	\$107,102,777	\$112,010,576
2. Current active members	<u>83,370,390</u>	<u>90,723,321</u>
3. Total as of June 30, 2012: (1) + (2)	\$190,473,167	\$202,733,897
4. Actuarial value of assets as of June 30, 2012	<u>12,766,296</u>	<u>12,766,296</u>
5. Unfunded actuarial accrued liability (UAAL) as of June 30, 2012: (3) – (4)	\$177,706,871	\$189,967,601
Annual Required Contribution for Fiscal Year Ending June 30, 2013		
6. Normal cost as of July 1, 2012	\$5,579,130	\$6,179,710
7. Adjustment for timing	<u>212,157</u>	<u>220,095</u>
8. Normal cost adjusted for timing: (6) + (7)	\$5,791,287	\$6,399,805
9. 30-year increasing amortization (4.0% per year) of the UAAL as of July 1, 2012	9,449,881	9,550,801
10. Adjustment for timing	<u>359,351</u>	<u>340,160</u>
11. Amortization payment adjusted for timing: (9) + (10)	\$9,809,232	\$9,890,961
12. Total Annual Required Contribution (ARC): (8) + (11)	15,600,519	16,290,766
13. Projected benefit payments	<u>9,676,948</u>	<u>9,676,948</u>
14. Funding shortfall: (12) – (13)	\$5,923,571	\$6,613,818
15. Expected Town contribution	2,601,928	2,601,928
Annual Required Contribution for Fiscal Year Ending June 30, 2014		
16. Normal cost as of July 1, 2013	\$6,080,852	\$6,719,795
17. 30-year increasing amortization (4.0% per year) of the UAAL as of July 1, 2013	10,201,601	10,287,398
18. Total Annual Required Contribution (ARC): (16) + (17)	16,282,453	17,007,193
19. Projected benefit payments	<u>10,475,920</u>	<u>10,475,920</u>
20. Funding shortfall: (18) – (19)	\$5,806,533	\$6,531,273

Note: Adjustment for timing assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

FUNDING SCHEDULE

30 Years Closed (7.75% discount rate), payments increasing at 4.0%

Fiscal Year Ended June 30	(1) Projected Benefit Payments	(2) Normal Cost with Interest	(3) Amortization of UAAL	(4) Total Funding Requirement (3) + (2)	(5) Additional Funding (4) - (1)	(6) Assets at End of Year	(7) AAL at End of Year	(8) UAAL at End of Year (7) - (6)
2013	\$9,676,948	\$5,791,287	\$9,809,232	\$15,600,519	\$5,923,571	\$19,904,510	\$201,201,417	\$181,296,907
2014	10,475,920	6,080,851	10,201,601	16,282,453	5,806,533	27,474,447	212,232,326	184,757,879
2015	11,319,908	6,384,894	10,609,665	16,994,559	5,674,651	35,494,158	223,557,654	188,063,496
2016	12,304,138	6,704,139	11,034,052	17,738,191	5,434,053	43,885,648	235,070,422	191,184,774
2017	13,158,907	7,039,346	11,475,414	18,514,760	5,355,853	52,846,305	246,936,110	194,089,805
2018	14,008,234	7,391,313	11,934,431	19,325,743	5,317,509	62,461,612	259,205,115	196,743,503
2019	14,859,004	7,760,878	12,411,808	20,172,686	5,313,682	72,818,132	271,925,466	199,107,334
2020	15,667,303	8,148,922	12,908,280	21,057,203	5,389,900	84,056,398	285,195,408	201,139,010
2021	16,415,676	8,556,369	13,424,611	21,980,980	5,565,304	96,347,704	299,139,879	202,792,175
2022	17,265,143	8,984,187	13,961,596	22,945,783	5,680,640	109,711,308	313,727,364	204,016,056
2023	18,170,210	9,433,396	14,520,060	23,953,456	5,783,246	124,217,100	328,972,186	204,755,086
2024	19,078,721	9,905,066	15,100,862	25,005,928	5,927,207	139,996,526	344,945,029	204,948,503
2025	20,032,657	10,400,319	15,704,896	26,105,216	6,072,559	157,149,737	361,679,643	204,529,906
2026	21,034,289	10,920,335	16,333,092	27,253,428	6,219,139	175,784,475	379,211,258	203,426,783
2027	22,086,004	11,466,352	16,986,416	28,452,768	6,366,764	196,016,645	397,576,646	201,560,001
2028	23,190,304	12,039,670	17,665,873	29,705,542	6,515,238	217,970,928	416,814,177	198,843,249
2029	24,349,819	12,641,653	18,372,508	31,014,161	6,664,342	241,781,441	436,963,883	195,182,442
2030	25,567,310	13,273,736	19,107,408	32,381,144	6,813,834	267,592,446	458,067,523	190,475,077
2031	26,845,676	13,937,423	19,871,704	33,809,127	6,963,451	295,559,110	480,168,641	184,609,531
2032	28,187,959	14,634,294	20,666,572	35,300,866	7,112,907	325,848,331	503,312,640	177,464,309
2033	29,597,357	15,366,009	21,493,235	36,859,244	7,261,887	358,639,611	527,546,846	168,907,235
2034	31,077,225	16,134,309	22,352,965	38,487,274	7,410,049	394,126,011	552,920,577	158,794,566
2035	32,631,087	16,941,024	23,247,083	40,188,108	7,557,021	432,515,168	579,485,213	146,970,045
2036	34,262,641	17,788,076	24,176,967	41,965,042	7,702,401	474,030,394	607,294,274	133,263,880
2037	35,975,773	18,677,479	25,144,045	43,821,525	7,845,752	518,911,851	636,403,485	117,491,634
2038	37,774,562	19,611,353	26,149,807	45,761,160	7,986,598	567,417,824	666,870,854	99,453,030
2039	39,663,290	20,591,921	27,195,799	47,787,720	8,124,430	619,826,083	698,756,750	78,930,667
2040	41,646,454	21,621,517	28,283,631	49,905,148	8,258,694	676,435,352	732,123,974	55,688,622
2041	43,728,777	22,702,593	29,414,977	52,117,569	8,388,792	737,566,885	767,037,835	29,470,950
2042	45,915,216	23,837,723	30,591,576	54,429,298	8,514,082	803,566,166	803,566,166	-

Note: Adjustment for timing assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

11-YEAR PROJECTION OF ARC USING PARTIAL FUNDING ASSUMPTIONS

30 Years Open (7.25% discount rate)

Fiscal Year Ended June 30	(1) Projected Benefit Payments	(2) Normal Cost	(3) Amortization of UAAL	(4) ARC (3) + (2)	(5) Expected Town Contribution	(6) Assets at End of Year	(7) AAL at End of Year	(8) UAAL at End of Year (7) – (6)
2013	\$9,676,948	\$6,399,805	\$9,890,961	\$16,290,766	\$2,601,928	\$16,456,555	\$214,038,244	\$197,581,689
2014	10,475,920	6,719,795	10,287,398	17,007,193	2,711,341	20,546,383	225,666,114	205,119,731
2015	11,319,908	7,055,785	10,679,878	17,735,663	3,033,137	25,287,206	237,610,915	212,323,709
2016	12,304,138	7,408,574	11,054,964	18,463,538	3,358,313	30,732,984	249,767,783	219,034,799
2017	13,158,907	7,779,003	11,404,388	19,183,391	3,686,818	36,941,807	262,304,434	225,362,627
2018	14,008,234	8,167,953	11,733,856	19,901,809	4,009,938	43,967,221	275,273,218	231,305,997
2019	14,859,004	8,576,351	12,043,307	20,619,658	4,309,276	51,847,825	288,724,112	236,876,287
2020	15,667,303	9,005,168	12,333,333	21,338,501	4,609,352	60,650,663	302,757,198	242,106,535
2021	16,415,676	9,455,427	12,605,654	22,061,081	4,913,552	70,451,489	317,498,952	247,047,463
2022	17,265,143	9,928,198	12,862,911	22,791,109	5,222,348	81,332,417	332,919,370	251,586,953
2023	18,170,210	10,424,608	13,099,266	23,523,874	5,536,298	93,382,506	349,034,557	255,652,051

Note: Adjustment for timing assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

DEPARTMENT RESULTS

Actuarial Accrued Liability (AAL) and Annual Required Contribution – Partial Funding 7.25%

	School Enterprise Funds				
	School	Adult Education	Early Childhood	Food Services	Metco
Actuarial Accrued Liability by Participant Category					
1. Current retirees, beneficiaries and dependents	\$52,199,976	\$0	\$193,466	\$57,224	\$0
2. Current active members	<u>37,812,117</u>	<u>332,293</u>	<u>1,257,622</u>	<u>1,504,232</u>	<u>573,434</u>
3. Total as of June 30, 2012: (1) + (2)	\$90,012,093	\$332,293	\$1,451,088	\$1,561,456	\$573,434
4. Actuarial value of assets as of June 30, 2012	<u>4,301,055</u>	<u>27,410</u>	<u>119,697</u>	<u>128,801</u>	<u>47,301</u>
5. Unfunded actuarial accrued liability (UAAL) as of June 30, 2012: (3) – (4)	\$85,711,038	\$304,883	\$1,331,391	\$1,432,655	\$526,133
Annual Required Contribution for Fiscal Year Ending June 30, 2013					
6. Normal cost as of July 1, 2012	\$3,037,362	\$22,112	\$96,021	\$137,487	\$39,911
7. Adjustment for timing	<u>108,178</u>	<u>788</u>	<u>3,420</u>	<u>4,897</u>	<u>1,421</u>
8. Normal cost adjusted for timing: (6) + (7)	\$3,145,540	\$22,900	\$99,441	\$142,384	\$41,332
9. 30-year increasing amortization (4.0% per year) of the UAAL as of July 1, 2012	4,309,203	15,328	66,937	72,028	26,452
10. Adjustment for timing	<u>153,476</u>	<u>546</u>	<u>2,384</u>	<u>2,565</u>	<u>942</u>
11. Amortization payment adjusted for timing: (9) + (10)	\$4,462,679	\$15,874	\$69,321	\$74,593	\$27,394
12. Total Annual Required Contribution (ARC): (8) + (11)	7,608,219	38,774	168,762	216,977	68,726
13. Projected benefit payments	<u>4,525,611</u>	<u>3,431</u>	<u>18,825</u>	<u>15,644</u>	<u>5,616</u>
14. Funding shortfall: (12) – (13)	\$3,082,608	\$35,343	\$149,937	\$201,333	\$63,110
15. Expected Town contribution	574,690	18,731	82,454	89,732	32,647
Annual Required Contribution for Fiscal Year Ending June 30, 2014					
16. Normal cost as of July 1, 2013	\$3,302,817	\$24,045	\$104,413	\$149,503	\$43,399
17. 30-year increasing amortization (4.0% per year) of the UAAL as of July 1, 2013	<u>4,679,630</u>	<u>17,055</u>	<u>74,206</u>	<u>81,952</u>	<u>29,529</u>
18. Total Annual Required Contribution (ARC): (16) + (17)	\$7,982,447	\$41,100	\$178,619	\$231,455	\$72,928
19. Projected benefit payments	<u>4,811,831</u>	<u>4,381</u>	<u>29,966</u>	<u>29,018</u>	<u>12,203</u>
20. Funding shortfall: (18) – (19)	\$3,170,616	\$36,719	\$148,653	\$202,437	\$60,725

Note: Adjustment for timing assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Actuarial Accrued Liability (AAL) and Annual Required Contribution – Partially Funded 7.25%

	Enterprise Funds						Total
	Golf	Recreation	Water	Town	CDBG	Retirement	
Actuarial Accrued Liability by Participant Category							
1. Current retirees, beneficiaries and dependents	\$0	\$1,321,991	\$3,224,124	\$54,901,580	\$0	\$112,215	\$112,010,576
2. Current active members	<u>24,999</u>	<u>763,595</u>	<u>3,262,579</u>	<u>44,908,685</u>	<u>137,791</u>	<u>145,974</u>	<u>90,723,321</u>
3. Total as of June 30, 2012: (1) + (2)	\$24,999	\$2,085,586	\$6,486,703	\$99,810,265	\$137,791	\$258,189	\$202,733,897
4. Actuarial value of assets as of June 30, 2012	<u>58,737</u>	<u>184,841</u>	<u>1,004,994</u>	<u>6,265,209</u>	<u>288,327</u>	<u>339,924</u>	<u>12,766,296</u>
5. Unfunded actuarial accrued liability (UAAL) as of June 30, 2012: (3) – (4)	\$(33,738)	\$1,900,745	\$5,481,709	\$93,545,056	\$(150,536)	\$(81,735)	\$189,967,601
Annual Required Contribution for Fiscal Year Ending June 30, 2013							
6. Normal cost as of July 1, 2012	\$4,756	\$67,340	\$148,855	\$2,615,438	\$3,427	\$7,001	\$6,179,710
7. Adjustment for timing	<u>169</u>	<u>2,398</u>	<u>5,302</u>	<u>93,151</u>	<u>122</u>	<u>249</u>	<u>220,095</u>
8. Normal cost adjusted for timing: (6) + (7)	\$4,925	\$69,738	\$154,157	\$2,708,589	\$3,549	\$7,250	\$6,399,805
9. 30-year increasing amortization (4.0% per year) of the UAAL as of July 1, 2012	(1,696)	95,562	275,598	4,703,066	(7,568)	(4,109)	9,550,801
10. Adjustment for timing	<u>(60)</u>	<u>3,404</u>	<u>9,816</u>	<u>167,503</u>	<u>(270)</u>	<u>(146)</u>	<u>340,160</u>
11. Amortization payment adjusted for timing: (9) + (10)	\$(1,756)	\$98,966	\$285,414	\$4,870,569	\$(7,838)	\$(4,255)	\$9,890,961
12. Total Annual Required Contribution (ARC): (8) + (11)	3,169	168,704	439,571	7,579,158	(4,289)	2,995	16,290,766
13. Projected benefit payments	<u>17</u>	<u>103,647</u>	<u>290,429</u>	<u>4,706,097</u>	<u>1,679</u>	<u>5,952</u>	<u>9,676,948</u>
14. Funding shortfall: (12) – (13)	\$3,152	\$65,057	\$149,142	\$2,873,061	\$(5,968)	\$(2,957)	\$6,613,818
15. Expected Town contribution	7,271	74,728	77,119	1,583,030	5,225	56,301	2,601,928
Annual Required Contribution for Fiscal Year Ending June 30, 2014							
16. Normal cost as of July 1, 2013	\$5,171	\$73,225	\$161,865	\$2,844,018	\$3,726	\$7,613	\$6,719,795
17. 30-year increasing amortization (4.0% per year) of the UAAL as of July 1, 2013	<u>(2,028)</u>	<u>100,225</u>	<u>294,329</u>	<u>5,028,789</u>	<u>(8,663)</u>	<u>(7,626)</u>	<u>10,287,398</u>
18. Total Annual Required Contribution (ARC): (16) + (17)	\$3,143	\$173,450	\$456,194	\$7,872,807	\$(4,937)	\$(13)	\$17,007,193
19. Projected benefit payments	<u>39</u>	<u>105,759</u>	<u>338,221</u>	<u>5,134,447</u>	<u>3,474</u>	<u>6,581</u>	<u>10,475,920</u>
20. Funding shortfall: (18) – (19)	\$3,104	\$67,691	\$117,973	\$2,738,360	\$(8,411)	\$(6,594)	\$6,531,273

Note: Adjustment for timing assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

December 12, 2012

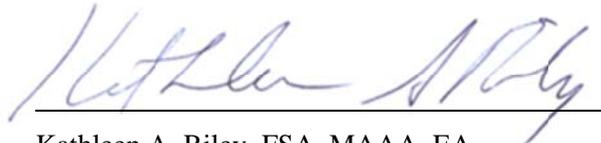
ACTUARIAL CERTIFICATION

This is to certify that The Segal Company has conducted an actuarial valuation of certain benefit obligations of the Town of Brookline other postemployment benefit programs as of June 30, 2012, in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Number 43 and 45 for the determination of the liability for postemployment benefits other than pensions.

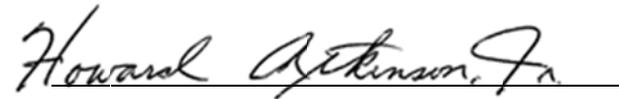
The actuarial valuation is based on the plan of benefits verified by the Town and on participant, premium data and claims experience provided by the Town or from vendors employed by the Town.

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

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



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



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

SECTION 3: Valuation Details for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

CHART 1
Required Supplementary Information – Schedule of Employer Contributions

Fiscal Year Ended June 30,	Annual OPEB Costs	Actual Contributions	Percentage Contributed
2008	\$21,528,296	\$6,217,209	28.9%
2009	20,503,147	9,532,102	46.5%
2010	21,792,668	10,522,409	48.3%
2011	15,562,334	18,398,444	118.2%
2012	16,268,331	11,655,515	71.6%
2013	17,094,395	12,278,875	71.8%
2014	17,909,220	--	--

Note: 2014 information assumes there will be no plan changes that need to be reflected.

SECTION 3: Valuation Details for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

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

CHART 2
Required Supplementary Information – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
06/30/2006	\$0	\$325,834,939	\$325,834,939	0.00%	\$115,000,000	283.3%
06/30/2008	0	323,225,372	323,225,372	0.00%	120,100,000	269.1%
06/30/2010	7,355,050	215,241,652	207,886,602	3.42%	124,600,000	166.8%
06/30/2012	12,766,296	202,733,897	189,967,601	6.30%	--	--

* Enter covered payroll for fiscal 2012.

SECTION 3: Valuation Details for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

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

Fiscal Year Ended June 30,	Annual Required Contribution (a)	Interest on Existing NOO/(NOA) (b)	ARC Adjustment (c)	Annual OPEB Cost (a) + (b) + (c) (d)	Actual Contribution Amount (e)	Net Increase in NOO/(NOA) (d) - (e) (f)	NOO/(NOA) as of Following Date (g)
2008	\$21,528,296	\$0	\$0	\$21,528,296	\$6,217,209	\$15,311,087	\$15,311,087
2009	20,503,147	0	0	20,503,147	9,532,102	10,971,045	26,282,132
2010	21,473,717	1,389,499	(1,070,548)	21,792,668	10,522,409	11,270,259	37,552,391
2011	14,945,299	2,189,307	(1,572,272)	15,562,334	18,398,444	(2,836,110)	34,716,281
2012	15,558,958	2,516,930	(1,807,557)	16,268,331	11,655,515	4,612,816	39,329,097
2013	16,290,766	2,851,360	(2,047,731)	17,094,395	12,278,875	4,815,520	44,144,616
2014	17,007,193	3,200,485	(2,298,458)	17,909,220	--	--	--

*Notes: 2014 information assumes there will be no plan changes that need to be reflected.
Includes expected additional contribution amount of \$2,601,927 for fiscal year ending June 30, 2013.*

SECTION 3: Valuation Details for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

**CHART 4
Summary of Required Supplementary Information**

Valuation date	June 30, 2012
Actuarial cost method	Projected Unit Credit
Amortization method	Payments increasing at 4.0% per year
Remaining amortization period	30 years open
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.25% (partially funded)
Inflation rate	4.0%
Medical/drug cost trend rate	8.0% decreasing by 0.5% for 6 years to an ultimate level of 5.0% per year.
Plan membership:	
Current retirees, beneficiaries, and dependents	1,609
Current active participants	<u>1,387</u>
Total	2,996

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

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

**EXHIBIT I
Summary of Participant Data**

	July 1, 2012	July 1, 2010
Active employees covered for medical benefits*		
Number of employees		
Male	599	608
Female	<u>788</u>	<u>774</u>
Total	1,387	1,382
Average age	43.7	43.2
Average service	11.8	11.7
Retired employees, spouses and beneficiaries covered for medical benefits		
Number of individuals	1,609	1,560
Average age	72.2	71.9
Retired employees eligible for life insurance		
Number of individuals	939	928
Average age	72.0	71.8

* Excludes COBRA participants.

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

**EXHIBIT II
Actuarial Assumptions and Actuarial Cost Method**

Data:	Detailed census data, premium rates, and summary plan descriptions for postemployment welfare benefits were provided by the Town of Brookline.
Actuarial Cost Method:	Projected Unit Credit
Per Capita Cost Development:	Per capita claims costs were based on the fully-insured premium rates effective July 1, 2012 offered by the Group Insurance Commission. Premiums were combined by taking a weighted average based on the number of participants in each plan and were then trended to the midpoint of the valuation year at assumed trend rates. Actuarial factors were applied to the premium to estimate individual retiree and spouse costs by age and by gender.
Measurement Date:	June 30, 2012
Discount Rate:	7.25% (partially funded) and 7.75% (fully funded)
Mortality Rates:	
<i>Pre-Retirement (Non-Teachers)</i>	RP-2000 Healthy Employee Mortality Table projected 12 years with Scale AA (previously, RP-2000 Healthy Employee Mortality Table projected 10 years with Scale AA)
<i>Healthy (Non-Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table projected 12 years with Scale AA (previously, RP-2000 Healthy Annuitant Mortality Table projected 10 years with Scale AA)
<i>Disabled (Non-Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table projected 12 years with Scale AA set forward 2 years (previously, RP-2000 Healthy Annuitant Mortality Table projected 10 years with Scale AA set forward 2 years)
<i>Pre-Retirement (Teachers)</i>	RP-2000 Healthy Employee Mortality Table projected 10 years with Scale AA
<i>Healthy (Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table projected 10 years with Scale AA
<i>Disabled (Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table set forward 3 years for males

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Accrued liability and service cost were increased by 1.25% for Teachers to be consistent with the assumptions in the January 1, 2012 Massachusetts Teachers' Retirement System Actuarial Valuation Report dated October 19, 2012.

The RP-2000 Employee Mortality Table projected 12 years with Scale AA and the RP-2000 Healthy Annuitant Mortality Table projected 12 years with Scale AA were determined to contain provision appropriate to reasonably reflect future mortality improvement, based on a review of mortality experience as of the measurement date.

Termination Rates before Retirement:	Groups 1 and 2 (excluding Teachers) - Rate per year (%)				
	Mortality				
	Age	Current		Previously	
Male		Female	Male	Female	
20	0.03	0.02	0.03	0.02	0.01
25	0.03	0.02	0.03	0.02	0.02
30	0.04	0.02	0.04	0.02	0.03
35	0.07	0.04	0.07	0.04	0.06
40	0.10	0.06	0.10	0.06	0.20
45	0.13	0.09	0.13	0.10	0.29
50	0.17	0.14	0.18	0.14	0.58
55	0.24	0.23	0.25	0.23	0.71
60	0.40	0.37	0.42	0.37	0.84

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

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Group 4 - Rate per year (%)

Mortality

Age	Current		Previously		Disability
	Male	Female	Male	Female	
20	0.03	0.02	0.03	0.02	0.10
25	0.03	0.02	0.03	0.02	0.20
30	0.04	0.02	0.04	0.02	0.30
35	0.07	0.04	0.07	0.04	0.30
40	0.10	0.06	0.10	0.06	0.60
45	0.13	0.09	0.13	0.10	2.00
50	0.17	0.14	0.18	0.14	3.75
55	0.24	0.23	0.25	0.23	3.60
60	0.40	0.37	0.42	0.37	2.55

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

Teachers - Rate per year (%)

Mortality

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

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

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Withdrawal Rates:

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

Withdrawal Rates:

Age	Teachers - Rate per year (%)					
	0 - 4 Years of Service		5 - 9 Years of Service		10+ Years of Service	
	Male	Female	Male	Female	Male	Female
20	12.0	10.0	4.5	9.0	1.0	5.0
30	11.4	12.0	4.5	9.0	1.0	5.0
40	9.7	11.0	5.4	6.5	1.7	2.9
50	10.0	8.2	4.8	4.2	2.2	2.1

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Retirement Rates:

Age	Rate per year (%)	
	Groups 1 and 2 (excluding Teachers)	Group 4
55	5.0	15.0
56 - 58	2.5	10.0
59	2.5	15.0
60	10.0	20.0
61	15.0	20.0
62 - 63	10.0	25.0
64	10.0	30.0
65	40.0	100.0
66 - 67	25.0	--
68 - 69	30.0	--
70	100.0	--

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Age	Teachers - Rate per year (%)					
	Years of Service					
	Less than 20		20 – 29		30 or more	
	Male	Female	Male	Female	Male	Female
50 – 53	0.0	0.0	1.0	1.5	2.0	2.0
54	0.0	0.0	1.0	1.5	2.0	2.0
55	3.0	2.0	3.0	3.0	6.0	6.0
56	8.0	2.0	5.0	3.0	20.0	15.0
57	15.0	8.0	8.0	7.0	35.0	30.0
58	15.0	10.0	10.0	7.0	50.0	35.0
59	20.0	15.0	20.0	11.0	50.0	35.0
60	15.0	20.0	20.0	16.0	50.0	35.0
61	30.0	20.0	25.0	20.0	50.0	35.0
62	20.0	25.0	30.0	30.0	40.0	40.0
63	30.0	24.0	30.0	30.0	40.0	35.0
64	40.0	20.0	30.0	30.0	40.0	35.0
65	40.0	30.0	40.0	30.0	50.0	35.0
66	40.0	30.0	30.0	30.0	50.0	35.0
67	40.0	30.0	30.0	30.0	50.0	30.0
68	40.0	30.0	30.0	30.0	50.0	30.0
69	40.0	30.0	30.0	30.0	50.0	30.0
70	100.0	100.0	100.0	100.0	100.0	100.0

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

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Per Capita Health Costs:

Fiscal 2012 - 2013 medical and prescription drug claims costs are shown in the table below for retirees and for spouses at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Age	Non-Medicare Plans				Medicare Plans			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
45	\$6,980	\$8,756	\$4,329	\$6,536	N/A	N/A	N/A	N/A
50	8,284	9,436	5,786	7,576	N/A	N/A	N/A	N/A
55	9,838	10,157	7,743	8,770	N/A	N/A	N/A	N/A
60	11,684	10,948	10,365	10,171	N/A	N/A	N/A	N/A
65	13,876	11,795	13,876	11,795	\$4,222	\$3,589	\$4,222	\$3,589
70	16,082	12,710	16,082	12,710	4,893	3,867	4,893	3,867
75	17,331	13,682	17,331	13,682	5,273	4,163	5,273	4,163
80	18,663	14,750	18,663	14,750	5,679	4,488	5,679	4,488

Medicare Advantage Plan: \$3,055

Annual Medicare Part B Reimbursement \$780 (portion paid by Town)

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

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 is applied to that year’s cost to yield the next year’s projected cost.

Year Ending June 30	Medical/Drug	Medicare Part B Premium
2013	8.0%	6.0%
2014	7.5%	6.0%
2015	7.0%	6.0%
2016	6.5%	6.0%
2017	6.0%	6.0%
2018	5.5%	6.0%
2019 & later	5.0%	6.0%

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

Participation and Coverage Election: 100% of active employees with coverage are assumed to elect retiree coverage. We have loaded active liabilities by 20% to account for current employees who have waived health coverage but are expected to receive coverage through the Town as retirees.

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

For future over-65 retirees hired in 1986 or later, 98% (previously, 95%) are assumed to enroll in a Medicare indemnity plan and 2% (previously, 5%) are assumed to enroll in a Medicare HMO plan.

Life insurance elections were available for current retirees. 100% of future retirees with medical coverage are assumed to have life insurance coverage.

Plan Design: Development of plan liabilities was based on the substantive plan of benefits in effect as described in Exhibit III.

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Administrative Expenses:	Administrative expenses for self-insured plans were based on current vendor contractual rates and fees. Administrative expenses for insured plans were assumed to be included in the fully insured premium rates.
Annual Maximum Benefits:	No increase in the annual maximum benefit levels was assumed.
Lifetime Maximum Benefits:	No information was available regarding accumulations toward lifetime maximum benefits and no such accumulations were assumed.
Missing Participant Data:	A missing census item for a given participant was assumed to equal the average value of that item over all other participants of the same status for whom the item is known.
Health Care Reform Assumption:	This valuation does not include the potential impact of any future changes due to the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 other than those previously adopted as of the valuation date.

**Assumption Changes
since Prior Valuation:**

The per capita health costs were updated to reflect current experience.

The medical trend assumption was revised to reflect current experience and future expectations.

The non-Medicare and Medicare enrollment assumption for current and future retirees was changed to reflect current enrollment.

Accrued liability and service cost were increased by 1.25% for Teachers to be consistent with the assumptions in the January 1, 2012 Massachusetts Teachers' Retirement System Actuarial Valuation Report dated October 19, 2012.

The mortality table for non-Teachers was updated.

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

**EXHIBIT III
Summary of Plan**

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

Eligibility:	<p>The following groups of retirees receiving a pension from the Brookline Retirement System or the Massachusetts Teachers Retirement System are eligible for postretirement medical benefits:</p> <p>Group 1 (including Teachers):</p> <ul style="list-style-type: none">➤ 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. <p>Group 4:</p> <ul style="list-style-type: none">➤ Retirees are eligible at age 55;➤ Retirees with at least 20 years of creditable service are eligible at any age. <p>Disability: Retirees on Ordinary (non-job-related) or Accidental (job-related) Disability are eligible at any age. Ordinary Disability requires 10 years of creditable service.</p> <p>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.</p> <p>Post-Retirement Death: Surviving spouse is eligible.</p>
Benefit Types:	<p>Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered through the Commonwealth of Massachusetts Group Insurance Commission (GIC). The Town of Brookline also pays 50% of the retiree life insurance premium and the Medicare Part B premium.</p>
Duration of Coverage:	<p>Lifetime.</p>

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Dependent Benefits:	Medical and prescription drugs.
Dependent Coverage:	Benefits are payable to a spouse for their lifetime, regardless of when the retiree dies.
MGL Chapter 32B, Section 18:	Adopted, June, 2, 1992.
Retiree Contributions:	Premium rates and retiree contributions as of July 1, 2012 are summarized on the following pages:

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

	Subscribers			Monthly Premium (eff. 7/1/2012)	Town Cost	Retiree cost	Retiree Cost %
	Active	Retired	Retirees 65 and over**				
<u>Non-Medicare Plans</u>							
Fallon Community Health Plan Direct Care							
Individual	6	0	0	\$454.50	\$377.23	\$77.27	17%
Family	2	0	0	\$1,090.80	\$905.36	\$185.44	17%
Fallon Community Health Plan Select Care							
Individual	8	1	1	\$573.38	\$475.91	\$97.47	17%
Family	10	0	0	\$1,376.11	\$1,142.17	\$233.94	17%
Harvard Pilgrim Independence Plan							
Individual	227	63	16	\$654.56	\$543.28	\$111.28	17%
Family	262	53	2	\$1,597.13	\$1,325.62	\$271.51	17%
Harvard Pilgrim Primary Choice Plan							
Individual	155	12	2	\$523.65	\$434.63	\$89.02	17%
Family	102	10	1	\$1,277.70	\$1,060.49	\$217.21	17%
Neighborhood Health Plan							
Individual	37	1	0	\$475.84	\$394.95	\$80.89	17%
Family	27	2	0	\$1,260.93	\$1,046.57	\$214.36	17%
Tufts Health Plan Navigator							
Individual	178	29	12	\$600.36	\$498.30	\$102.06	17%
Family	240	30	2	\$1,463.98	\$1,215.10	\$248.88	17%
Tufts Health Spirit HMO							
Individual	22	1	0	\$478.41	\$397.08	\$81.33	17%
Family	7	0	0	\$1,166.63	\$968.30	\$198.33	17%
Unicare Indemnity Plan Basic with CIC (Comprehensive)							
Individual	1	25	10	\$892.93	\$580.40	\$312.53	35%
Family	5	13	1	\$2,085.15	\$1,355.35	\$729.80	35%
Unicare Indemnity Plan Choice PPO							
Individual	31	4	1	\$423.67	\$351.65	\$72.02	17%
Family	26	4	0	\$1,016.79	\$843.94	\$172.85	17%
Unicare Indemnity Plan Plus PPO							
Individual	18	20	10	\$577.78	\$479.56	\$98.22	17%
Family	23	2	2	\$1,379.15	\$1,144.69	\$234.46	17%
Non-Medicare Total	1387	277	60				

SECTION 4: Supporting Information for the Town of Brookline June 30, 2012 Measurement Under GASB 43 and 45

Medicare Supplement Plans

Harvard Pilgrim Medicare Enhance	229	\$387.44	\$321.58	\$65.86	17%
Unicare Indemnity Plan Medicare Extension (OME) with CIC	385	\$373.53	\$311.85	\$61.68	17%
Tufts Medicare Compliment	<u>26</u>	\$390.95	\$324.49	\$66.46	17%
Medicare Total	640				

Medicare Advantage Plans

Fallon Senior Plan*	1	\$264.54	\$219.57	\$44.97	17%
Tufts Health Plan Medicare Preferred*	<u>18</u>	\$243.21	\$201.86	\$41.35	17%
Medicare Advantage Total	19				

Retiree Total***

936

* Rates are subject to federal approval and may change January 1, 2013.

** 60 of 719 over-65 retirees are in a non-Medicare plan

*** In addition, there are 673 spouses or surviving spouses of retirees covered under a family or an individual policy.

Retiree Life: \$5,000

Plan Changes

Since the Prior Valuation:

Retiree contribution percentage decreased from 22% to 17% for all plans except the comprehensive indemnity plan, which is at 35%.

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