



**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**JULY 1, 2009 VALUATION**

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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This work product was prepared solely for the Bloomfield Township for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**CERTIFICATION**

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We have performed an actuarial valuation of the Bloomfield Township Other Post-Employment Benefits Program as of July 1, 2009. The results of this valuation, along with supporting data, are set forth in the following report.

Milliman has prepared this report in compliance with Government Accounting Standard No. 45. No attempt is being made to offer any accounting opinion or advice. The calculations reported herein have been made on a basis consistent with our understanding of the plan provisions. Additional determinations may be needed for purposes other than meeting accounting requirements.

In preparing this report, we relied on employee census data and claims and premium information as of the valuation date, furnished by the Bloomfield Township. We performed a limited review of the financial information used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the financial information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate, all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices, and the methods and assumptions produced results which are reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

The actuarial method and assumptions used in this valuation are discussed on pages 17-20 of this report. A summary of the plan provisions starts on page 21 of this report.

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**CERTIFICATION**

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Milliman's work is prepared solely for the internal business use of the Bloomfield Township. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

(a) The Bloomfield Township may provide a copy of Milliman's work, in its entirety, to the Bloomfield Township's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Bloomfield Township; and (b) The Bloomfield Township may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MILLIMAN INC.

September 20, 2010



Steve A. Lemanski, FSA, FCA  
Consulting Actuary

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**BLOOMFIELD TOWNSHIP**  
**OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**OVERVIEW OF GASB 43 AND GASB 45**

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GASB 43 requires OPEB plans to disclose information about asset and liability levels and show historical contribution information. GASB 43 only applies in situations where a separate trust is established to prefund these benefits. GASB 45 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded. GASB 43 was effective starting in FY 2006-07 for a Phase I government, FY 2007-08 for a Phase II government, and FY 2008-09 for a Phase III government. GASB 45 was effective for the fiscal year following implementation of GASB 43.

GASB 43 and 45 apply to just about any benefit that is provided after retirement except for pension benefits: medical insurance, dental, vision, and hearing benefits plus life insurance and long term care insurance. The benefits provided by the Township to retirees include medical and dental insurance plus life insurance. The philosophy driving the accounting standard is that these post-employment benefits are part of the compensation that is paid to employees in return for their services, and the cost of these benefits should be recognized while the employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 43 and 45 extend the same thinking to all other post-employment benefits.

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**BLOOMFIELD TOWNSHIP**  
**OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**THE VALUATION PROCESS**

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The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

**Turnover and retirement rates:** How likely is it that an employee will qualify for post-employment benefits and when will they start?

**Medical inflation and claims costs assumptions:** When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

**Mortality assumption:** How long is a retiree likely to receive the benefits?

**Discount rate assumption:** What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Township, the present value is divided into three pieces: the part that is attributed to past years (the "Accrued Liability" or "Past Service Liability"), the part that is being earned this year (the "Normal Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Normal Cost have been calculated, the next step is to determine an annual contribution. This consists of two pieces:

- Normal Cost – because the benefits earned each year should be paid for each year.
- Past Service Cost – a catch-up payment to fund the Accrued Liability over time.



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**BLOOMFIELD TOWNSHIP**  
**OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**IMPLICIT RATE SUBSIDIES**

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As part of the Other Post-Employment Benefits Program, there are situations where the cost is borne partly or entirely by retirees. In most cases, the premium that is used to split the cost is lower than the true cost of providing the medical benefits, for two reasons:

- The cost sharing premium is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:



- The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit rate subsidy". GASB 43 and 45 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by Milliman's health actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed on the prior page. We term this amount the "gross liability".

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the retiree medical program – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors. We term this amount the "offset liability".

Finally, the net liability for the Township is calculated as the difference between the gross liability and the offset liability.

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**DISCUSSION OF EXPERIENCE**

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This valuation reflects a number of changes relative to the July 1, 2007 valuation:

**Demographic Changes from 2007 to 2009**

From July 1, 2007 to July 1, 2009, the overall membership only increased from 592 to 595. The total number of active members decreased from 279 to 269.

The average age of active members slightly decreased from 41.8 to 41.5, and the average age of retired members also slightly decreased, from 67.1 to 66.7.

This valuation includes 37 retirees, who were not reported with medical coverage in the data as of July 1, 2007.

The effect of reflecting the medical coverage for these 37 retirees was an increase to the Accrued Liability by about \$14,400,000 and the ARC by about \$930,000.

**Assumption Changes**

Medical inflation: Using a new medical inflation model developed by the Society of Actuaries, we revised this assumption to an initial inflation rate of 6.6%, grading down to an ultimate inflation rate of 4.4% over a period of 51 years. (Prior: an initial inflation rate of 9.0% graded down to an ultimate inflation rate of 5.0% over a period of 4 years).

Medical and dental age curves: We updated the age curves with respect to expected claims costs, based on our analysis of the updated claims experience and premium information provided to us for this valuation.

The combined effect of the above changes was an increase to the Accrued Liability by roughly \$1,080,000 and the ARC by about \$130,000.



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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**KEY ASSUMPTIONS**

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Our results are highly dependent on two key assumptions: the rate at which we assume medical costs will increase over time, and the discount rate we use to translate future payments into current dollars.

<b>Medical inflation rate</b>	<b>Medical Benefits</b>	
	<b>Pre-65</b>	<b>Post-65</b>
Initial inflation rate	6.60%	6.60%
Ultimate inflation rate	4.40%	4.40%
Years until ultimate inflation rate	51	51

<b>Discount rate</b>	7.50%
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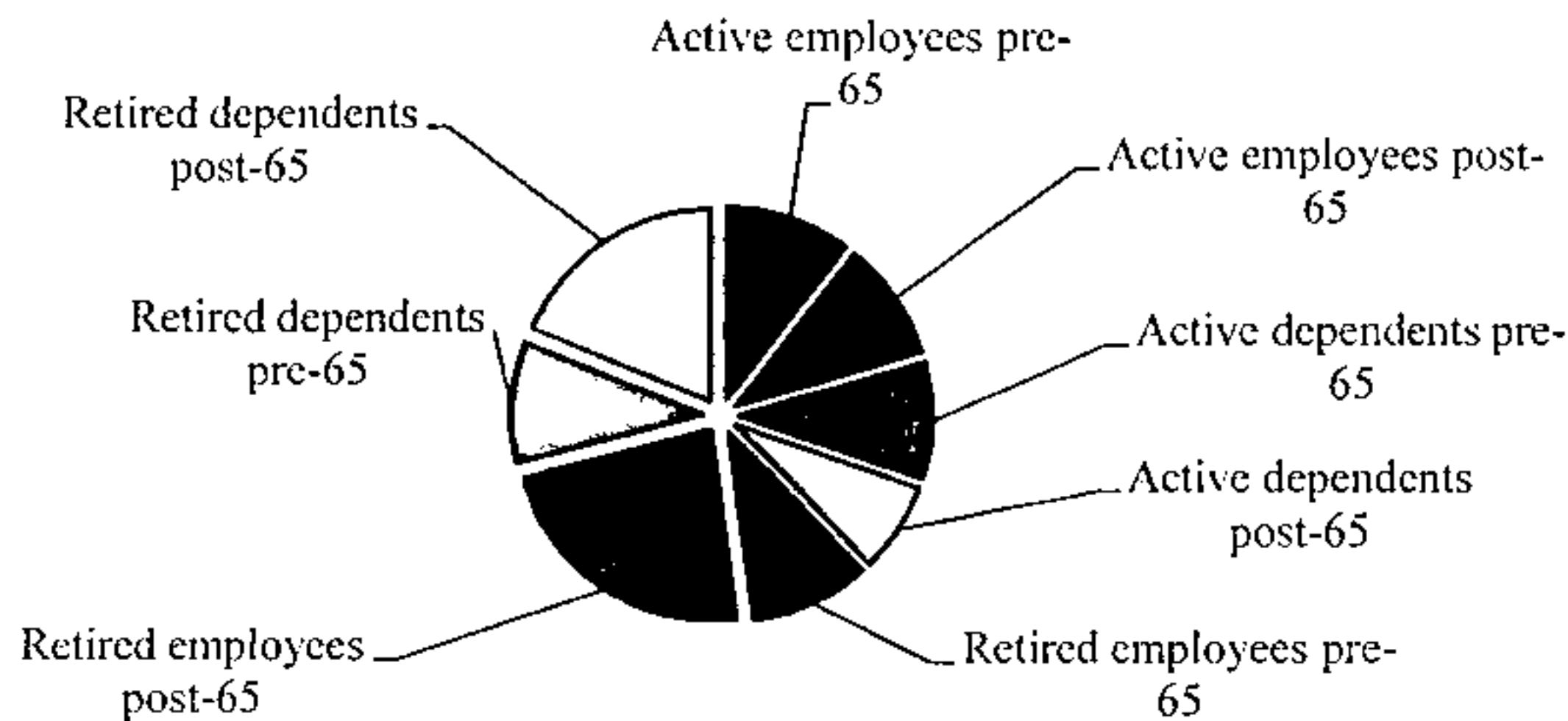
The 7.50% discount rate reflects our understanding that the Township has established an OPEB trust and is prefunding OPEB benefits.

**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**SUMMARY OF LIABILITIES AS OF JULY 1, 2009**

We have calculated the Accrued Liability separately for four groups of Township employees, who are eligible for different OPEB benefits. We have broken the accrued liability for each group into several pieces: benefits that are expected to be paid prior to age 65 (i.e. prior to Medicare) and after age 65 (i.e. after Medicare) to current active members and their covered dependents after retirement, and the same figures for members who have already retired and are currently receiving benefits. In all cases, the Accrued Liability only reflects benefits that are paid for by the Township, taking into account any implicit rate subsidies.

	Fire	Police	Library	Town	Total
<b>Current active members</b>					
Employees under age 65	\$3,122,000	\$2,946,000	\$415,000	\$2,713,000	\$9,196,000
Employees over age 65	2,489,000	1,876,000	961,000	3,437,000	8,763,000
Dependents under age 65	3,633,000	3,061,000	121,000	1,998,000	8,813,000
Dependents over age 65	<u>2,306,000</u>	<u>1,644,000</u>	<u>430,000</u>	<u>2,143,000</u>	<u>6,523,000</u>
Total	11,550,000	9,527,000	1,927,000	10,291,000	33,295,000
<b>Current retired members</b>					
Employees under age 65	2,681,000	2,678,000	208,000	3,223,000	8,790,000
Employees over age 65	5,078,000	6,091,000	1,137,000	7,884,000	20,190,000
Dependents under age 65	3,331,000	3,295,000	51,000	2,516,000	9,193,000
Dependents over age 65	<u>5,852,000</u>	<u>4,823,000</u>	<u>340,000</u>	<u>5,470,000</u>	<u>16,485,000</u>
Total	16,942,000	16,887,000	1,736,000	19,093,000	54,658,000
<b>Total Accrued Liability</b>	<b>28,492,000</b>	<b>26,414,000</b>	<b>3,663,000</b>	<b>29,384,000</b>	<b>87,953,000</b>



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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**ANNUAL REQUIRED CONTRIBUTION**

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The Annual Required Contribution (ARC) for the OPEB program consists of two pieces: a **Normal Cost** (the cost of benefits earned each year should be accrued in that year) plus a **Past Service Cost** (a catch-up accrual to amortize the Unfunded Accrued Liability). The amortization period is 25 years starting on July 1, 2007. The amortization method produces annual payments that will increase over time as payroll grows. On this basis, the ARC is determined as follows:

	<b>Fire</b>	<b>Police</b>	<b>Library</b>	<b>Town</b>	<b>Total</b>
Accrued Liability	\$28,492,000	\$26,414,000	\$3,663,000	\$29,384,000	\$87,953,000
Assets	44,000	41,000	6,000	46,000	137,000
Unfunded Accrued Liability	28,448,000	26,373,000	3,657,000	29,338,000	87,816,000
Amortization Period	23	23	23	23	23
Payroll Growth Rate	4.0%	4.0%	4.0%	4.0%	4.0%
Past Service Cost	1,738,000	1,611,000	223,000	1,792,000	5,364,000
Normal Cost	682,000	741,000	147,000	891,000	2,461,000
Interest	136,000	132,000	21,000	151,000	440,000
<b>ARC for FY 2011</b>	<b>2,556,000</b>	<b>2,484,000</b>	<b>391,000</b>	<b>2,834,000</b>	<b>8,265,000</b>
Expected Benefit Payouts	1,364,000	1,241,000	190,000	1,507,000	4,302,000
<b>Net Budget Impact</b>	<b>1,192,000</b>	<b>1,243,000</b>	<b>201,000</b>	<b>1,327,000</b>	<b>3,963,000</b>

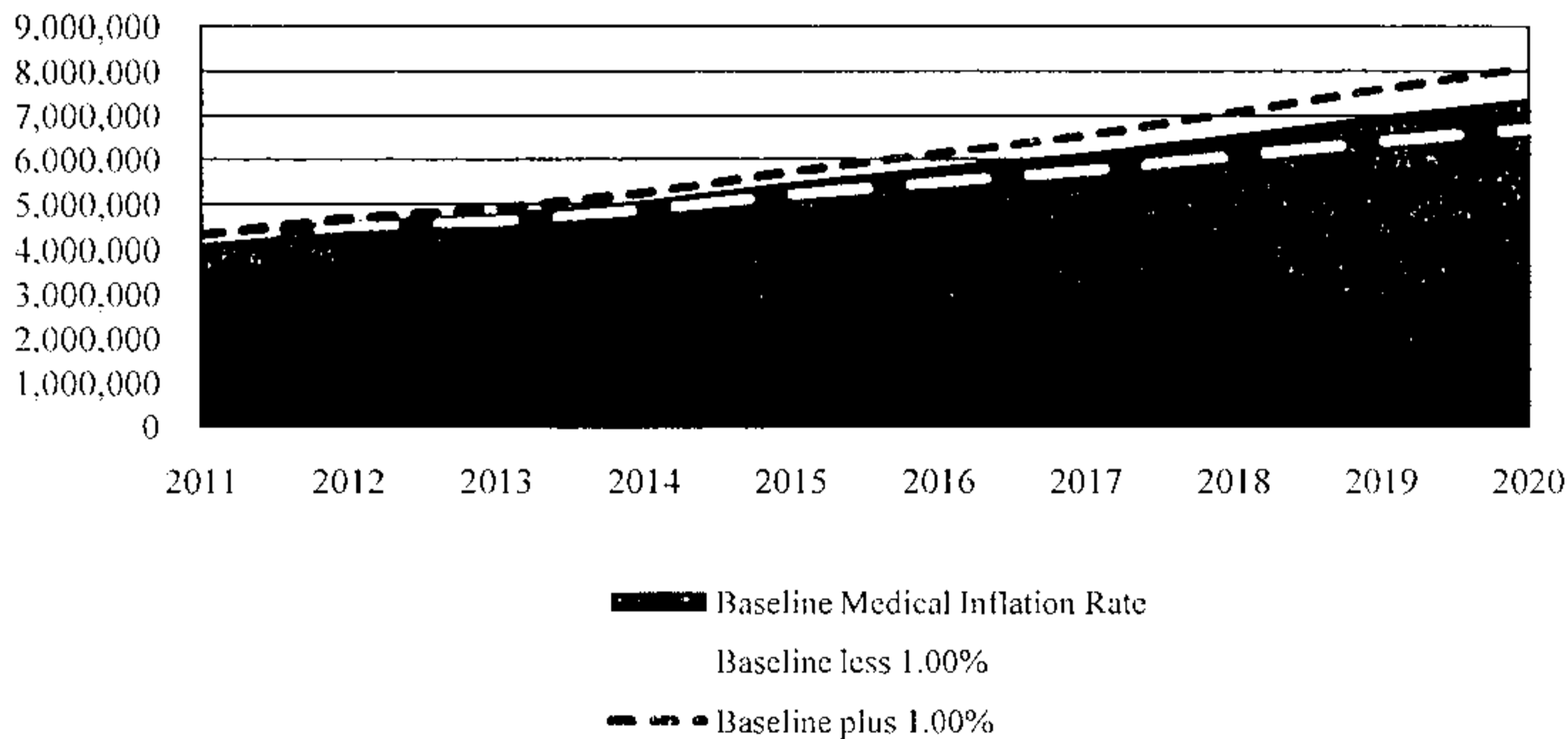
The ARC is assumed to be paid at the beginning of the Fiscal Year.

**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**PROJECTED PAYOUTS**

The annual Township payments for OPEB benefits are expected to rise in coming years, both because medical costs are expected to rise over time and because more employees will retire and start to receive Township-paid OPEB benefits. The table and graph below show the expected annual payments for OPEB benefits for the next 10 years.

Fiscal Year	Baseline less 1.00%	Baseline Medical Inflation Rate	Baseline plus 1.00%
2011	\$4,262,000	\$4,302,000	\$4,342,000
2012	4,518,000	4,603,000	4,689,000
2013	4,628,000	4,760,000	4,895,000
2014	4,871,000	5,058,000	5,250,000
2015	5,205,000	5,456,000	5,717,000
2016	5,484,000	5,803,000	6,138,000
2017	5,737,000	6,129,000	6,544,000
2018	6,076,000	6,553,000	7,063,000
2019	6,417,000	6,987,000	7,601,000
2020	6,692,000	7,356,000	8,079,000



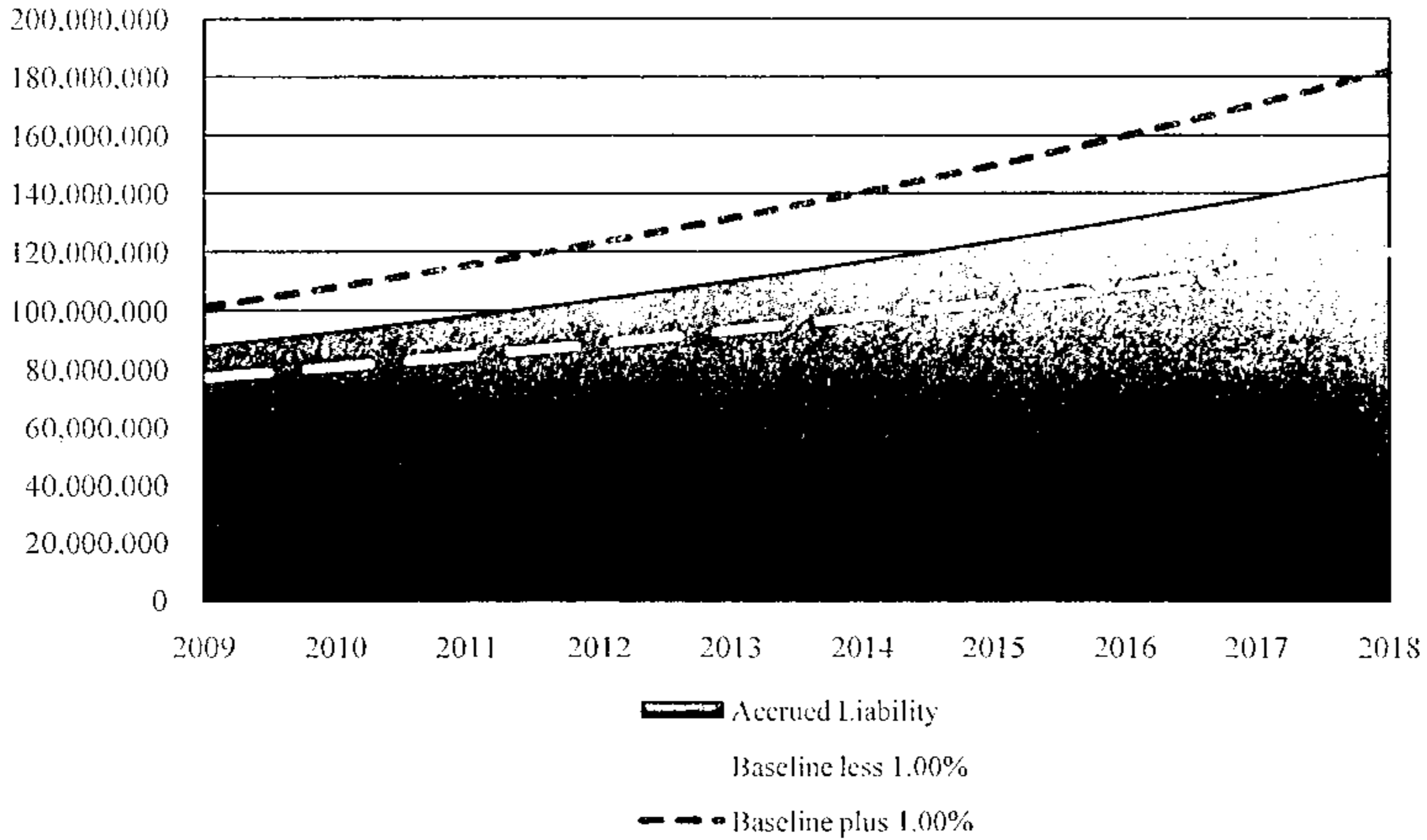
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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**PROJECTED LIABILITIES**

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The graph below shows how the Township's accrued liability for OPEB benefits is expected to grow over the next 10 years.





**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**GASB 45 SCHEDULE OF FUNDING PROGRESS**

The following information is required to be disclosed in the Township's financial statement.

(\$ 000s)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2007	\$0	\$60,646	\$60,646	0%	N/A	N/A
7/1/2009	137	87,953	87,816	0.16%	N/A	N/A

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**BLOOMFIELD TOWNSHIP**  
**OTHER POST-EMPLOYMENT BENEFITS PROGRAM**  
**GASB 45 SCHEDULE OF EMPLOYER CONTRIBUTIONS**

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The following information is required to be disclosed in the Township's financial statement.

(\$ 000s)

<b>Year Ended March 31</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution Made</b>	<b>Percentage Contributed</b>
2011	\$8,265	N/A	N/A

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**SUMMARY OF CENSUS DATA**

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The following were included in our analysis as of July 1, 2009 based on information provided by the Township.

	Fire	Police	Library	Town	Total
<b>Number of members</b>					
Active	60	70	21	118	269
Retired members	45	52	11	72	180
Spouses of retirees	50	40	4	52	146
<b>Total</b>	<b>155</b>	<b>162</b>	<b>36</b>	<b>242</b>	<b>595</b>
<b>Average age</b>					
Active	40.6	36.6	50.5	43.3	41.5
Retired	64.6	64.2	74.8	68.5	66.7
<b>Average retirement age</b>					
Active	55.0	53.0	61.9	59.1	56.8
Retired	55.5	53.9	60.5	57.9	56.3
<b>Expected lifetime</b>					
Active [to retirement]	14.4	16.4	11.4	15.8	15.3
Retired [lifetime]	19.2	19.4	13.9	17.4	18.2

Where complete census data was not available, we have made assumptions which we believe to be reasonable.

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**CURRENT PREMIUMS**

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We received the following information from the Township concerning the current premiums for medical benefits provided to retirees:

<b>2009 - 2010 Monthly Premiums</b>		<b>Employee</b>	<b>Spouse/Family</b>
Medical with Vision	Pre 65	\$584.73	\$1,254.24
	Post 65	359.08	344.61
Medical without Vision	Pre 65	580.73	1,245.30
	Post 65	354.99	335.45
Dental		39.39	65.57

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**MEDICAL COST ADJUSTMENT FACTORS**

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Milliman's Health Cost Guidelines were used to develop the expected relationship of the true cost of medical benefits across age and gender. Representative factors are shown below.

Age	Medical		Dental	
	Employee	Spouse	Employee	Spouse
40	3.04%	1.54%	1.59%	1.38%
45	4.28%	3.07%	1.40%	1.08%
50	4.98%	4.16%	0.74%	0.58%
55	5.18%	3.92%	0.27%	0.07%
60	4.59%	4.01%	0.15%	0.12%
65	2.13%	1.96%	-0.19%	-0.10%
70	2.26%	2.10%	0.00%	0.00%
75	1.61%	1.33%	0.00%	0.00%
80	1.04%	1.33%	0.00%	0.00%



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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**ACTUARIAL METHOD**

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The actuarial funding method used is the **Projected Unit Credit Cost Method**. Recommended annual contributions consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Accrued Liability** is determined directly as the present value of benefits accrued to date, where the accrued benefit for each Member is the pro-rata portion (based on service to date) of the **projected** benefit payable at death, disability, retirement or termination.

The **Normal Cost** is similarly determined as the present value of the portion of the **projected** benefit attributable to the current year.

The **Unfunded Accrued Liability** is the Accrued Liability less the value of any plan assets.

**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**ACTUARIAL ASSUMPTIONS**

<b>Mortality</b>	RP-2000 Mortality Table projected to 2010 with Scale AA.
<b>Payroll Growth Rate</b>	4.00%
<b>Turnover</b>	50% of Connecticut General Scale ½ A

<b>Age</b>	<b>Male</b>	<b>Female</b>
20	2.500%	3.750%
25	2.500	3.750
30	1.875	2.500
35	1.250	1.875
40	0.750	1.250
45	0.375	0.625
50 & Over	0.000	0.000

**Retirement**

**Fire:**

For members hired after March 31, 1999 who retire with less than 25 Years of Service:

<b>Age</b>	<b>Rate</b>
52-64	5%
65	100%

Otherwise:

<b>Age</b>	<b>Rate</b>
52	20%
53-54	10%
55-56	30%
57-64	50%
65	100%

**Police:**

For members hired after March 31, 1999 who retire with less than 25 Years of Service:

<b>Age</b>	<b>Rate</b>
50-62	5%
63	100%

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**ACTUARIAL ASSUMPTIONS**

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**Retirement**

**Police:**

Otherwise:

<b>Age</b>	<b>Rate</b>
50-51	35%
52-54	10%
55-56	30%
57-62	50%
63	100%

**Library:**

25% at age 55 with 25 years of service; at all other ages (with at least 15 years of service):

<b>Age</b>	<b>Rate</b>
55-59	15%
60-61	25%
62	30%
63-64	15%
65-69	50%
70	100%

**Others:**

25% at the earlier of age 52 with 25 years of service or 30 years of service; at all other ages (with at least 15 years of service):

<b>Age</b>	<b>Rate</b>
52-53	5%
54	7%
55	10%
56-59	15%
60-61	25%
62	30%
63-64	15%
65-69	50%
70	100%

**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**ACTUARIAL ASSUMPTIONS**

**Disability** Table C-4 of TSA Volume XXXIX, 150% of the 6-month rates:

Age	Male	Female
20	0.120%	0.150%
30	0.147	0.209
40	0.264	0.413
50	0.809	0.933
60	2.216	1.768

All disabilities are assumed to be Service-Connected.

**Cost Blending** In order to dampen the volatility of premium changes, this valuation is based on 75% of expected costs plus 25% of actual costs.

**Future Retiree Coverage** All active and former vested members are assumed to elect coverage at retirement.

**Future Dependent Coverage** Current active members are assumed to elect dependent coverage at retirement as follows. All female spouses are assumed to be 3 years younger than males.

	Male	Female
<b>Fire</b>	95%	95%
<b>Police</b>	90%	90%
<b>Town</b>	80%	50%

**Future Post-65 Coverage** All current actives and pre-65 retirees are assumed to continue coverage at age 65.

The mortality, turnover, and disability assumptions are based on those used by Prudential Financial in their January 1, 2007 valuation of the Township of Bloomfield Retirement Income Plan.

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**SUMMARY OF PLAN PROVISIONS**

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**Eligibility**

**Fire:**

Members who retire from active service at age 52 or older, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before age 52 with 15 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Normal Retirement for pension purposes is age 52 with 8 years of service.

**Police / Police Command:**

***Hire date prior to April 1, 1999:***

Members who retire from active service on or after Normal Retirement, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before Normal Retirement with 25 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of Normal Retirement Date (age 50).

Members who terminate before Normal Retirement with between 15 and 25 years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Effective for retirement from active service on or after June 7, 2006, eligibility for retiree health insurance is the earlier of age 50 with 25 years of service, or age 52 with 10 years of service, as long as the member has satisfied the minimum requirements to retire as defined in the Township defined benefit pension plan.



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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**SUMMARY OF PLAN PROVISIONS**

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**Eligibility**

**Police / Police Command:**

***Hire date after March 31, 1999:***

Members who retire from active service at age 50 or older and with 25 or more years of service, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before age 50, but who have 25 years of service, are eligible for post-retirement medical and dental benefits upon the attainment of age 50.

Members who terminate with between 15 and 25 years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

**Town:**

***Hire date prior to April 1, 1999:***

Members who retire from active service at age 55 or older, can elect to continue medical and dental coverage for self and spouse, as long as the member has satisfied the minimum requirements to retire as defined in the Township defined benefit pension plan.

Members who retire from active service at age 52 with 15 years of service, or 30 years of service regardless of age, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before normal retirement with 15 or more years of service, are eligible for post-retirement medical and dental benefits upon the attainment of normal retirement date.

Normal Retirement for Library is age 55 with 8 years of service.

Normal Retirement for Town Others is the earlier of age 52 with 8 years of service, or completion of 30 years of service regardless of age.

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

**SUMMARY OF PLAN PROVISIONS**

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**Eligibility**

**Town:**

***Hire date after March 31, 1999:***

Members who retire on or after normal retirement with 15 or more years of service, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before normal retirement with 15 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of normal retirement date.

**Cost Sharing**

**Fire:**

***Hire date prior to April 1, 1999:***

An employee who retires from active service at age 52 or older who has satisfied the minimum requirements to retire as defined in the Township pension plan qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

<b>Years of Service</b>	<b>Retiree's % of Premium</b>
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**SUMMARY OF PLAN PROVISIONS**

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**Cost Sharing**

**Fire:**

*Hire date after March 31, 1999:*

An employee who retires on or after Normal Retirement with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement with 25 years of Service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who retires on or after Normal Retirement or terminates prior to Normal Retirement and has between 15 and 25 Years of Service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

<b>Years of Service</b>	<b>Retiree's % of Premium</b>
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**SUMMARY OF PLAN PROVISIONS**

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**Cost Sharing**

**Police / Police Command:**

*Hire date prior to April 1, 1999:*

An employee who retires from active service on or after Normal Retirement and who has satisfied the minimum requirements to retire as defined in the Township pension plan qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement (age 50) at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at age 52. Retiree's contributions are based on the following schedule:

<b>Years of Service</b>	<b>Retiree's % of Premium</b>
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Retiree's contributions for employees who retire on or after July 1, 2009 are the greater of:

- \$100 per year for single (\$200 per year for family), and
- The above schedule

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**SUMMARY OF PLAN PROVISIONS**

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**Cost Sharing**

**Police / Police Command:**

*Hire date after March 31, 1999:*

An employee who retires directly from the Township at age 50 or older with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to age 50 with 25 years of service qualifies for post-retirement health insurance at age 50 at no cost.

An employee who retires at age 52 or terminates prior to age 52, and who has between 15 and 25 years of service, qualifies for post-retirement health insurance at age 52. Retiree's contributions are based on the following schedule:

<b>Years of Service</b>	<b>Retiree's % of Premium</b>
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Retiree's contributions for employees who retire on or after July 1, 2009 are the greater of:

- \$100 per year for single (\$200 per year for family), and
- The above schedule.



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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**SUMMARY OF PLAN PROVISIONS**

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**Cost Sharing**

**Town:**

*Hire date prior to April 1, 1999:*

An employee who retires from active service at the earlier of age 55 or 30 years of service regardless of age, and who has satisfied the minimum requirements to retire as defined in the Township pension plan, qualifies for post-retirement health insurance at no cost.

An employee who retires from active service between age 52 and 55 with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who retires between age 52 and 55 and has between 15 and 25 years of service qualifies for post-retirement health insurance. Retiree's contributions are based on the following schedule (contribution will stop when retiree reaches age 55):

<b>Years of Service</b>	<b>Retiree's % of Premium</b>
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**SUMMARY OF PLAN PROVISIONS**

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**Cost Sharing**

**Town:**

*Hire date prior to April 1, 1999:*

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

<b>Years of Service</b>	<b>Retiree's % of Premium</b>
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**SUMMARY OF PLAN PROVISIONS**

---

**Cost Sharing**

**Town:**

*Hire date after March 31, 1999:*

An employee who retires from active service on or after Normal Retirement with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who retires on or after Normal Retirement, or terminates prior to Normal Retirement, and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

<b>Years of Service</b>	<b>Retiree's % of Premium</b>
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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**BLOOMFIELD TOWNSHIP  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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**SUMMARY OF PLAN PROVISIONS**

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**Disability**

**Fire:** An employee who is eligible for early retirement and suffers a service-connected disability shall receive the same post-retirement health and dental insurance benefits that available to an employee who retires on or after their Normal Retirement Date. An employee who is not eligible for early retirement and suffers a service-connected disability shall receive post-retirement health and dental insurance benefits for 54 months only.

**Police / Police Command:** An employee who suffers a service-connected disability shall receive post-retirement health benefits for 54 months only. An employee who suffers a non service-connected disability shall receive post-retirement health benefits for 30 months only.

**Dental and Vision**

**Fire:** Available for employees who retire on or after October 24, 1996.

**Police:** Available for employees who retire on or after June 3, 1996.

**Police Command:** Available for employees who retire on or after July 2, 1996.

**Life Insurance**

**Fire / Police:** \$6,000

**Police Command:** \$8,000

**Town:** \$8,000

This summary is intended only to describe our understanding of the essential features of the benefits that will be provided to future retirees based on copies of bargaining agreements, the Township's personnel rules and the benefits being currently provided to retired members. All eligibility requirements and benefit amounts shall be determined in strict accordance with the relevant plan documents. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.