

Town of Westwood

Actuarial Valuation and Review of Other
Postemployment Benefits (OPEB) as of
June 30, 2013 in accordance with GASB Statements
No. 43 and No. 45





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January 21, 2014

*Ms. Pam Dukeman
Finance Director
580 High Street
Westwood, MA 02090*

Dear Ms. Dukeman:

We are pleased to submit this report on our actuarial valuation of postemployment welfare benefits as of June 30, 2013 under Governmental Accounting Standards Board (GASB) 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, 2013 and summarizes the actuarial data.


This report is based on information received from the Town. 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,

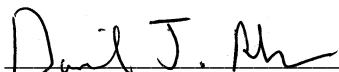
Segal Consulting, a Member of The Segal Group, Inc.

By:



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SECTION 1

EXECUTIVE SUMMARY

Purpose	1
Highlights of the Valuation	1
Key Valuation Results	3
Accounting Requirements	4

SECTION 2

VALUATION RESULTS

Summary of Valuation Results.....	7
Funding Schedule	8
Projection of ARC	9
Department Results.....	11
Actuarial Certification	12

SECTION 3

VALUATION DETAILS

CHART 1 Required Supplementary Information – Schedule of Employer Contributions	13
CHART 2 Required Supplementary Information – Schedule of Funding Progress	14
CHART 3 Required Supplementary Information – Net OPEB Obligation/(Asset) (NOO/NOA)	15
CHART 4 Summary of Required Supplementary Information	16

SECTION 4

SUPPORTING INFORMATION

EXHIBIT I Summary of Participant Data....	17
EXHIBIT II Actuarial Assumptions and Actuarial Cost Method.....	18
EXHIBIT III Summary of Plan	28

SECTION 1: Executive Summary for Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

PURPOSE

This report presents the results of our actuarial valuation of the Town of Westwood (the “Employer”) postemployment welfare benefit plan as of June 30, 2013. 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, 2014, we project the Town will pay benefits (net of retiree contributions) on behalf of retired employees of about \$2,001,000. This amount is less than the annual “cost” (the “Annual Required Contribution,” or ARC) of approximately \$4,737,000.

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. 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.

As of June 30, 2013, the Town of Westwood has \$612,433 in assets which we have assumed are in a qualified OPEB Trust. So far, the Town has contributed \$503,000 in fiscal year 2014 and has budgeted \$535,000 for fiscal year 2015 and each year thereafter.

Based on the Town’s funding policy, we have determined a blended rate of 5.25%. The blending is based on a funded discount rate of 7.75% and a pay-as-you-go discount rate of 4.00%. Previously, a 4.00% pay-as-you-go rate was used.

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% per 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.”

To be considered a fully funded plan, the “contribution in relation to the ARC” must equal the ARC. For example, if the ARC calculated at the funded discount rate of 7.75% is \$3,608,000, and the employer pays benefits to retirees of \$2,001,000, then an additional contribution of the difference, or approximately \$1,607,000 will need to be added to an OPEB trust fund during the fiscal year ending June 30, 2014.

We have included a funding schedule and a projection of the ARC based on the current funding policy on pages 8 and 9 of this report. On page 10, we have included an additional projection with contributions of \$600,000 per year added into the OPEB Trust.

SECTION 1: Executive Summary for Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

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 the excise tax on high cost health plans beginning in 2018 (reflected in this valuation) and those previously adopted as of the valuation date.

SECTION 1: Executive Summary for Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

KEY VALUATION RESULTS

- The **unfunded actuarial accrued liability (UAAL)** as of June 30, 2013 is \$55,916,000. 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, 2013 the ratio of assets to the AAL (the funded ratio) is 1.10%.
- The **Annual Required Contribution (ARC)** for fiscal year 2014 is \$4,737,000. 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.

The unfunded liability has decreased by \$3,138,000 from \$59,054,000 shown in the prior valuation report completed by Buck Consultants to \$55,916,000 shown in this report. The decrease is the result of expected factors (continuing accruals for active members, interest on the unfunded obligation, less contributions), as well as favorable per capita cost experience, changes in medical trend and other assumptions detailed later in the report, and an increase in the discount rate from 4.00% (pay-as-you-go) to 5.25% (partially funded).

SECTION 1: Executive Summary for Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

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.

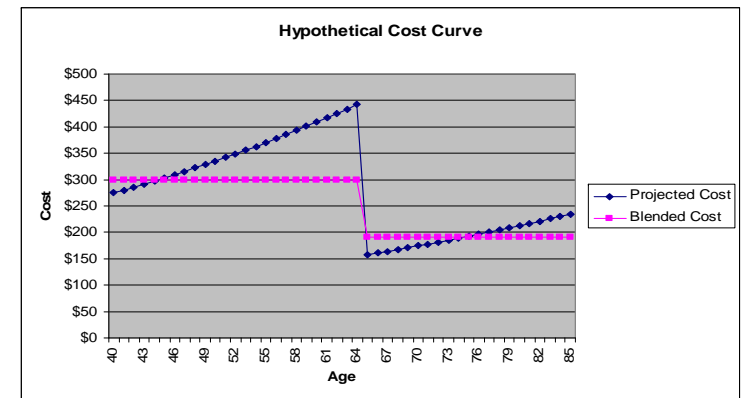
The statements cover postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. These benefits,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

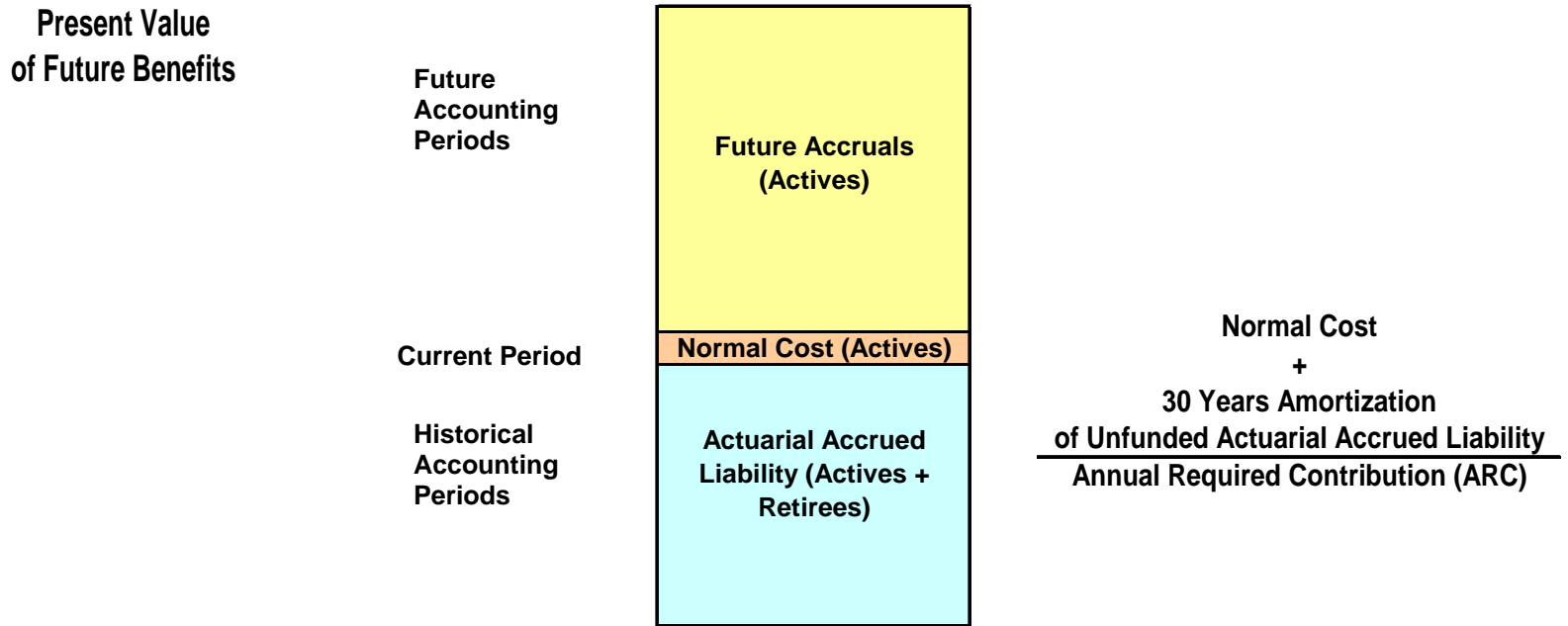


SECTION 1: Executive Summary for Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

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 Westwood June 30, 2013 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 Westwood June 30, 2013 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 partially funded basis.

	Funded (7.75% interest rate)	Partially Funded (5.25% interest rate)
Actuarial Accrued Liability (AAL) by Participant Category		
1. Current retirees, beneficiaries and dependents	\$21,833,885	\$27,786,706
2. Current active members	<u>18,081,712</u>	<u>28,741,999</u>
3. Total actuarial accrued liability (AAL) as of June 30, 2013: (1) + (2)	\$39,915,597	\$56,528,705
4. Actuarial value of assets as of June 30, 2013	<u>612,433</u>	<u>612,433</u>
5. Unfunded actuarial accrued liability (UAAL) as of June 30, 2013: (3) – (4)	\$39,303,164	\$55,916,272
Annual Required Contribution for Fiscal Year Ending June 30, 2014		
6. Normal cost as of July 1, 2013	\$1,385,811	\$2,412,789
7. Adjustment for timing	<u>52,697</u>	<u>62,526</u>
8. Normal cost adjusted for timing: (6) + (7)	\$1,438,508	\$2,475,315
9. 30-year amortization (increasing 4.0% per year) of the UAAL as of June 30, 2013	2,090,016	2,204,623
10. Adjustment for timing	<u>79,476</u>	<u>57,131</u>
11. Amortization payment adjusted for timing: (9) + (10)	\$2,169,492	\$2,261,754
12. Total Annual Required Contribution (ARC): (8) + (11)	3,608,000	4,737,069
13. Projected benefit payments	\$2,001,493	\$2,001,493

Note: Assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

FUNDING SCHEDULE

30 Years Closed (7.75% discount rate, payments increasing 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)
2014	\$2,001,494	\$1,438,508	\$2,169,492	\$3,608,000	\$1,606,506	\$2,327,493	\$42,424,660	\$40,097,167
2015	2,198,906	1,510,433	2,256,272	3,766,705	1,567,799	4,135,291	44,997,918	40,862,627
2016	2,388,557	1,585,955	2,346,523	3,932,478	1,543,921	6,058,408	47,652,134	41,593,726
2017	2,588,423	1,665,253	2,440,384	4,105,637	1,517,214	8,102,844	50,386,899	42,284,055
2018	2,792,373	1,748,516	2,537,999	4,286,515	1,494,142	10,281,774	53,208,332	42,926,558
2019	2,956,266	1,835,942	2,639,519	4,475,461	1,519,195	12,655,577	56,169,051	43,513,474
2020	3,173,013	1,927,739	2,745,100	4,672,839	1,499,826	15,193,244	59,229,524	44,036,280
2021	3,323,393	2,024,126	2,854,904	4,879,030	1,555,637	17,985,514	62,471,138	44,485,624
2022	3,438,518	2,125,332	2,969,100	5,094,432	1,655,914	21,098,275	65,949,529	44,851,254
2023	3,667,674	2,231,599	3,087,864	5,319,463	1,651,789	24,447,993	69,569,933	45,121,940
2024	3,841,282	2,343,179	3,211,379	5,554,558	1,713,276	28,121,139	73,406,531	45,285,392
2025	4,033,347	2,460,338	3,339,834	5,800,172	1,766,825	32,134,539	77,462,711	45,328,172
2026	4,235,014	2,583,355	3,473,427	6,056,782	1,821,768	36,516,010	81,751,605	45,235,595
2027	4,446,765	2,712,523	3,612,364	6,324,887	1,878,122	41,295,542	86,287,164	44,991,622
2028	4,669,103	2,848,149	3,756,859	6,605,008	1,935,905	46,505,468	91,084,220	44,578,752
2029	4,902,558	2,990,556	3,907,133	6,897,689	1,995,131	52,180,642	96,158,537	43,977,895
2030	5,147,686	3,140,084	4,063,418	7,203,502	2,055,816	58,358,634	101,526,879	43,168,245
2031	5,405,070	3,297,088	4,225,955	7,523,043	2,117,973	65,079,941	107,207,070	42,127,129
2032	5,675,324	3,461,942	4,394,993	7,856,935	2,181,611	72,388,207	113,218,068	40,829,861
2033	5,959,090	3,635,039	4,570,793	8,205,832	2,246,742	80,330,472	119,580,041	39,249,569
2034	6,257,044	3,816,791	4,753,625	8,570,416	2,313,372	88,957,426	126,314,446	37,357,020
2035	6,569,896	4,007,631	4,943,770	8,951,401	2,381,505	98,323,693	133,444,115	35,120,422
2036	6,898,391	4,208,013	5,141,521	9,349,534	2,451,143	108,488,132	140,993,349	32,505,217
2037	7,243,311	4,418,414	5,347,182	9,765,596	2,522,285	119,514,162	148,988,014	29,473,852
2038	7,605,476	4,639,335	5,561,069	10,200,404	2,594,928	131,470,115	157,455,651	25,985,536
2039	7,985,750	4,871,302	5,783,512	10,654,814	2,669,064	144,429,609	166,425,583	21,995,974
2040	8,385,038	5,114,867	6,014,852	11,129,719	2,744,681	158,471,957	175,929,040	17,457,083
2041	8,804,290	5,370,610	6,255,446	11,626,056	2,821,766	173,682,603	185,999,288	12,316,685
2042	9,244,504	5,639,141	6,505,664	12,144,805	2,900,301	190,153,595	196,671,769	6,518,174
2043	9,706,729	5,921,098	6,765,891	12,686,989	2,980,260	207,984,089	207,984,089	-

Note: Assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

PROJECTION OF ARC

30 Years Open (5.25% discount rate, payments increasing 4.0%)

Fiscal Year Ended June 30	(1) Projected Benefit Payments	(2) Normal Cost with Interest	(3) Amortization of UAAL	(4) ARC (3) + (2)	(5) Additional Funding	(6) Assets at End of Year	(7) AAL at End of Year	(8) UAAL at End of Year (7) – (6)
2014	\$2,001,494	\$2,475,315	\$2,261,754	\$4,737,069	\$503,000	\$1,182,024	\$59,982,561	\$58,800,537
2015	2,198,906	2,599,080	2,378,420	4,977,500	535,000	1,828,975	63,542,190	61,713,215
2016	2,388,557	2,729,034	2,496,235	5,225,269	535,000	2,526,065	67,227,455	64,701,390
2017	2,588,423	2,865,486	2,617,103	5,482,589	535,000	3,277,179	71,041,139	67,763,960
2018	2,792,373	3,008,760	2,740,981	5,749,741	535,000	4,086,505	74,992,793	70,906,288
2019	2,956,266	3,159,198	2,868,085	6,027,283	535,000	4,958,554	79,138,105	74,179,551
2020	3,173,013	3,317,158	3,000,485	6,317,643	535,000	5,898,186	83,440,736	77,542,550
2021	3,323,393	3,483,016	3,136,514	6,619,530	535,000	6,910,640	87,985,134	81,074,494
2022	3,438,518	3,657,167	3,279,378	6,936,545	535,000	8,001,559	92,828,669	84,827,110
2023	3,667,674	3,840,025	3,431,167	7,271,192	535,000	9,177,024	97,878,991	88,701,967
2024	3,841,282	4,032,026	3,587,901	7,619,927	535,000	10,443,588	103,213,325	92,769,737
2025	4,033,347	4,233,627	3,752,438	7,986,065	535,000	11,808,311	108,837,495	97,029,184
2026	4,235,014	4,445,308	3,924,728	8,370,036	535,000	13,278,800	114,767,207	101,488,407
2027	4,446,765	4,667,573	4,105,099	8,772,672	535,000	14,863,251	121,019,015	106,155,764
2028	4,669,103	4,900,952	4,293,889	9,194,841	535,000	16,570,497	127,610,370	111,039,873
2029	4,902,558	5,146,000	4,491,446	9,637,446	535,000	18,410,055	134,559,665	116,149,610
2030	5,147,686	5,403,300	4,698,129	10,101,429	535,000	20,392,179	141,886,285	121,494,106
2031	5,405,070	5,673,465	4,914,309	10,587,774	535,000	22,527,917	149,610,665	127,082,748
2032	5,675,324	5,957,138	5,140,363	11,097,501	535,000	24,829,175	157,754,342	132,925,167
2033	5,959,090	6,254,995	5,376,683	11,631,678	535,000	27,308,780	166,340,018	139,031,238
2034	6,257,044	6,567,745	5,623,667	12,191,412	535,000	29,980,555	175,391,622	145,411,067
2035	6,569,896	6,896,132	5,881,724	12,777,856	535,000	32,859,392	184,934,372	152,074,980
2036	6,898,391	7,240,939	6,151,273	13,392,212	535,000	35,961,339	194,994,851	159,033,512
2037	7,243,311	7,602,986	6,432,738	14,035,724	535,000	39,303,687	205,601,076	166,297,389
2038	7,605,476	7,983,135	6,726,554	14,709,689	535,000	42,905,067	216,782,578	173,877,511
2039	7,985,750	8,382,292	7,033,162	15,415,454	535,000	46,785,554	228,570,481	181,784,927
2040	8,385,038	8,801,407	7,353,009	16,154,416	535,000	50,966,779	240,997,590	190,030,811
2041	8,804,290	9,241,477	7,686,546	16,928,023	535,000	55,472,049	254,098,480	198,626,431
2042	9,244,504	9,703,551	8,034,230	17,737,781	535,000	60,326,477	267,909,593	207,583,116
2043	9,706,729	10,188,729	8,396,518	18,585,247	535,000	65,557,123	282,469,337	216,912,214

Note: Assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

PROJECTION OF ARC

30 Years Open (5.25% discount rate, payments increasing 4.0%)

Fiscal Year Ended June 30	(1) Projected Benefit Payments	(2) Normal Cost with Interest	(3) Amortization of UAAL	(4) ARC (3) + (2)	(5) Additional Funding	(6) Assets at End of Year	(7) AAL at End of Year	(8) UAAL at End of Year (7) – (6)
2014	\$2,001,494	\$2,475,315	\$2,261,754	\$4,737,069	\$600,000	\$1,282,713	\$59,982,561	\$58,699,848
2015	2,198,906	2,599,080	2,374,347	4,973,427	600,000	2,004,939	63,542,190	61,537,251
2016	2,388,557	2,729,034	2,489,117	5,218,151	600,000	2,783,138	67,227,455	64,444,317
2017	2,588,423	2,865,486	2,606,705	5,472,191	600,000	3,621,647	71,041,139	67,419,492
2018	2,792,373	3,008,760	2,727,047	5,735,807	600,000	4,525,141	74,992,793	70,467,652
2019	2,956,266	3,159,198	2,850,342	6,009,540	600,000	5,498,656	79,138,105	73,639,449
2020	3,173,013	3,317,158	2,978,638	6,295,796	600,000	6,547,618	83,440,736	76,893,118
2021	3,323,393	3,483,016	3,110,246	6,593,262	600,000	7,677,875	87,985,134	80,307,259
2022	3,438,518	3,657,167	3,248,344	6,905,511	600,000	8,895,726	92,828,669	83,932,943
2023	3,667,674	3,840,025	3,394,999	7,235,024	600,000	10,207,961	97,878,991	87,671,030
2024	3,841,282	4,032,026	3,546,201	7,578,227	600,000	11,621,894	103,213,325	91,591,431
2025	4,033,347	4,233,627	3,704,777	7,938,404	600,000	13,145,407	108,837,495	95,692,088
2026	4,235,014	4,445,308	3,870,644	8,315,952	600,000	14,786,992	114,767,207	99,980,215
2027	4,446,765	4,667,573	4,044,094	8,711,667	600,000	16,555,800	121,019,015	104,463,215
2028	4,669,103	4,900,952	4,225,427	9,126,379	600,000	18,461,691	127,610,370	109,148,679
2029	4,902,558	5,146,000	4,414,949	9,560,949	600,000	20,515,288	134,559,665	114,044,377
2030	5,147,686	5,403,300	4,612,975	10,016,275	600,000	22,728,039	141,886,285	119,158,246
2031	5,405,070	5,673,465	4,819,826	10,493,291	600,000	25,112,278	149,610,665	124,498,387
2032	5,675,324	5,957,138	5,035,829	10,992,967	600,000	27,681,296	157,754,342	130,073,046
2033	5,959,090	6,254,995	5,261,318	11,516,313	600,000	30,449,413	166,340,018	135,890,605
2034	6,257,044	6,567,745	5,496,632	12,064,377	600,000	33,432,059	175,391,622	141,959,563
2035	6,569,896	6,896,132	5,742,115	12,638,247	600,000	36,645,860	184,934,372	148,288,512
2036	6,898,391	7,240,939	5,998,114	13,239,053	600,000	40,108,730	194,994,851	154,886,121
2037	7,243,311	7,602,986	6,264,980	13,867,966	600,000	43,839,973	205,601,076	161,761,103
2038	7,605,476	7,983,135	6,543,066	14,526,201	600,000	47,860,387	216,782,578	168,922,191
2039	7,985,750	8,382,292	6,832,725	15,215,017	600,000	52,192,383	228,570,481	176,378,098
2040	8,385,038	8,801,407	7,134,308	15,935,715	600,000	56,860,109	240,997,590	184,137,481
2041	8,804,290	9,241,477	7,448,167	16,689,644	600,000	61,889,584	254,098,480	192,208,896
2042	9,244,504	9,703,551	7,774,647	17,478,198	600,000	67,308,843	267,909,593	200,600,750
2043	9,706,729	10,188,729	8,114,089	18,302,818	600,000	73,148,095	282,469,337	209,321,242

Note: Assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

DEPARTMENT RESULTS

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

	General Government	School	Public Safety	DPW	Sewer	Total
Actuarial Accrued Liability (AAL) by Participant Category						
1. Current retirees, beneficiaries and dependents	\$2,324,337	\$16,612,907	\$7,342,205	\$1,228,988	\$278,269	\$27,786,706
2. Current active members	<u>2,404,246</u>	<u>17,184,051</u>	<u>7,594,627</u>	<u>1,271,240</u>	<u>287,836</u>	<u>28,741,999</u>
3. Total actuarial accrued liability (AAL) as of June 30, 2013: (1) + (2)	\$4,728,583	\$33,796,958	\$14,936,832	\$2,500,228	\$566,105	\$56,528,705
4. Actuarial value of assets as of June 30, 2013	<u>51,230</u>	<u>366,156</u>	<u>161,826</u>	<u>27,088</u>	<u>6,133</u>	<u>612,433</u>
5. Unfunded actuarial accrued liability (UAAL) as of June 30, 2013: (3) – (4)	\$4,677,353	\$33,430,802	\$14,775,006	\$2,473,140	\$559,972	\$55,916,272
Annual Required Contribution for Fiscal Year Ending June 30, 2014						
6. Normal cost as of July 1, 2013	\$148,765	\$1,605,193	\$548,214	\$91,955	\$18,662	\$2,412,789
7. Adjustment for timing	<u>3,855</u>	<u>41,597</u>	<u>14,207</u>	<u>2,383</u>	<u>484</u>	<u>62,526</u>
8. Normal cost adjusted for timing: (6) + (7)	\$152,620	\$1,646,790	\$562,421	\$94,338	\$19,146	\$2,475,315
9. 30-year amortization (increasing 4.0% per year) of the UAAL as of June 30, 2013	\$184,415	\$1,318,084	\$582,537	\$97,509	\$22,078	\$2,204,623
10. Adjustment for timing	<u>4,779</u>	<u>34,157</u>	<u>15,096</u>	<u>2,527</u>	<u>572</u>	<u>57,131</u>
11. Amortization payment adjusted for timing: (9) + (10)	\$189,194	\$1,352,241	\$597,633	\$100,036	\$22,650	\$2,261,754
12. Total Annual Required Contribution (ARC): (8) + (11)	341,814	2,999,031	1,160,054	194,374	41,796	4,737,069
13. Projected benefit payments	\$475,190	\$1,099,054	\$380,742	\$41,943	\$4,564	\$2,001,493

Notes: Assumes payment in the middle of the fiscal year.

Retiree liabilities and projected benefit payments are estimated based on distribution of active liabilities in these subgroups.

Assets as of June 30, 2013 are allocated in proportion to liabilities.

SECTION 2: Valuation Results for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

January 21, 2014

ACTUARIAL CERTIFICATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. has conducted an actuarial valuation of certain benefit obligations of the Town of Westwood other postemployment benefit programs as of June 30, 2013, 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 and premium data provided by the Town or from vendors employed by the Town. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

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 Westwood June 30, 2013 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
2009	\$5,973,531	\$1,302,000	21.8%
2010	4,289,421	1,078,212	25.1%
2011	4,551,079	1,156,674	25.4%
2012	4,966,914	1,751,826	35.3%
2013	5,240,423	1,884,014	36.0%
2014	4,952,164	2,504,494	50.6%
2015	5,222,092	--	--

*Notes: 2014 actual contributions include \$503,000 of additional funding.
2015 information will be completed when actual contributions are known.*

SECTION 3: Valuation Details for the Town of Westwood June 30, 2013 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	\$53,091,156	\$53,091,156	0.00%	\$29,437,171	180.35%
06/30/2009	0	49,334,499	49,334,499	0.00%	39,100,816	126.17%
06/30/2011	0	59,054,291	59,054,291	0.00%	37,620,046	156.98%
06/30/2013	612,433	56,528,705	55,916,272	1.10%	40,499,858	138.07%

SECTION 3: Valuation Details for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

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

Fiscal Year Ended June 30,	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost (a) + (b) + (c) (d)	Actual Contribution Amount (e)	Net Increase in NOO (d) - (e) (f)	NOO as of Following Date (g)
2009	\$5,973,531	\$0	\$0	\$5,973,531	\$1,302,000	\$4,671,531	\$4,671,531
2010	4,260,901	163,504	(134,984)	4,289,421	1,078,212	3,211,209	7,882,740
2011	4,502,956	275,896	(227,773)	4,551,079	1,156,674	3,394,405	11,277,145
2012	4,891,733	451,086	(375,905)	4,966,914	1,751,826	3,215,088	14,492,233
2013	5,143,808	579,689	(483,074)	5,240,423	1,884,014	3,356,409	17,848,642
2014	4,737,069	937,054	(721,959)	4,952,164	2,504,494	2,447,670	20,296,312
2015	4,977,500	1,065,556	(820,964)	5,222,092	--	--	--

*Notes: 2014 actual contributions include \$503,000 of additional funding.
2015 information will be completed when actual contributions are known.*

SECTION 3: Valuation Details for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

**CHART 4
Summary of Required Supplementary Information**

Valuation date	June 30, 2013
Actuarial cost method	Projected Unit Credit
Amortization method	Payments increasing at 4.0%
Remaining amortization period	30 years open
Asset valuation method	Market value
Actuarial assumptions:	
Asset rate of return	7.75%
Discount rate	5.25%
Medical/drug trend rate	7.5% decreasing by 0.5% for 5 years to an ultimate level of 5.0% per year
Part B premium trend rate	6.00%
Plan membership:	
Current retirees, beneficiaries, and dependents*	400
Current active participants	<u>421</u>
Total	821

* Includes 28 retirees with life insurance only.

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

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

EXHIBIT I
Summary of Participant Data

Active employees covered for medical benefits as of July 1, 2013

Number of employees	
Male	155
Female	<u>260</u>
Total	421
Average age	44.6
Average service	10.4

Retired employees, spouses and beneficiaries covered for medical benefits as of July 1, 2013

Number of individuals	372
Average age	73.1

Retired employees with life insurance coverage as of July 1, 2013*

Number of individuals	198
Average age	75.5

* 28 retirees have life insurance only.

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 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 Westwood.
Actuarial Cost Method:	Projected Unit Credit
Per Capita Cost Development:	Per capita costs were based on the fully insured premium rates effective July 1, 2013 for non-Medicare plans and January 1, 2013 for Medicare plans. 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. 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.
Measurement Date:	June 30, 2013
Discount Rate:	5.25% partially funded (the blending is based on a funded discount rate of 7.75% and a pay-as-you-go discount rate of 4.00%) 7.75% funding
Mortality Rates:	
<i>Pre-Retirement (Non-Teachers)</i>	RP-2000 Healthy Employee Mortality Table projected 15 years with Scale AA
<i>Healthy (Non-Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table projected 15 years with Scale AA
<i>Disabled (Non-Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table set forward 2 years
<i>Pre-Retirement (Teachers)</i>	RP-2000 Combined Healthy White Collar Table projected 20 years with Scale AA
<i>Healthy and Disabled (Teachers)</i>	RP-2000 Healthy Annuitant with Large Benefit Amount Adjustment Mortality Table projected 15 years with Scale AA
	The mortality assumptions were determined to contain provisions appropriate to reflect future mortality improvement.

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

Termination Rates before Retirement:

Groups 1 and 2 (excluding Teachers) - Rate per year (%)

Age	Mortality		
	Male	Female	Disability
20	0.02	0.01	0.01
25	0.03	0.01	0.02
30	0.04	0.02	0.03
35	0.07	0.04	0.05
40	0.09	0.05	0.10
45	0.11	0.07	0.15
50	0.13	0.11	0.19
55	0.18	0.21	0.24
60	0.32	0.35	0.28

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

Group 4 - Rate per year (%)

Age	Mortality		
	Male	Female	Disability
20	0.02	0.01	0.10
25	0.03	0.01	0.20
30	0.04	0.02	0.30
35	0.07	0.04	0.30
40	0.09	0.05	0.30
45	0.11	0.07	1.00
50	0.13	0.11	1.25
55	0.18	0.21	1.20
60	0.32	0.35	0.85

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

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

Age	Teachers - Rate per year (%)		
	Mortality		Disability
	Male	Female	
20	0.02	0.01	0.00
25	0.03	0.02	0.01
30	0.03	0.02	0.01
35	0.05	0.04	0.01
40	0.08	0.05	0.01
45	0.10	0.07	0.03
50	0.14	0.11	0.05
55	0.23	0.22	0.07
60	0.40	0.42	0.07

*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 Westwood June 30, 2013 Measurement Under GASB 43 and 45

Withdrawal Rates:

		Rate per year (%)	
Years of Service	Groups 1 and 2	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	7.6		
6	7.5		
7	6.7		
8	6.3		
9	5.9		
10	5.4		
11	5.0		
12	4.6		
13	4.1		
14	3.7		
15	3.3		
16 – 20	2.0		
21 – 29	1.0		
30+	0.0		

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

Withdrawal Rates:

Age	Teachers - Rate per year (%)					
	0 Years of Service		5 Years of Service		10+ Years of Service	
	Male	Female	Male	Female	Male	Female
20	13.0	10.0	5.5	7.0	1.5	5.0
30	15.0	15.0	5.4	8.8	1.5	4.5
40	13.3	10.5	5.2	5.0	1.7	2.2
50	16.2	9.8	7.0	5.0	2.3	2.0

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

Retirement Rates:

Age	Rate per year (%)		
	Groups 1 and 2 (excluding Teachers)		
	Male	Female	Group 4
45 - 49	--	--	1.0%
50	1.0	1.5	2.0
51	1.0	1.5	2.0
52	1.0	2.0	2.0
53	1.0	2.5	5.0
54	2.0	2.5	7.5
55	2.0	5.5	15.0
56	2.5	6.5	10.0
57	2.5	6.5	10.0
58	5.0	6.5	10.0
59	6.5	6.5	15.0
60	12.0	5.0	20.0
61	20.0	13.0	20.0
62	30.0	15.0	25.0
63	25.0	12.5	25.0
64	22.0	18.0	30.0
65	40.0	15.0	100.0
66	25.0	20.0	100.0
67	25.0	20.0	100.0
68	30.0	25.0	100.0
69	30.0	20.0	100.0
70	100.0	100.0	100.0

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 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 - 52	--	--	1.0	1.0	2.0	1.5
53	--	--	1.5	1.0	2.0	1.5
54	--	--	2.5	1.0	2.0	2.0
55	5.0	3.0	3.0	3.0	6.0	5.0
56	5.0	3.0	6.0	5.0	20.0	15.0
57	5.0	4.0	10.0	8.0	40.0	35.0
58	5.0	8.0	15.0	10.0	50.0	35.0
59	10.0	8.0	20.0	15.0	50.0	35.0
60	10.0	10.0	25.0	20.0	40.0	35.0
61	20.0	12.0	30.0	25.0	40.0	35.0
62	20.0	12.0	35.0	30.0	35.0	35.0
63	25.0	15.0	40.0	30.0	35.0	35.0
64	25.0	20.0	40.0	30.0	35.0	35.0
65	25.0	25.0	40.0	40.0	35.0	35.0
66	30.0	25.0	30.0	30.0	40.0	35.0
67	30.0	30.0	30.0	30.0	40.0	30.0
68	30.0	30.0	30.0	30.0	40.0	30.0
69	30.0	30.0	30.0	30.0	40.0	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, 80% of males and 60% of females were assumed to have an eligible spouse who also opts for health coverage at that time.

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

Per Capita Health Costs:

Fiscal 2013 - 2014 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	\$7,854	\$9,853	\$4,872	\$7,355	N/A	N/A	N/A	N/A
50	9,322	10,618	6,511	8,526	N/A	N/A	N/A	N/A
55	11,071	11,430	8,713	9,869	N/A	N/A	N/A	N/A
60	13,148	12,320	11,664	11,446	N/A	N/A	N/A	N/A
65	15,615	13,273	15,615	13,273	\$4,532	\$3,852	\$4,532	\$3,852
70	18,098	14,303	18,098	14,303	5,253	4,151	5,253	4,151
75	19,503	15,396	19,503	15,396	5,660	4,469	5,660	4,469
80	21,002	16,599	21,002	16,599	6,096	4,818	6,096	4,818

Medicare Advantage Plans: \$2,986

Weighted Average Annual Retiree Contribution Amounts:

Non-Medicare Plans: \$3,274
Medicare Supplement Plans: \$2,427
Medicare Advantage Plans: \$1,493

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 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
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: 110% of active employees with coverage are assumed to elect retiree coverage.
 100% of retirees over age 65 are assumed to remain with their current medical plan for life.
 For future retirees hired before 1986 and current retirees under age 65, 80% are assumed to be eligible for Medicare and are assumed to enroll in a Medicare Supplement plan upon reaching age 65, 10% are assumed to be eligible for Medicare and are assumed to enroll in a Medicare Advantage plan upon reaching age 65, and 10% are assumed to be ineligible for Medicare and remain enrolled in a non-Medicare plan.
 For future retirees hired after 1986 or later, 90% are to enroll in a Medicare Supplement Plan upon reaching age 65 and 10% are assumed to enroll in a Medicare Advantage plan.

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 Westwood June 30, 2013 Measurement Under GASB 43 and 45

Administrative Expenses:	Administrative expenses are 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 the excise tax on high cost health plans beginning in 2018 (reflected with this valuation) and those previously adopted as of the valuation date. The addition of the excise tax in this valuation increased the actuarial accrued liability by 0.90% and normal cost by 1.98%.

**Assumption Changes
Since Prior Valuation**

Completed by Buck Consultants:	<p>The retirement, turnover, mortality and disability assumptions were changed to match the assumptions used in the January 1, 2012 Actuarial Valuation Report of the Norfolk County Contributory Retirement System dated October, 2013 and the January 1, 2013 Actuarial Valuation Report of the Massachusetts State Teachers Retirement System dated October 31, 2013.</p> <p>The participation rate for future retirees was revised to include a 10% load on active employees currently enrolled in health insurance.</p> <p>The medical trend assumption was revised.</p> <p>Per capita health care costs were updated to reflect current experience.</p> <p>The discount rate was increased from a pay-as-you-go rate of 4.00% to a partially funded rate of 5.25%.</p> <p>The excise tax on high cost health plans beginning in 2018 was included in this valuation.</p>
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SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 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:	Retired and receiving a pension from the Norfolk County Contributory Retirement System or Massachusetts State Teachers Retirement System.
<i>Members hired before April 2, 2012</i>	Group 1 and Group 2 (including Teachers): <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. Group 4 <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.
<i>Members hired on or after April 2, 2012</i>	Group 1 (including Teachers): <ul style="list-style-type: none">➤ Retirees with at least 10 years of creditable service are eligible at age 60. Group 2 <ul style="list-style-type: none">➤ Retirees with at least 10 years of creditable service are eligible at age 55. Group 4 <ul style="list-style-type: none">➤ Retirees are eligible at age 55;➤ Retirees with at least 10 years of creditable service are eligible at age 50. Disability: Accidental (job-related) Disability has no age or service requirement. Ordinary (non-job related) Disability has no age requirement but requires 10 years of creditable service.

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

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.

Benefit Types:

Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered through the West Suburban Health Group. The Town of Westwood also pays 50% of the Medicare Part B premium and 50% of the retiree life insurance 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 retirees dies.

Retiree Contributions:

Premium rates and retiree contributions as of January 1, 2013 or July 1, 2013 are summarized on the following pages:

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

	Subscribers			65 and over*	Monthly Premium (eff. 7/1/2013)	Town cost	Retiree cost	Retiree Cost %
	Active	Retiree	Total					
<u>Non-Medicare Actives and Retirees</u>								
HPHC HMO Rate Saver								
Individual	107	29	136	9	\$610.00	\$402.60	\$207.40	34.0%
Family	140	15	155	1	\$1,590.00	\$1,049.40	\$540.60	34.0%
Tufts Navigator Rate Saver								
Individual	32	13	45	8	\$645.00	\$425.70	\$219.30	34.0%
Family	48	3	51	0	\$1,688.00	\$1,114.08	\$573.92	34.0%
BCBS Options Rate Saver								
Individual	36	4	40	2	\$628.00	\$414.48	\$213.52	34.0%
Family	28	1	29	0	\$1,685.00	\$1,112.10	\$572.90	34.0%
Fallon Select Care Rater Saver								
Individual	10	0	10	0	\$542.00	\$357.72	\$184.28	34.0%
Family	13	0	13	0	\$1,460.00	\$963.60	\$496.40	34.0%
Fallon Direct Care Rate Saver								
Individual	5	0	5	0	\$505.00	\$333.30	\$171.70	34.0%
Family	0	0	0	0	\$1,357.00	\$895.62	\$461.38	34.0%
HPHC PPO								
Individual	1	8	9	5	\$1,750.00	\$875.00	\$875.00	50.0%
Family	1	0	1	0	\$3,886.00	\$1,943.00	\$1,943.00	50.0%
Tufts POS								
Individual	0	0	0	0	\$1,750.00	\$875.00	\$875.00	50.0%
Family	0	1	1	0	\$3,886.00	\$1,943.00	\$1,943.00	50.0%
<u>Non-Medicare Total</u>	421	74	495	25				

SECTION 4: Supporting Information for the Town of Westwood June 30, 2013 Measurement Under GASB 43 and 45

	Subscribers			Monthly Premium (eff. 1/1/2013)	Town cost	Retiree cost	Retiree Cost %
	Active	Retiree	Total				
<u>Medicare Supplement Plans</u>							
Medex	N/A	62	62	\$424.00	\$212.00	\$212.00	50.0%
HPHC Medicare Enhance	N/A	81	81	\$378.00	\$189.00	\$189.00	50.0%
BCBS Managed Blue for Seniors	N/A	6	6	\$402.00	\$201.00	\$201.00	50.0%
Tufts Medicare Plus	N/A	16	16	\$332.00	\$166.00	\$166.00	50.0%
<u>Medicare Advantage Plans</u>							
Tufts Medicare Preferred	N/A	25	25	\$240.00	\$120.00	\$120.00	50.0%
Fallon Senior Plan	N/A	0	0	\$279.00	\$139.50	\$139.50	50.0%
<u>Medicare Total</u>		190	190				
<u>Retiree Total**</u>		264					

* 25 of 215 over-65 retirees are in a non-Medicare plan.

** In addition, there are 108 spouses of retirees covered under an individual or family policy.

Retiree Life: \$1,000

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