

Village of Weedsport

Other Post-Employment Benefits

GASB Statement No. 75 Annual Report

as of March 1, 2020

For reporting date:

February 28, 2021

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SECTION 1: SUMMARY OF PRINCIPAL RESULTS

Village of Weedsport provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for employee services rendered. An employee's total compensation package includes not only the salaries and benefits received during active service, but all compensation and benefits received for their services during postemployment. Nevertheless, both types of benefits constitute compensation for employee services.

Village of Weedsport
GASB Statement No. 75 Required Information
For Reporting Date February 28, 2021

Summary of Principal Results

Valuation Date:	March 1, 2020
Measurement Date:	March 1, 2020
Reporting Date:	February 28, 2021
Membership Data:	
Retirees and Survivors	5
Terminated Vested Employees	0
Actives	<u>9</u>
Total	14
Municipal Bond Index Rate:	2.27%
Present Value of Total Future Liability	\$2,100,979
Net OPEB Liability:	
Total OPEB Liability (TOL)	\$1,532,437
Fiduciary Net Position (FNP)	<u>\$0</u>
Net OPEB Liability (NOL=TOL-FNP)	\$1,532,437
FNP as a percentage of TOL	0%
OPEB Expense:	\$127,334
Deferred Outflows of Resources:	\$413,256
Deferred Inflows of Resources:	\$121,560

SECTION 2: INTRODUCTION

Armory Associates, LLC is very pleased to be working with Village of Weedsport. Village of Weedsport contracted with Armory Associates, LLC to assist in the determination of the present liability for postemployment medical insurance costs for the entire medical plan membership of Village of Weedsport. This analysis has been completed in accordance with GASB Statement No. 75; Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

This report, prepared as of March 1, 2020 (the Measurement Date), presents information to assist Village of Weedsport in meeting the requirements of GASB 75 for the fiscal year ending February 28, 2021 (Reporting Date). Most of the material provided, except as indicated later in this report, is based on the data, assumptions, and results of the actuarial valuation as of March 1, 2020. The sections that follow provide the results of all the necessary calculations, as well as additional disclosure items needed as Required Supplementary Information (RSI) or for required financial statement footnotes.

The new GASB 75 requirements represent a significant departure from the requirements of the prior statement GASB 45. Four major changes with GASB 75 are:

1. The employer must now recognize the entire Unfunded Actuarial Accrued Liability (Net OPEB Liability) on its balance sheet. No more amortization of the liability over a 30 year period.
2. The discount rate is now an input tied to a 20-year tax-exempt general obligation municipal bond rated AA/Aa (or equivalent) or higher as of the Measurement Date. The discount rate and the corresponding liability must be updated annually even if in an Interim Year.
3. Only one Actuarial Cost Method is allowed; Entry Age Normal (EAN) as a level percentage of payroll.
4. Most changes in the total OPEB liability will be recognized immediately for the current reporting period as OPEB Expense.

OPEB Expense includes amounts for service cost (the Normal Cost under EAN for the year), interest on the Total OPEB Liability, changes in benefit plan provisions, amortization of increases/decreases in liability due to actuarial experience and actuarial assumption changes. The actuarial experience and assumption change impacts are amortized over the average expected remaining service life of the Village of Weedsport membership as of the Measurement Date. The development of the collective OPEB Expense is shown in Section 4.

The unamortized portions of each year's experience and assumption changes are used to develop deferred inflows and outflows, which also must be included on the employer's financial statement. The development of the collective deferrals is shown in Section 5.

The philosophy behind the accounting standard is that these post-employment benefits are part of the compensation earned by employees in return for their services, and the cost of these benefits should be recognized while employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; Statement 75 extends this practice to all other post-employment benefits.

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 will an employee be eligible for post-employment benefits and when will the post-employment benefits start?
- Health care cost inflation and claim cost assumptions: When an employee begins receiving post-employment benefits, how much will be paid each year and how quickly will the costs grow?
- Mortality assumptions: How long is a retiree likely to receive benefits?
- Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollar?

Since the liability is being recognized over the employee's entire career with Village of Weedsport, the present value is divided into three pieces: the part that is attributed to past years (the Total OPEB Liability), the part that is being earned this year (the Service Cost), and the part that will be earned in future years (the Future Service Liability).

One of the most important foundational concepts to keep in mind throughout this analysis is that postemployment liabilities are being impacted by the fact that people are retiring earlier in life and living longer lives. With the retirement age as early as fifty-five (55) years old in the public sector and with people routinely living into their nineties (90's), employers are having to utilize a greater portion of their operating budget each year to account for the extending periods of time in which benefit expenses are incurred.

The motives behind such identification and funding of this liability is threefold:

- It is prudent that your business' annual budget recognizes the future financial obligations and/or liabilities associated with all benefits promised to both employees and retirees;
- Awareness of the expected liabilities prevents future budgets from being overburdened with the financial obligations associated with the cost of retiree benefits; and
- A sufficient system for funding postemployment benefits safeguards retirees in the unlikely event that the employer becomes no longer a viable entity.

Without the proper legislation in NYS to establish an OPEB Trust Fund, the goal of this process is not necessarily to fund the liability today, but rather to accurately identify the liability and establish a plan to effectively and efficiently manage the liability over time. This process will prepare Village of Weedsport for the financial impact associated with the pressures of providing sufficient postemployment benefits to the employees and retirees.

Should you have any additional questions regarding the information contained herein, please feel free to contact us at our offices by phone at (315) 752-0060. We would like to thank Village of Weedsport for this opportunity to serve as your consultant and we look forward to continuing a mutually beneficial relationship for many years to come.

SECTION 3: NET OPEB LIABILITY

The Net OPEB Liability is equal to the Total OPEB Liability minus the Fiduciary Net Position. Since Village of Weedsport operates the OPEB Plan on a pay-as-you-go basis the Fiduciary Net Position is \$0.

March 1, 2020	
Total OPEB Liability	\$1,532,437
Fiduciary Net Position	<u>0</u>
Net OPEB Liability	\$1,532,437
Ratio of Fiduciary Net Position to Total OPEB Liability	0%
Covered Payroll over Measurement Period	\$366,523
Net OPEB Liability as a percentage of covered employee payroll	418%

The following table details the changes in the Net OPEB Liability from the beginning to the end of the measurement year.

Changes in the Net OPEB Liability

	Total OPEB Liability
Balance at 03/01/2019	<u>\$1,136,287</u>
Changes for the year:	
Service Cost	27,693
Interest Cost	48,073
Changes in benefit terms	0
Differences between expected and actual experience	(93,121)
Changes in assumptions and other inputs	446,792
Benefit Payments (including implicit subsidy)	<u>(33,287)</u>
Net Changes	<u>396,150</u>
Balance at 03/01/2020	\$1,532,437

Changes of assumptions and other inputs reflects a change in the discount rate from 4.19% on March 1, 2019 to 2.27% on March 1, 2020, and other changes as described in Section 4.

In addition to the results in the above table, the sensitivity of the Net OPEB Liability to changes in the discount rate and healthcare trend rate must be disclosed.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the Total OPEB Liability of the Village, as well as what the Village’s Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.27%) or 1-percentage point higher (3.27%) than the current discount rate:

	1% Decrease 1.27%	Current 2.27%	1% Increase 3.27%
Total OPEB Liability	\$1,838,369	\$1,532,437	\$1,292,261

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$1,268,335	\$1,532,437	\$1,877,557

SECTION 4: CALCULATION OF OPEB EXPENSE

As previously noted, the OPEB Expense consists of a number of different items. GASB 75 refers to the first as Service Cost which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the beginning of year Total OPEB Liability at the 4.19% discount rate as of the previous Measurement Date.

The next three items refer to any change that occurred in the Total OPEB Liability due to benefit changes, actual experience differences, and assumptions. Benefit changes, which are reflected immediately in the OPEB Expense can be positive, if there is a benefit improvement for existing members, or negative if there is a benefit reduction. Differences in experience and changes in assumptions are spread over the remaining service life of the entire membership. The following changes have been made since the previous Measurement Date:

Changes to Benefit Terms

- No changes have been made to the benefit terms.

Changes in Experience

- Demographic (gain)/loss comes from many sources, such as rates of termination, retirement, and election of health care benefits. There is 1 less active and 1 less retiree in this valuation.
- Between 2018 and 2020, no members retired, the same as assumed.
- One active employee was removed from the census after discussions with the Village.
- Health cost (gain)/loss estimates the effect of actual health cost trend compared with projections in the March 1, 2018 valuation.
- Pre-65 age-adjusted premiums are approximately 1.6% less than assumed trend. Post-65 age-adjusted premiums are approximately 4.3% less than assumed trend.
- Premium rates are approximately 1.6% less than assumed trend for pre-65 members and 5% less than assumed trend for post-65 members.

Changes to Assumptions and Other Inputs

- Updated the mortality tables to the RPH-2014 SOA Mortality Tables adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2019.
- Changed the discount rate from 4.19% to 2.27%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.
- The trend table was updated for 2020.

Changes in Net OPEB Liability since Prior Measurement Date

Expected March 1, 2020 Net OPEB Liability	
March 1, 2019 Net OPEB Liability	1,136,287
Service Cost	27,693
2020 Expected Employer Contributions (including implicit subsidy)	(33,287)
Interest Cost (4.19%)	48,073
Expected March 1, 2020 Net OPEB Liability	\$1,178,766
Actual March 1, 2020 Net OPEB Liability	
	\$1,532,437
(Gains)/Losses Recognized Immediately	
Changes to Benefit Terms	0
(Gains)/Losses w/ Recognition over Average Remaining Service Lives (6.04 years)	
Differences between Expected and Actual Experience	(93,121)
Changes to Assumptions and Other Inputs	446,792
Total Actuarial (Gains)/Losses	\$353,671

The current year portions of previously determined experience and assumptions are recognized as deferred outflows and inflows (see Section 5) are included next. The calculation of the OPEB Expense for the measurement period ending March 1, 2020 is shown in the following table.

OPEB Expense

Service Cost	\$27,693
Interest on the total OPEB Liability	48,073
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total OPEB Liability	(15,417)
Expensed portion of current-period changes of assumptions	73,972
Recognition of beginning deferred outflows of resources as OPEB expense	2,913
Recognition of beginning deferred inflows of resources as OPEB expense	(9,900)
OPEB Expense:	\$127,334

SECTION 5: DEFERRED OUTFLOWS/INFLOWS

Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce the OPEB expense they are labeled deferred inflows, and if they will increase the OPEB expense they are labeled deferred outflows. As noted in the previous section, the amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive members at the beginning of the measurement period.

Also tracked as deferred outflow of resources are employer contributions made to the OPEB plan as the benefits come due, made subsequent to the measurement date and before the end of the reporting period. These contributions will be recognized in the net OPEB liability calculation in the next measurement period.

The table below provides a summary of the deferred outflows and inflows as of March 1, 2020 (Measurement Date).

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$77,704
Changes of assumptions or other inputs	382,813	43,856
Employer contributions subsequent to the measurement date (Expected employer contribution including implicit subsidy)	30,443	0
Total	<u>\$413,256</u>	<u>\$121,560</u>

The amortization period for the beginning of the measurement period is 6.04 years for the average expected remaining service life of members. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as detailed in Addendum D.

Year Ended February 28,	
2022	\$ 51,568
2023	51,568
2024	51,568
2025	49,909
2026	54,299
2027 and Thereafter	2,341

ADDENDUM A: ACTUARIAL ASSUMPTIONS AND METHODS

The actuarial assumptions utilized in developing the Total OPEB Liability are outlined in this section. The Total OPEB Liability was determined by an actuarial valuation as of March 1, 2020.

Valuation Date	March 1, 2020
Measurement Date	March 1, 2020
Reporting Date	February 28, 2021
Actuarial Cost Method	Entry Age Normal – Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Discount Rate	2.27%, as of the measurement date. Source: Bond Buyer Weekly 20-Bond GO Index
Salary Scale	2%
Rate of Inflation	2.2%
Mortality - Actives	The RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.
Mortality – Retirees	The RPH-2014 Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.
Turnover	Rates of decrement due to turnover based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service’s actuarial consultant in the report titled, <u>Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (June 2019)</u> . Please refer to Exhibits 6-1 through 6-2 for the complete turnover tables.

Retirement Incidence

Rates of decrement due to retirement based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service’s actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (June 2019). Please refer to Exhibits 6-3 through 6-6 for the complete retirement incidence tables.

Medical Trend

To Fiscal Year Ending	Healthcare Trend
2021	7.00%
2022	6.50%
2023	6.25%
2024	6.25%
2025	6.07%
2030	5.18%
2035	5.18%
2040	5.18%
2050	4.98%
2060	4.75%
2070	4.42%
2080	3.94%
2090	3.94%

The above trend rates were developed using the baseline projection of the SOA Long-Run Medical Cost Trend Model. The short term (first 4 years) trend rates were based on the recent premium rate history for Village of Weedsport. The long-term (after 4 years) trend rates were based on the following assumptions:

- Rate of Inflation: 2.2%
- Rate of Growth in Real Income / GDP per capita: 1.6%
- Extra Trend due to Technology and other factors: 1.3%
- Health Share of GDP Resistance Point: 25%

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical US medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group. The above schedule represents a reasonable medical trend projection for the current plan provisions and demographics of the Retiree Healthcare Plan, and no changes to these baseline assumptions are necessary.

Election Percentage

Upon retirement it is assumed that eligible employees will elect to participate in the Village’s OPEB plan at the following rates:

Participant Group	% Electing Coverage
Retiree	100%
Retiree's Spouse	25%
Surviving Spouse	0%

Marriage Rate

It is assumed that 70% of retirees will be married at the time of their retirement, with the male spouse assumed to be approximately 3 years older than the female.

Morbidity

To reflect the differences in covered health care expenses due to aging, the post-65 community rated premiums for the Medicare Advantage plan are adjusted by age and gender using the following age-sex factors:

Age	Male	Female
40-44	0.805	1.229
45-49	1.016	1.349
50-54	1.339	1.587
55-59	1.740	1.835
60-64	2.233	2.184
65-69	0.933	0.886
70-74	1.025	0.973
75-79	1.089	1.040
80-84	1.111	1.071
85-89	1.073	1.044
90-94	1.004	0.958
95+	0.931	0.827

The aforementioned age related factors are based on results from Table 5 of “Health Care Costs – From Birth to Death,” by Dale Yamamoto, part of the Health Care Cost Institute’s Independent Report Series, June 2013.

Per Capita Costs

The Village of Weedsport provides medical coverage to all actives and pre-65 retirees with the SimplyBlue Plus Bronze 4 Plan, The plan is a community rated high deductible plan provided through Excellus.

The following table presents per capita costs of the plan, including administrative fees, which was used to calculate the actuarial accrued liability:

Age	SimplyBlue
40-44	\$5,403
45-49	\$6,248
50-54	\$7,688
55-59	\$9,345
60-64	\$11,505

For post-65 coverage, the Village provides reimbursement to retirees who enroll in a Medicare Supplement Plan F, provided through United Healthcare. The Village is not a sponsor of this plan, and the plan does not include coverage for prescription drugs.

Age	Supplement Plan F
65-69	\$2,729
70-74	\$2,998
75-79	\$3,195
80-84	\$3,276
85-89	\$3,180
90-94	\$2,944
95+	\$2,630

To determine the age-adjusted premiums, premiums for each plan were age adjusted using the age-sex factors disclosed in the morbidity table on page 13. Historical claims costs for the Village were not available for this analysis. The size of the Village's population is not large enough to be considered credible for this analysis. As a result, the demographics of a fully credible healthcare consortium in a similar geographic region were used to adjust the premiums.

Exhibit 6-1: NYSERS Tiers 1-4 Turnover Table

Age	Years of Service					
	<2	2-2.99	3-3.99	4-4.99	5-9.99	>=10
15	25.066%	12.991%	7.721%	6.550%	4.365%	1.510%
16	25.066%	12.991%	7.721%	6.550%	4.365%	1.510%
17	25.066%	12.991%	7.721%	6.550%	4.365%	1.510%
18	25.066%	12.991%	7.721%	6.550%	4.365%	1.510%
19	25.066%	12.991%	7.721%	6.550%	4.365%	1.510%
20	25.050%	12.991%	7.721%	6.550%	4.365%	1.510%
21	24.783%	12.991%	7.721%	6.550%	4.365%	1.510%
22	24.260%	12.991%	7.721%	6.550%	4.365%	1.510%
23	23.454%	13.701%	9.013%	6.943%	4.456%	1.510%
24	22.346%	14.193%	9.850%	7.243%	4.510%	1.510%
25	20.978%	14.500%	10.279%	7.437%	4.528%	1.510%
26	19.494%	14.689%	10.441%	7.543%	4.516%	1.510%
27	18.113%	14.683%	10.472%	7.601%	4.481%	1.510%
28	17.029%	14.473%	10.452%	7.643%	4.434%	1.510%
29	16.305%	14.055%	10.406%	7.684%	4.386%	1.523%
30	15.870%	13.472%	10.331%	7.712%	4.347%	1.558%
31	15.602%	12.814%	10.215%	7.702%	4.325%	1.618%
32	15.404%	12.190%	10.052%	7.623%	4.328%	1.700%
33	15.239%	11.689%	9.838%	7.454%	4.355%	1.793%
34	15.102%	11.330%	9.573%	7.197%	4.398%	1.877%
35	14.988%	11.073%	9.256%	6.877%	4.439%	1.934%
36	14.874%	10.849%	8.888%	6.536%	4.454%	1.950%
37	14.723%	10.603%	8.481%	6.223%	4.421%	1.921%
38	14.516%	10.318%	8.058%	5.972%	4.332%	1.856%
39	14.261%	10.012%	7.649%	5.793%	4.200%	1.773%
40	13.991%	9.714%	7.283%	5.674%	4.048%	1.692%
41	13.741%	9.446%	6.981%	5.594%	3.905%	1.630%
42	13.530%	9.211%	6.753%	5.535%	3.790%	1.594%
43	13.363%	9.004%	6.595%	5.488%	3.709%	1.582%
44	13.237%	8.819%	6.494%	5.449%	3.655%	1.583%
45	13.150%	8.652%	6.433%	5.413%	3.614%	1.582%
46	13.108%	8.506%	6.395%	5.375%	3.571%	1.561%
47	13.123%	8.382%	6.365%	5.325%	3.515%	1.515%
48	13.199%	8.279%	6.339%	5.260%	3.443%	1.448%
49	13.328%	8.198%	6.316%	5.180%	3.362%	1.374%
50	13.485%	8.135%	6.301%	5.101%	3.283%	1.308%
51	13.633%	8.089%	6.301%	5.038%	3.219%	1.260%
52	13.733%	8.060%	6.320%	5.010%	3.187%	1.229%
53	13.762%	8.048%	6.362%	5.026%	3.199%	1.211%
54	13.721%	8.056%	6.427%	5.086%	3.253%	1.202%
55	13.641%	8.095%	6.520%	5.181%	3.320%	1.198%
56	13.571%	8.188%	6.645%	5.298%	3.337%	1.196%
57	13.573%	8.364%	6.810%	5.424%	3.247%	1.196%
58	13.702%	8.653%	7.024%	5.553%	3.033%	1.196%
59	13.993%	9.081%	7.293%	5.684%	2.720%	1.196%
60	14.448%	9.655%	7.617%	5.821%	2.363%	1.196%
61	15.016%	10.356%	7.985%	5.962%	2.045%	1.196%
62	15.582%	11.118%	8.365%	6.096%	1.874%	1.196%
63	15.971%	11.118%	8.365%	6.096%	1.874%	1.196%
64	15.971%	11.118%	8.365%	6.096%	1.874%	1.196%
65	15.971%	11.118%	8.365%	6.096%	1.874%	1.196%
66	15.971%	11.118%	8.365%	6.096%	1.874%	1.196%
67	15.971%	11.118%	8.365%	6.096%	1.874%	1.196%
68	15.971%	11.118%	8.365%	6.096%	1.874%	1.196%
69	15.971%	11.118%	8.365%	6.096%	1.874%	1.196%
70	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Exhibit 6-2: NYSERS Tiers 5-6 Turnover Table

Age	Years of Service					
	<2	2-2.99	3-3.99	4-4.99	5-9.99	>=10
15	25.066%	12.991%	7.721%	6.550%	2.619%	3.020%
16	25.066%	12.991%	7.721%	6.550%	2.619%	3.020%
17	25.066%	12.991%	7.721%	6.550%	2.619%	3.020%
18	25.066%	12.991%	7.721%	6.550%	2.619%	3.020%
19	25.066%	12.991%	7.721%	6.550%	2.619%	3.020%
20	25.050%	12.991%	7.721%	6.550%	2.619%	3.020%
21	24.783%	12.991%	7.721%	6.550%	2.619%	3.020%
22	24.260%	12.991%	7.721%	6.550%	2.619%	3.020%
23	23.454%	13.701%	9.013%	6.943%	2.674%	3.020%
24	22.346%	14.193%	9.850%	7.243%	2.706%	3.020%
25	20.978%	14.500%	10.279%	7.437%	2.717%	3.020%
26	19.494%	14.689%	10.441%	7.543%	2.710%	3.020%
27	18.113%	14.683%	10.472%	7.601%	2.689%	3.020%
28	17.029%	14.473%	10.452%	7.643%	2.660%	3.020%
29	16.305%	14.055%	10.406%	7.684%	2.632%	3.046%
30	15.870%	13.472%	10.331%	7.712%	2.608%	3.116%
31	15.602%	12.814%	10.215%	7.702%	2.595%	3.236%
32	15.404%	12.190%	10.052%	7.623%	2.597%	3.400%
33	15.239%	11.689%	9.838%	7.454%	2.613%	3.586%
34	15.102%	11.330%	9.573%	7.197%	2.639%	3.754%
35	14.988%	11.073%	9.256%	6.877%	2.663%	3.868%
36	14.874%	10.849%	8.888%	6.536%	2.672%	3.900%
37	14.723%	10.603%	8.481%	6.223%	2.653%	3.842%
38	14.516%	10.318%	8.058%	5.972%	2.599%	3.712%
39	14.261%	10.012%	7.649%	5.793%	2.520%	3.546%
40	13.991%	9.714%	7.283%	5.674%	2.429%	3.384%
41	13.741%	9.446%	6.981%	5.594%	2.343%	3.260%
42	13.530%	9.211%	6.753%	5.535%	2.274%	3.188%
43	13.363%	9.004%	6.595%	5.488%	2.225%	3.164%
44	13.237%	8.819%	6.494%	5.449%	2.193%	3.166%
45	13.150%	8.652%	6.433%	5.413%	2.168%	3.164%
46	13.108%	8.506%	6.395%	5.375%	2.143%	3.122%
47	13.123%	8.382%	6.365%	5.325%	2.109%	3.030%
48	13.199%	8.279%	6.339%	5.260%	2.066%	2.896%
49	13.328%	8.198%	6.316%	5.180%	2.017%	2.748%
50	13.485%	8.135%	6.301%	5.101%	1.970%	2.616%
51	13.633%	8.089%	6.301%	5.038%	1.931%	2.520%
52	13.733%	8.060%	6.320%	5.010%	1.912%	2.458%
53	13.762%	8.048%	6.362%	5.026%	1.919%	2.422%
54	13.721%	8.056%	6.427%	5.086%	1.952%	2.404%
55	13.641%	8.095%	6.520%	5.181%	1.992%	2.396%
56	13.571%	8.188%	6.645%	5.298%	2.002%	2.392%
57	13.573%	8.364%	6.810%	5.424%	1.948%	2.392%
58	13.702%	8.653%	7.024%	5.553%	1.820%	2.392%
59	13.993%	9.081%	7.293%	5.684%	1.632%	2.392%
60	14.448%	9.655%	7.617%	5.821%	1.418%	2.392%
61	15.016%	10.356%	7.985%	5.962%	1.227%	2.392%
62	15.582%	11.118%	8.365%	6.096%	1.124%	2.392%
63	15.971%	11.118%	8.365%	6.096%	1.124%	2.392%
64	15.971%	11.118%	8.365%	6.096%	1.124%	2.392%
65	15.971%	11.118%	8.365%	6.096%	1.124%	2.392%
66	15.971%	11.118%	8.365%	6.096%	1.124%	2.392%
67	15.971%	11.118%	8.365%	6.096%	1.124%	2.392%
68	15.971%	11.118%	8.365%	6.096%	1.124%	2.392%
69	15.971%	11.118%	8.365%	6.096%	1.124%	2.392%
70	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Exhibit 6-3: NYSERS Tier 1 Retirement Incidence Table

Age	Years of Service		
	< 20	20-29.99	>= 30
55	16.985%	34.977%	77.499%
56	9.286%	13.929%	26.808%
57	7.541%	11.619%	23.320%
58	9.055%	12.956%	21.587%
59	10.371%	15.469%	21.164%
60	10.331%	17.394%	21.365%
61	13.785%	21.229%	24.184%
62	19.152%	34.528%	35.390%
63	15.155%	25.017%	23.024%
64	17.236%	29.052%	23.115%
65	22.845%	29.262%	26.254%
66	23.898%	31.788%	26.292%
67	19.844%	28.362%	22.238%
68	15.865%	31.095%	20.547%
69	19.512%	26.244%	18.605%
70	100.000%	100.000%	100.000%

Exhibit 6-4: NYSERS Tier 2,3,4 Retirement Incidence Table

Age	Years of Service		
	< 20	20-29.99	>= 30
55	5.709%	9.699%	49.644%
56	3.790%	5.833%	18.949%
57	3.798%	6.138%	19.353%
58	4.130%	6.845%	18.667%
59	4.706%	7.568%	20.626%
60	5.402%	8.467%	21.232%
61	8.467%	18.948%	25.166%
62	14.854%	37.678%	34.932%
63	11.136%	24.518%	26.016%
64	12.653%	24.300%	22.955%
65	16.595%	28.931%	22.940%
66	18.398%	32.495%	26.979%
67	16.206%	27.929%	25.803%
68	15.145%	27.447%	22.906%
69	15.375%	26.557%	24.605%
70	100.000%	100.000%	100.000%

Exhibit 6-5: NYSERS Tier 5 Retirement Incidence Table

Age	Years of Service		
	< 20	20-29.99	>= 30
55	4.567%	7.759%	9.699%
56	3.032%	4.666%	5.833%
57	3.038%	4.910%	6.138%
58	3.304%	5.476%	6.845%
59	3.765%	6.054%	7.568%
60	4.322%	6.774%	8.467%
61	6.774%	15.158%	18.948%
62	34.854%	47.678%	42.932%
63	11.136%	24.518%	26.016%
64	12.653%	24.300%	22.955%
65	16.595%	28.931%	22.940%
66	18.398%	32.495%	26.979%
67	16.206%	27.929%	25.803%
68	15.145%	27.447%	22.906%
69	15.375%	26.557%	24.605%
70	100.000%	100.000%	100.000%

Exhibit 6-6: NYSERS Tier 6 Retirement Incidence Table

Age	Years of Service		
	< 20	20-29.99	>= 30
55	4.567%	7.759%	9.699%
56	3.032%	4.666%	5.833%
57	3.038%	4.910%	6.138%
58	3.304%	5.476%	6.845%
59	3.765%	6.054%	7.568%
60	4.322%	6.774%	8.467%
61	6.774%	15.158%	18.948%
62	9.854%	17.678%	27.678%
63	36.136%	54.518%	35.016%
64	12.653%	24.300%	22.955%
65	16.595%	28.931%	22.940%
66	18.398%	32.495%	26.979%
67	16.206%	27.929%	25.803%
68	15.145%	27.447%	22.906%
69	15.375%	26.557%	24.605%
70	100.000%	100.000%	100.000%

ADDENDUM B: PLAN PROVISIONS

Health Plans: The Village of Weedsport provides medical coverage to all actives and pre-65 retirees with the SimplyBlue Plus Bronze 4 Plan. The plan is a community rated high deductible plan provided through Excellus.

A summary of plan benefits are as follows:

SimplyBlue Plus Bronze 4 Plan Benefit Summary		
	In-Network	Out-of-Network
Deductible	\$6550/\$13100	\$7500/\$15000
Out-of-Pocket Maximum	\$6550/\$13100	\$7500/\$15000
Preventive Services	Covered in full	
Inpatient Hospitalization	100% covered after deductible	100% covered after deductible
Outpatient Services	100% covered after deductible	100% covered after deductible
Office Visits	100% covered after deductible	100% covered after deductible
Emergency Room	100% covered after deductible	100% covered after deductible
Prescription Drugs	100% covered after deductible	100% covered after deductible

For post-65 coverage, the Village provides reimbursement to current and future retirees who enroll in Medicare Supplement Plan F, provided through United Healthcare. The Village is not a sponsor of this plan, and the plan does not include coverage for prescription drugs. The plan covers expenses not covered by Medicare including Part A and Part B deductibles, resulting in member copays of \$0 for most benefits.

One current retiree is enrolled in Medicare Supplement plan C.

Premium Rates: The following monthly premium rates are effective January 1, 2020 and January 1, 2021.

Monthly Medical Premium Rates (Pre-65)		
	2020	2021
Single	\$461.95	\$471.35
Sub & Spouse	\$923.90	\$942.70
Family	\$1,316.54	\$1,343.35

2020 Post-65 Monthly Premium Rates	
Plan F	\$224.00

Retiree Eligibility & Contribution Requirements

All active employees and retirees are subject to the following eligibility and contribution requirements:

Eligibility: Members hired before January 1, 2008 must attain a minimum age of fifty-five (55) and provide a minimum of ten (10) years of service to the Village to be eligible for postemployment medical benefits. Members hired on/after January 1, 2008 must attain a minimum age of fifty-five (55) and provide a minimum of twenty (20) years of service to the Village to be eligible for postemployment medical benefits.

Medicare Part B: The Village of Weedsport provides Medicare Part B premium reimbursement to members who retired prior to March 1, 1992. There is one current retiree who receives \$100 per month from the Village.

Length of Coverage: Lifetime.

Contributions: Members will contribute the same percentage of the premium for individual coverage as they contributed during active employment. Members hired before July 1, 2012 contribute 0% of the premium. Members hired on/after July 1, 2012 contribute 10% of the premium. Members who elect to enroll dependents in retiree medical coverage must contribute 100% of the dependent cost (excess of the premium above the individual premium).

Surviving spouses may remain in the Village's coverage at 100% of the individual premium.

ADDENDUM C: REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios

Last 10 Fiscal Years

Total OPEB Liability	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Service Cost	\$ 27,693	\$ 31,955	\$ 29,867							
Interest	48,073	45,193	44,117							
Changes of Benefit Terms	0	0	0							
Differences between expected and actual experience	(93,121)	0	0							
Changes of Assumptions or other inputs	446,792	(63,656)	18,732							
Benefit Payments	<u>(33,287)</u>	<u>(38,218)</u>	<u>(37,462)</u>							
Net Change in Total OPEB Liability	396,150	(24,726)	55,254							
Total OPEB Liability - Beginning of year	<u>\$ 1,136,287</u>	<u>\$ 1,161,013</u>	<u>\$ 1,105,759</u>							
Total OPEB Liability - End of year	<u><u>\$1,532,437</u></u>	<u><u>\$1,136,287</u></u>	<u><u>\$1,161,013</u></u>							
Covered Payroll over Measurement Period	366,523	405,345	375,589	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered Payroll	418%	280%	309%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Notes to Schedule:										
Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate in effect at the current measurement date is 2.27%.										

ADDENDUM D: DEFERRED INFLOWS & OUTFLOWS OF RESOURCES

Year Established	Outstanding Balance at March 1, 2020	Amount Recognized During Year	Outstanding Balance at March 1, 2021	Deferred Outflows/Inflows Recognized in Future Years						
				Year Ended February 28,						
				2022	2023	2024	2025	2026	2027 and Thereafter	
Plan Year Outflows										
2020 Assumptions Loss	\$446,792	\$73,972	\$372,820	\$73,972	\$73,972	\$73,972	\$73,972	\$73,972	\$2,960	
2018 Assumptions Loss	12,906	2,913	9,993	2,913	2,913	2,913	1,254	0	0	
Total Outflows	\$ 459,698	\$ 76,885	\$ 382,813	\$ 76,885	\$ 76,885	\$ 76,885	\$ 75,226	\$ 73,972	\$ 2,960	
Plan Year Inflows										
2020 Experience Gain	(\$93,121)	(\$15,417)	(\$77,704)	(\$15,417)	(\$15,417)	(\$15,417)	(\$15,417)	(\$15,417)	(\$619)	
2019 Assumption Gain	(53,756)	(9,900)	(43,856)	(9,900)	(9,900)	(9,900)	(9,900)	(4,256)	0	
Total Inflows	\$ (146,877)	\$ (25,317)	\$ (121,560)	\$ (25,317)	\$ (25,317)	\$ (25,317)	\$ (25,317)	\$ (19,673)	\$ (619)	
Total	\$ 312,821	\$ 51,568	\$ 261,253	\$ 51,568	\$ 51,568	\$ 51,568	\$ 49,909	\$ 54,299	\$ 2,341	

ADDENDUM E: GASB 75 Terminology

Actuarial Present Value of Total Projected Benefits: Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested in addition to investment earnings will provide sufficient assets to pay total projected benefits when due.

Actuarial Valuation: The determination, as of a point in time (the actuarial valuation date), of the service cost, total OPEB liability, and related actuarial present value of projected benefit payments for OPEB performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

Deferred Inflows/Outflows of Resources: Amounts arising from gains and losses that have not been recognized into the OPEB Expense, but will be recognized in the future.

Discount Rate: The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments. With a pay-as-you-go funded plan the discount rate is calculated using a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Net OPEB Liability (NOL): The Total OPEB Liability minus the Fiduciary Net Position.

OPEB: Other Post-Employment Benefits

Pay-as-you-go funding: Paying benefits (such as pensions or OPEB) on a cash basis, with no money set aside for future liabilities which are already incurred.

Service Cost (Formerly Normal Cost): The portions of the actuarial present value of projected benefit payments that are attributed to the measurement period.

Total OPEB Liability: The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of this Statement.