



## **EL DORADO COUNTY**

### **POST RETIREMENT MEDICAL BENEFIT PROGRAM**

#### **Program Change Study for Non-Safety Employees**

**Valuation Date:**

**July 1, 2008**

**Date of Report:**

**September 11, 2008**

# Project Summary

## Background

The County of El Dorado has requested a study to determine the financial impact of a potential change to the El Dorado County Post Retirement Benefit Program. This report provides the results of the study, summarizes the demographic data provided by The County and describes the plan provisions and actuarial assumptions used in the calculations.

## Program Change

As of December 31, 2008 the program will potentially be closed to all non-safety County employees. The program will remain unchanged for safety employees and for all retirees as of December 31, 2008.

## Reported Results

For each of the following scenarios thirty year projections of the Actuarial Accrued Liability, the Annual Required Contribution under GASB 45, and the projected plan distributions were calculated. The total projected plan distributions for each year are separated into the County's contribution subsidy and the implicit subsidy.

Scenario A: Pre-program change; 1.2% of pay cap on County contribution subsidy

Scenario B: Post-program change; 1.2% of pay cap on County contribution subsidy

Scenario C: Pre-program change; no pay cap

Scenario D: Post-program change; no pay cap

The two additional exhibits described below show the savings due to the program change.

Savings [Scenario A minus Scenario B]: Measures the reduction in amounts due to implementation of the program change taking into consideration the 1.2% of pay cap on the County contribution subsidy

Savings [Scenario C minus Scenario D]: Measures the reduction in amounts due to implementation of the program change ignoring the 1.2% of pay cap on the County contribution subsidy

A final exhibit shows the thirty-year projected results for current retirees and those expected to retire on or before December 31, 2008.

## GASB 45

In June 2004, the Governmental Accounting Standards Board (GASB) issued GASB Statement 45, which addresses accounting and financial reporting for Postemployment Benefits Other Than

## Project Summary (cont.)

Pensions (OPEB). The liabilities and annual costs for the County's current and proposed contribution promises to retirees are calculated in this actuarial study in accordance with GASB 45. Similar to most government entities, the County does not currently recognize OPEB liability as benefits are accrued, or have a qualified trust for prefunding.

### Liability Terminology

There are a few terms to understand related to the Plan's liabilities. The Present Value of Benefits (PVB) represents the actuarial present value of all future benefits expected to be paid to current employees and retirees. The Actuarial Accrued Liability (AAL) is the portion of the PVB attributable to past service. The Normal Cost is the portion of the PVB that is allocated to the current plan year for active employees.

### ARC Development

GASB requires an Annual Required Contribution (ARC) to be developed each year based on the Plan's assets and liabilities. Although GASB does not actually require pre-funding, the portion of the ARC that is not funded each year accumulates as a liability on the County's financial statements.

The ARC can be developed under a variety of funding methods, as allowed by GASB. This report shows results under the Entry Age Normal cost method with the unfunded AAL amortized over a 20 year period as a level percent of pay. The Entry Age Normal cost method is used by CalPERS to develop the County's pension costs and is the most common method used in the public sector.

### Description of Retiree Benefit Subsidies

El Dorado County provides retiree healthcare benefits to employees who retire from active service after the age of 50 and are eligible to commence pension benefits immediately. Retirees are eligible for the following benefits:

- County Contribution Subsidy – The County pays a monthly amount up to a percentage of the premium for the County sponsored Blue Shield Plan plus dental coverage. The applicable percentage is based on the retiree's years of service with the County or other California city or county. The amount paid to each individual retiree will be limited such that total County contributions do not exceed 1.2% of total payroll.
- Implicit Subsidy – For coverage prior to age 65, the retiree pays premiums that are developed by blending active and retiree costs. Since retirees are older and generally cost more than actives, the premium paid by the retiree is less than the "true cost" of coverage for retirees. For example, under the Kaiser Plan, the estimated "true cost" for a male retiree of age 62 is \$1,249 per month, while the

required premium is only \$608 per month. This implicit subsidy is considered an obligation under the new GASB requirements.

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# I Actuarial Certification

This report was prepared using generally accepted actuarial practices and methods. The actuarial assumptions used in the calculations are individually reasonable and reasonable in aggregate.

Aon Consulting did not audit the employee data and financial information used in this valuation. On the basis of our review of this data, we believe that the information is sufficiently complete and reliable, and that it is appropriate for the purposes intended.

Actuarial computations under GASB 45 are for purposes of fulfilling employer accounting requirements. The calculations reported herein have been made on a basis consistent with our understanding of these accounting standards. Determinations for purposes other than meeting Employer financial accounting requirements may be different from these results. As required by GASB 45, this study assumes this will be an ongoing plan. However, this assumption does not imply any obligation by the employer to continue the plan.

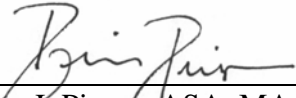
This report is intended for the sole use of El Dorado County. It is intended only to supply information for the County to comply with the stated purpose of the report and may not be appropriate for other business purposes. Reliance on information contained in this report by anyone for other than the intended purposes, puts the relying entity at risk of being misled because of confusion or failure to understand applicable assumptions, methodologies, or limitations of the report's conclusions. Accordingly, no person or entity, including El Dorado County should base any representations or warranties in any business agreement on any statements or conclusions contained in this report without the written consent of Aon Consulting.

The actuaries whose signatures appear below are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The actuaries are available to answer any questions with regard to the matters enumerated in this report.

## I Actuarial Certification (cont.)

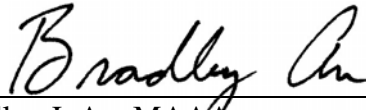
Aon's relationship with the Plan and the Plan Sponsor is strictly professional. There are no aspects of the relationship that may impair or appear to impair the objectivity of our work.

Respectfully submitted,



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## II Participant Information

### Retiree Age Distribution

Age	Number of Retirees
Under 50	5
50-54	19
55-59	86
60-64	120
65-69	73
70-74	32
75-79	25
80-84	13
85 & Up	3
Grand Total	376

Average Age – 64.0

### Active Employee Age/Service Distribution

Age	Years of Employment								Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 and up	
<b>Under 20</b>	1	0	0	0	0	0	0	0	<b>1</b>
<b>20 – 24</b>	18	25	0	0	0	0	0	0	<b>43</b>
<b>25 – 29</b>	26	100	23	0	0	0	0	0	<b>149</b>
<b>30 – 34</b>	23	99	49	7	0	0	0	0	<b>178</b>
<b>35 – 39</b>	21	90	45	31	7	0	0	0	<b>194</b>
<b>40 – 44</b>	22	72	71	31	24	8	0	0	<b>228</b>
<b>45 – 49</b>	23	96	75	36	58	23	3	0	<b>314</b>
<b>50 – 54</b>	20	93	80	44	54	40	21	5	<b>357</b>
<b>55 – 59</b>	10	53	63	28	44	36	12	7	<b>253</b>
<b>60 – 64</b>	5	27	40	18	18	10	5	7	<b>130</b>
<b>65 – Up</b>	1	6	12	8	4	6	2	2	<b>41</b>
<b>TOTAL</b>	<b>170</b>	<b>661</b>	<b>458</b>	<b>203</b>	<b>209</b>	<b>123</b>	<b>43</b>	<b>21</b>	<b>1,888</b>

Average Attained Age – 46.0

Average Service – 8.4



## II Participant Information (cont.)

### Participant Distribution Across Medical Plans

	<u>Blue Shield</u>	<u>Kaiser</u>	<u>PacifiCare</u>	<u>Opt-Out</u>	<u>Total</u>
<i>Retirees</i>					
Under Age 65	148	72	10	n/a	230
Over Age 65	103	43	n/a	n/a	146
Total	<u>251</u>	<u>115</u>	<u>10</u>	<u>n/a</u>	<u>376</u>
<i>Actives</i>					
Under Age 65	869	350	174	451	1,844
Over Age 65	25	7	N/A	12	44
Total	<u>894</u>	<u>357</u>	<u>174</u>	<u>463</u>	<u>1,888</u>

### III Summary of Principal Plan Provisions

The following plan provisions are the basis for the calculations in this actuarial study.

#### 1. Benefit Eligibility

Retirement from County employment aged 50 or above. The employee must be enrolled in the County's healthcare program during the month prior to retirement. The retirement date is the date the CalPERS annuity payments begin.

#### 2. Benefits Provided

County Contribution Subsidy – The County subsidy is determined with reference to cumulative total years of service with the County (un-represented unit employees are able to include additional service completed with any other California city or county, up to a maximum of 50% of actual County service completed). The subsidy is based on the employee only Blue Shield plus dental rate and is delineated as follows:

<u>Years of Service</u>	<u>County Paid % of Employee Only Blue Shield Rate</u>
0 – 11	0%
12 – 14	33%
15 – 19	50%
20 +	67%

The aggregate County subsidy is capped at 1.2% of County payroll.

Subsidized Medical Program – The County provides retirees access to the same medical coverage as active participants. Prior to age 65, the retiree premiums are the same as active premiums and are developed by blending active and retiree costs. The actuarial assumptions exhibit provides details of the premium rates. After age 65, retiree premiums are based exclusively on retiree costs.

#### 3. Benefit Plans Covered

Eligible retirees may elect coverage under any of the County's medical, dental, and vision plans.

<u>Pre-Medicare</u>	<u>Post-Medicare</u>
Blue Shield PPO	Blue Shield
Kaiser HMO	Senior Advantage
PacifiCare HMO	
Dental & Vision	Dental & Vision

#### 4. Spousal coverage

Spouses are covered by the retiree paying the full spouse health plan rate. Surviving spouses can continue membership by paying the rates applicable to a single retiree; there is no County subsidy payable.

## IV Actuarial Assumptions

### 1. Valuation Date

July 1, 2008

### 2. Actuarial Cost Method

The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date (assuming the plan existed on the employee's hire date) to the expected retirement date. Under the EAN cost method, the plan's normal cost is developed as a level percentage of payroll spread over the participants' working lifetime. The AAL is the cumulative value, on the valuation date, of prior service costs. For retirees, the AAL is the present value of all projected benefits.

The ARC under this method equals the normal cost plus the amortization of the unfunded AAL based on the following:

- 20 year amortization period
- Level percentage of future payroll amounts.

The Plan costs are derived by making certain specific assumptions as to the rates of interest, mortality, turnover, and the like, which are assumed to hold for many years into the future. Actual experience may differ somewhat from the assumptions and the effect of such differences is spread over all periods. Due to these differences, the costs determined by the valuation must be regarded as estimates of the true Plan costs.

### 3. Discount Rate

5.5% - This is based on the assumption that benefits will be paid from general County assets earmarked for purposes of County Postretirement Benefits, and not invested in a separate trust.

## IV Actuarial Assumptions (cont.)

### 4. Payroll Increases

3.5% - This is the annual rate at which total payroll is expected to increase (for a constant population) and is used in the cost method to calculate the ARC as a level percent of payroll.

### 5. Payroll Amount Used to Determine 1.2% Cap

For purposes of determining the cap on County contributions, total payroll of \$129.3 million was assumed for the 2006/07 fiscal year. Of this amount \$98.6 million is from the non-safety employees. For this purpose, the County considers components such as workers compensation, deferred compensation, flex pay, unemployment, long-term disability, and life insurance costs.

### 6. Long-Term CPI

2.5%

### 7. Mortality

Mortality rates developed in the CalPERS Experience Study were used in the valuation. Sample post-retirement rates are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
50	0.0025	0.0014
55	0.0043	0.0025
60	0.0072	0.0044
65	0.0130	0.0080
70	0.0214	0.0128
75	0.0372	0.0216
80	0.0626	0.0388
85	0.1020	0.0722
90	0.1738	0.1259
95	0.2592	0.2177
100	0.3472	0.3204

## IV Actuarial Assumptions (cont.)

### 8. Turnover

Turnover rates developed in the CalPERS Experience Study were used in the valuation. The following sample rates are based on age and service:

#### Miscellaneous 2% @ 55

Entry Age	Years of Service					
	0-1	1-2	2-3	3-4	4-5	5-6
20	0.17600	0.15610	0.13620	0.11630	0.09640	0.07650
25	0.16910	0.14920	0.12930	0.10940	0.08950	0.06960
30	0.16220	0.14230	0.12240	0.10250	0.08260	0.06270
35	0.15530	0.13530	0.11540	0.09550	0.07560	0.05570
40	0.14830	0.12840	0.10850	0.08860	0.06870	0.04880
45	0.14140	0.12150	0.10160	0.08170	0.06180	0.01550
50	0.13450	0.11460	0.09470	0.07480	0.05490	0.01290
55	0.12750	0.10760	0.08770	0.06780	0.04790	0.01040
60	0.12060	0.10070	0.08080	0.06090	0.04100	0.00780

#### Safety 3% @ 50

Entry Age	Years of Service					
	0-1	1-2	2-3	3-4	4-5	5-6
20	0.12990	0.08160	0.03480	0.03310	0.03140	0.02970
25	0.12990	0.08160	0.03480	0.03310	0.03140	0.02970
30	0.12990	0.08160	0.03480	0.03310	0.03140	0.02970
35	0.12990	0.08160	0.03480	0.03310	0.03140	0.02970
40	0.12990	0.08160	0.03480	0.03310	0.03140	0.02970
45	0.12990	0.08160	0.03480	0.03310	0.03140	0.01100
50	0.12990	0.08160	0.03480	0.03310	0.03140	0.01100
55	0.12990	0.08160	0.03480	0.03310	0.03140	0.01100

## IV Actuarial Assumptions (cont.)

### 9. Disability

Disability rates developed in the CalPERS Experience Study were used in the valuation. Sample rates are as follows:

<u>Age</u>	<u>Miscellaneous 2% @ 55</u>		<u>Safety 3% @ 50</u>
	<u>Male</u>	<u>Female</u>	<u>Unisex</u>
20	0.00010	0.00010	0.00070
25	0.00020	0.00020	0.00290
30	0.00020	0.00040	0.00580
35	0.00080	0.00100	0.00870
40	0.00150	0.00160	0.01160
45	0.00240	0.00230	0.01450
50	0.00370	0.00350	0.01750
55	0.00490	0.00410	0.05940
60	0.00550	0.00390	0.06010

### 10. Retirement Rates

Retirement rates developed in the CalPERS Experience Study were used in the valuation. Safety 3% @ 50 rates were used for Safety employees and Miscellaneous 2% @ 55 rates were used for all other employees. Sample rates are as follows:

<u>Age</u>	<u>Miscellaneous 2% @ 55</u>	<u>Age</u>	<u>Safety 3% @ 50</u>
50	0.01450	50	0.04350
51	0.01060	51	0.03850
52	0.01140	52	0.06140
53	0.01500	53	0.06890
54	0.01990	54	0.07100
55	0.04750	55	0.08980
56	0.03950	56	0.06870
57	0.04270	57	0.08030
58	0.04730	58	0.07910
59	0.05100	59	0.08200
60	0.07150	60	1.00000
61	0.07150		
62	0.12750		
63	0.12870		
64	0.09310		
65	0.17380		
66	0.10850		
67	0.11090		
68	0.08780		
69	0.10350		
70	0.12240		

## IV Actuarial Assumptions (cont.)

### 11. Annual Healthcare Inflation (“Trend”)

Annual healthcare costs were assumed to increase as follows:

<u>Year</u>	<u>Annual Rate</u>
2008	8.5%
2009	8.0%
2010	7.5%
2011	7.0%
2012	6.5%
2013	6.0%
2014	5.5%
2015+	5.0%

### 12. Monthly Health Plan Rates for 2008/2009

	<u>Without Dental</u>	<u>With Dental</u>
<b>Pre-Medicare</b>		
<b>Blue Shield Plan</b>		
Retiree Only	\$608	\$657
Retiree + 1 Dependent	\$1,149	\$1,237
<b>Kaiser Permanente HMO Plan</b>		
Retiree Only	\$476	\$525
Retiree + 1 Dependent	\$951	\$1,038
<b>PacifiCare HMO Plan</b>		
Retiree Only	\$436	\$485
Retiree +1 Dependent	\$891	\$978
<b>Medicare Eligible</b>		
<b>Blue Shield Plan</b>		
One in Medicare A & B	\$489	\$538
Two in Medicare A & B	\$910	\$998
<b>Kaiser Senior Advantage – Medicare + Choice HMO</b>		
One in Medicare A & B	\$383	\$400
Two in Medicare A & B	\$764	\$798

Future contribution rates are assumed to increase by the healthcare trend assumption shown above.

## IV Actuarial Assumptions (cont.)

### 13. Monthly County Contribution Subsidy for 2008/2009

The County's contribution toward the retiree's premium is a percentage (depending on service at retirement) of the single Blue Shield annual rates shown above, as follows:

	Before Age 65	Age 65 and Older
Level 1 (67%)	\$440.00	\$361.00
Level 2 (50%)	\$329.00	\$269.00
Level 3 (33%)	\$217.00	\$178.00

Future contribution rates are assumed to increase by the healthcare trend assumption shown above.

### 14. Base Year Claims

For the medical plan, expected medical claims for retirees are developed based on the plan costs shown above and the participant demographics of each plan. The expected monthly claims for retirees follow:

Age	Blue Shield		Kaiser		PacifiCare	
	Male	Female	Male	Female	Male	Female
40	\$515.53	\$478.90	\$368.07	\$341.92	\$374.11	\$347.53
45	\$640.23	\$519.75	\$457.11	\$371.09	\$464.61	\$377.18
50	\$819.95	\$603.55	\$585.06	\$430.92	\$594.66	\$437.99
55	\$963.88	\$709.93	\$688.18	\$506.87	\$699.48	\$515.19
60	\$1,150.33	\$847.26	\$821.30	\$604.42	\$834.78	\$614.85
65	\$486.67	\$358.45	\$401.26	\$295.54	n/a	n/a
70	\$564.19	\$415.54	\$465.16	\$342.61	n/a	n/a

### 15. Retiree Contributions

Retirees are required to pay the portion of the plan premium rate not paid by the County (shown in the medical plan cost section above). Future contribution rates are assumed to increase by the healthcare trend assumption shown above.

### 16. Plan Participation

90% of future eligible retirees are assumed to elect coverage in one of the County's health plans at retirement.



## IV Actuarial Assumptions (cont.)

### 17. Plan Election

Current retirees are assumed to continue coverage in the plan in which they are enrolled. Based on the enrollment of current retired and active participants, future retirees are assumed to elect plan coverage as follows:

Such future retirees are expected to elect plan options according to the following probabilities:

	<u>Pre-65</u>	<u>Post-65</u>
Medical		
Blue Shield	55%	55%
Kaiser	35%	35%
Waive medical	10%	10%
Dental & Vision	80%	80%
Waive Dental & Vision	20%	20%

### 18. Spouse Assumption

Current marital status and actual spouses' dates of birth are used for both active and retired employees.

### 19. Participants Valued

Only current active and retired participants are valued. No future entrants are considered in this valuation.

Part-time employees are assumed to continue working at their current schedule.

### 20. Population Growth

A 2.0% annual growth in County employee population was assumed for all scenarios.

# Appendix

## Summary of Results

**County of El Dorado**  
**Retiree Medical Design Study - Results Summary**

**Scenario A:** Pre-Program Change: 1.2% of Pay Cap (Non-Safety Only)

<u>Fiscal Year</u> <u>Beginning</u>	<b>Projected Plan Distributions</b>								
	<b>Projected Accrued Liability</b>	<b>Projected GASB Annual Required Contribution</b>	<b>% of Non- Safety Payroll</b>	<b>County Contribution</b>	<b>% of Non- Safety Payroll</b>	<b>Implicit Subsidy</b>	<b>% of Non- Safety Payroll</b>	<b>Total Plan Cash Flow</b>	<b>% of Non- Safety Payroll</b>
2008	55,748,043	6,787,817	6.88%	1,079,140	1.09%	606,707	0.62%	1,685,847	1.71%
2009	58,824,115	7,049,979	6.77%	1,238,054	1.19%	697,303	0.67%	1,935,357	1.86%
2010	61,996,225	7,313,673	6.65%	1,318,852	1.20%	811,454	0.74%	2,130,306	1.94%
2011	65,305,548	7,578,969	6.53%	1,392,312	1.20%	860,993	0.74%	2,253,305	1.94%
2012	68,691,151	7,860,478	6.42%	1,469,864	1.20%	893,123	0.73%	2,362,987	1.93%
2013	72,215,610	8,160,889	6.31%	1,551,735	1.20%	993,568	0.77%	2,545,303	1.97%
2014	75,874,774	8,468,797	6.20%	1,638,167	1.20%	1,003,115	0.73%	2,641,282	1.93%
2015	79,569,473	8,785,548	6.10%	1,729,413	1.20%	1,043,796	0.72%	2,773,209	1.92%
2016	83,394,975	9,117,505	5.99%	1,825,741	1.20%	1,132,272	0.74%	2,958,013	1.94%
2017	87,250,585	9,458,834	5.89%	1,927,435	1.20%	1,238,497	0.77%	3,165,932	1.97%
2018	91,214,538	9,813,785	5.79%	2,034,793	1.20%	1,267,592	0.75%	3,302,385	1.95%
2019	95,328,370	10,176,738	5.68%	2,148,131	1.20%	1,316,520	0.74%	3,464,651	1.94%
2020	99,499,173	10,560,698	5.59%	2,267,782	1.20%	1,411,474	0.75%	3,679,256	1.95%
2021	103,817,260	10,954,526	5.49%	2,394,098	1.20%	1,512,105	0.76%	3,906,203	1.96%
2022	108,276,884	11,367,388	5.40%	2,527,449	1.20%	1,519,701	0.72%	4,047,150	1.92%
2023	113,071,718	11,801,014	5.31%	2,668,228	1.20%	1,569,895	0.71%	4,238,123	1.91%
2024	118,028,136	12,261,740	5.22%	2,816,848	1.20%	1,729,193	0.74%	4,546,041	1.94%
2025	123,127,344	12,738,296	5.14%	2,973,746	1.20%	1,935,905	0.78%	4,909,651	1.98%
2026	128,147,877	13,207,726	5.05%	3,139,384	1.20%	2,170,319	0.83%	5,309,703	2.03%
2027	133,225,595	13,685,378	4.96%	3,314,248	1.20%	2,283,728	0.83%	5,597,976	2.03%
2028	138,488,844	14,191,256	4.87%	3,498,851	1.20%	2,583,281	0.89%	6,082,132	2.09%
2029	144,039,239	14,712,150	4.78%	3,693,737	1.20%	3,090,253	1.00%	6,783,990	2.20%
2030	148,951,834	15,189,273	4.67%	3,899,478	1.20%	3,132,660	0.96%	7,032,138	2.16%
2031	154,167,668	15,692,431	4.57%	4,116,679	1.20%	3,209,433	0.94%	7,326,112	2.14%
2032	159,413,973	16,201,223	4.47%	4,345,978	1.20%	3,370,996	0.93%	7,716,974	2.13%
2033	164,999,783	16,743,662	4.38%	4,588,049	1.20%	3,347,194	0.88%	7,935,243	2.08%
2034	170,988,313	17,325,792	4.29%	4,843,604	1.20%	3,588,932	0.89%	8,432,536	2.09%
2035	176,882,842	17,880,129	4.20%	5,113,393	1.20%	3,715,628	0.87%	8,829,021	2.07%
2036	182,970,280	18,476,967	4.11%	5,398,209	1.20%	3,918,122	0.87%	9,316,331	2.07%
2037	189,095,566	19,083,989	4.02%	5,698,889	1.20%	4,212,206	0.89%	9,911,095	2.09%

**County of El Dorado**  
**Retiree Medical Design Study - Results Summary**

**Scenario B: Post-Program Change: 1.2% of Pay Cap (Non-Safety Only)**

<u>Fiscal Year</u> <u>Beginning</u>	Projected Accrued Liability	Projected GASB Annual Required Contribution	% of Non- Safety Payroll	Projected Plan Distributions					
				County Contribution	% of Non- Safety Payroll	Implicit Subsidy	% of Non- Safety Payroll	Total Plan Cash Flow	% of Non- Safety Payroll
2008	31,852,488	1,935,303	1.96%	1,079,140	1.09%	606,707	0.62%	1,685,847	1.71%
2009	31,721,186	1,927,325	1.85%	1,183,821	1.14%	695,253	0.67%	1,879,074	1.80%
2010	31,488,377	1,913,180	1.74%	1,257,321	1.14%	792,820	0.72%	2,050,141	1.87%
2011	31,170,097	1,893,842	1.63%	1,333,173	1.15%	705,862	0.61%	2,039,035	1.76%
2012	30,845,417	1,874,115	1.53%	1,406,624	1.15%	592,132	0.48%	1,998,756	1.63%
2013	30,543,159	1,855,750	1.44%	1,456,152	1.13%	572,545	0.44%	2,028,697	1.57%
2014	30,194,336	1,834,556	1.34%	1,485,188	1.09%	466,497	0.34%	1,951,685	1.43%
2015	29,903,339	1,816,876	1.26%	1,522,214	1.06%	361,612	0.25%	1,883,826	1.31%
2016	29,664,197	1,802,346	1.18%	1,552,453	1.02%	339,712	0.22%	1,892,165	1.24%
2017	29,403,563	1,786,510	1.11%	1,585,143	0.99%	325,183	0.20%	1,910,326	1.19%
2018	29,110,433	1,768,700	1.04%	1,623,235	0.96%	317,843	0.19%	1,941,078	1.14%
2019	28,770,428	1,748,042	0.98%	1,654,483	0.92%	298,185	0.17%	1,952,668	1.09%
2020	28,400,134	1,725,544	0.91%	1,686,365	0.89%	343,274	0.18%	2,029,639	1.07%
2021	27,932,502	1,697,131	0.85%	1,718,050	0.86%	390,299	0.20%	2,108,349	1.06%
2022	27,360,441	1,662,374	0.79%	1,746,168	0.83%	458,775	0.22%	2,204,943	1.05%
2023	26,660,322	1,619,836	0.73%	1,764,666	0.79%	501,068	0.23%	2,265,734	1.02%
2024	25,860,906	1,571,264	0.67%	1,781,359	0.76%	548,049	0.23%	2,329,408	0.99%
2025	24,953,848	1,516,153	0.61%	1,788,990	0.72%	590,483	0.24%	2,379,473	0.96%
2026	23,946,836	1,454,969	0.56%	1,791,564	0.68%	640,314	0.24%	2,431,878	0.93%
2027	22,832,034	1,387,235	0.50%	1,777,640	0.64%	663,600	0.24%	2,441,240	0.88%
2028	21,646,556	1,315,208	0.45%	1,763,076	0.60%	690,937	0.24%	2,454,013	0.84%
2029	20,383,104	1,238,443	0.40%	1,739,157	0.57%	708,508	0.23%	2,447,665	0.80%
2030	19,056,509	1,157,841	0.36%	1,702,459	0.52%	705,129	0.22%	2,407,588	0.74%
2031	17,697,029	1,075,241	0.31%	1,658,691	0.48%	707,040	0.21%	2,365,731	0.69%
2032	16,304,635	990,642	0.27%	1,604,862	0.44%	699,497	0.19%	2,304,359	0.64%
2033	14,897,031	905,118	0.24%	1,541,072	0.40%	682,161	0.18%	2,223,233	0.58%
2034	13,493,135	819,820	0.20%	1,467,717	0.36%	657,168	0.16%	2,124,885	0.53%
2035	12,110,372	735,806	0.17%	1,385,568	0.33%	623,577	0.15%	2,009,145	0.47%
2036	10,767,298	654,203	0.15%	1,295,730	0.29%	583,165	0.13%	1,878,895	0.42%
2037	9,480,604	576,025	0.12%	1,199,565	0.25%	538,850	0.11%	1,738,415	0.37%

**County of El Dorado**  
**Retiree Medical Design Study - Results Summary**

**Savings Due to Program Change with 1.2% of Pay Cap [Scenario A minus Scenario B] :**

<b><u>Fiscal Year</u></b> <b><u>Beginning</u></b>	<b>Projected</b> <b>Accrued</b> <b>Liability</b>	<b>Projected</b> <b>GASB Annual</b> <b>Required</b> <b>Contribution</b>	<b>% of Non-</b> <b>Safety</b> <b>Payroll</b>	<b>Projected Plan Distributions</b>					
				<b>County</b> <b>Contribution</b>	<b>% of Non-</b> <b>Safety</b> <b>Payroll</b>	<b>Implicit</b> <b>Subsidy</b>	<b>% of Non-</b> <b>Safety</b> <b>Payroll</b>	<b>Total Plan</b> <b>Cash Flow</b>	<b>% of Non-</b> <b>Safety</b> <b>Payroll</b>
2008	23,895,555	4,852,514	4.92%	0	0.00%	0	0.00%	0	0.00%
2009	27,102,929	5,122,654	4.92%	54,233	0.05%	2,050	0.00%	56,283	0.05%
2010	30,507,848	5,400,493	4.91%	61,531	0.06%	18,634	0.02%	80,165	0.07%
2011	34,135,451	5,685,127	4.90%	59,139	0.05%	155,131	0.13%	214,270	0.18%
2012	37,845,734	5,986,364	4.89%	63,240	0.05%	300,991	0.25%	364,231	0.30%
2013	41,672,451	6,305,139	4.88%	95,583	0.07%	421,023	0.33%	516,606	0.40%
2014	45,680,438	6,634,241	4.86%	152,979	0.11%	536,618	0.39%	689,597	0.51%
2015	49,666,134	6,968,672	4.84%	207,199	0.14%	682,184	0.47%	889,383	0.62%
2016	53,730,778	7,315,159	4.81%	273,288	0.18%	792,560	0.52%	1,065,848	0.70%
2017	57,847,023	7,672,324	4.78%	342,292	0.21%	913,314	0.57%	1,255,606	0.78%
2018	62,104,105	8,045,085	4.74%	411,558	0.24%	949,749	0.56%	1,361,307	0.80%
2019	66,557,942	8,428,696	4.71%	493,648	0.28%	1,018,335	0.57%	1,511,983	0.84%
2020	71,099,039	8,835,154	4.68%	581,417	0.31%	1,068,200	0.57%	1,649,617	0.87%
2021	75,884,758	9,257,395	4.64%	676,048	0.34%	1,121,806	0.56%	1,797,854	0.90%
2022	80,916,444	9,705,014	4.61%	781,281	0.37%	1,060,926	0.50%	1,842,207	0.87%
2023	86,411,396	10,181,178	4.58%	903,562	0.41%	1,068,827	0.48%	1,972,389	0.89%
2024	92,167,230	10,690,475	4.55%	1,035,489	0.44%	1,181,144	0.50%	2,216,633	0.94%
2025	98,173,497	11,222,143	4.53%	1,184,756	0.48%	1,345,422	0.54%	2,530,178	1.02%
2026	104,201,041	11,752,757	4.49%	1,347,820	0.52%	1,530,005	0.58%	2,877,825	1.10%
2027	110,393,560	12,298,142	4.45%	1,536,608	0.56%	1,620,128	0.59%	3,156,736	1.14%
2028	116,842,288	12,876,048	4.42%	1,735,775	0.60%	1,892,344	0.65%	3,628,119	1.24%
2029	123,656,135	13,473,708	4.38%	1,954,580	0.63%	2,381,745	0.77%	4,336,325	1.41%
2030	129,895,324	14,031,432	4.32%	2,197,019	0.68%	2,427,531	0.75%	4,624,550	1.42%
2031	136,470,639	14,617,189	4.26%	2,457,988	0.72%	2,502,393	0.73%	4,960,381	1.45%
2032	143,109,338	15,210,582	4.20%	2,741,116	0.76%	2,671,499	0.74%	5,412,615	1.49%
2033	150,102,752	15,838,543	4.14%	3,046,977	0.80%	2,665,033	0.70%	5,712,010	1.49%
2034	157,495,179	16,505,972	4.09%	3,375,887	0.84%	2,931,764	0.73%	6,307,651	1.56%
2035	164,772,469	17,144,324	4.02%	3,727,825	0.87%	3,092,051	0.73%	6,819,876	1.60%
2036	172,202,983	17,822,764	3.96%	4,102,479	0.91%	3,334,957	0.74%	7,437,436	1.65%
2037	179,614,962	18,507,963	3.90%	4,499,324	0.95%	3,673,356	0.77%	8,172,680	1.72%

**County of El Dorado**  
**Retiree Medical Design Study - Results Summary**

**Scenario C: Pre-Program Change: No Pay Cap (Non-Safety Only)**

<u>Fiscal Year</u> <u>Beginning</u>	Projected Accrued Liability	Projected GASB Annual Required Contribution	% of Non- Safety Payroll	Projected Plan Distributions					
				County Contribution	% of Non- Safety Payroll	Implicit Subsidy	% of Non- Safety Payroll	Total Plan Cash Flow	% of Non- Safety Payroll
2008	73,571,292	8,957,955	9.08%	1,079,140	1.09%	606,707	0.62%	1,685,847	1.71%
2009	81,185,523	9,729,959	9.35%	1,238,054	1.19%	697,303	0.67%	1,935,357	1.86%
2010	89,271,387	10,531,314	9.58%	1,400,104	1.27%	811,454	0.74%	2,211,558	2.01%
2011	97,936,841	11,365,961	9.80%	1,596,122	1.38%	860,993	0.74%	2,457,115	2.12%
2012	107,289,119	12,277,328	10.02%	1,819,761	1.49%	893,123	0.73%	2,712,884	2.21%
2013	117,347,894	13,261,165	10.26%	2,073,227	1.60%	993,568	0.77%	3,066,795	2.37%
2014	128,260,570	14,315,861	10.49%	2,346,274	1.72%	1,003,115	0.73%	3,349,389	2.45%
2015	139,789,167	15,434,618	10.71%	2,656,720	1.84%	1,043,796	0.72%	3,700,516	2.57%
2016	152,230,007	16,643,182	10.94%	2,988,210	1.96%	1,132,272	0.74%	4,120,482	2.71%
2017	165,426,718	17,933,906	11.17%	3,357,869	2.09%	1,238,497	0.77%	4,596,366	2.86%
2018	179,570,178	19,319,980	11.39%	3,765,409	2.22%	1,267,592	0.75%	5,033,001	2.97%
2019	194,655,085	20,780,317	11.61%	4,213,635	2.35%	1,316,520	0.74%	5,530,155	3.09%
2020	210,570,889	22,349,689	11.83%	4,707,499	2.49%	1,411,474	0.75%	6,118,973	3.24%
2021	227,617,859	24,017,641	12.04%	5,257,100	2.64%	1,512,105	0.76%	6,769,205	3.39%
2022	245,841,865	25,809,570	12.25%	5,816,219	2.76%	1,519,701	0.72%	7,335,920	3.48%
2023	265,646,650	27,724,880	12.47%	6,437,374	2.90%	1,569,895	0.71%	8,007,269	3.60%
2024	286,671,063	29,781,763	12.69%	7,104,632	3.03%	1,729,193	0.74%	8,833,825	3.76%
2025	309,098,259	31,978,155	12.90%	7,797,421	3.15%	1,935,905	0.78%	9,733,326	3.93%
2026	332,571,118	34,276,870	13.10%	8,534,686	3.26%	2,170,319	0.83%	10,705,005	4.09%
2027	357,564,878	36,730,258	13.30%	9,319,351	3.37%	2,283,728	0.83%	11,603,079	4.20%
2028	384,503,056	39,400,873	13.51%	10,164,921	3.49%	2,583,281	0.89%	12,748,202	4.37%
2029	413,894,601	42,275,144	13.73%	11,085,516	3.60%	3,090,253	1.00%	14,175,769	4.61%
2030	443,742,034	45,250,324	13.93%	11,990,297	3.69%	3,132,660	0.96%	15,122,957	4.65%
2031	476,226,401	48,474,170	14.13%	12,969,408	3.78%	3,209,433	0.94%	16,178,841	4.72%
2032	510,475,880	51,879,603	14.32%	14,023,335	3.87%	3,370,996	0.93%	17,394,331	4.80%
2033	547,669,833	55,575,821	14.54%	15,107,742	3.95%	3,347,194	0.88%	18,454,936	4.83%
2034	587,941,815	59,574,583	14.76%	16,304,494	4.04%	3,588,932	0.89%	19,893,426	4.93%
2035	630,556,911	63,739,587	14.96%	17,666,326	4.15%	3,715,628	0.87%	21,381,954	5.02%
2036	676,440,974	68,309,331	15.18%	19,118,959	4.25%	3,918,122	0.87%	23,037,081	5.12%
2037	725,193,666	73,188,325	15.41%	20,620,360	4.34%	4,212,206	0.89%	24,832,566	5.23%

**County of El Dorado**  
**Retiree Medical Design Study - Results Summary**

Scenario D: Post-Program Change: No Pay Cap (Non-Safety Only)

<u>Fiscal Year</u>	<u>Projected</u> <u>Accrued</u> <u>Liability</u>	<u>Projected Plan Distributions</u>							
		<u>Projected</u> <u>GASB Annual</u> <u>Required</u> <u>Contribution</u>	<u>% of Non-</u> <u>Safety</u> <u>Payroll</u>	<u>County</u> <u>Contribution</u>	<u>% of Non-</u> <u>Safety</u> <u>Payroll</u>	<u>Implicit</u> <u>Subsidy</u>	<u>% of Non-</u> <u>Safety</u> <u>Payroll</u>	<u>Total Plan</u> <u>Cash Flow</u>	<u>% of Non-</u> <u>Safety</u> <u>Payroll</u>
2008	31,852,488	1,935,303	1.96%	1,079,140	1.09%	606,707	0.62%	1,685,847	1.71%
2009	31,721,186	1,927,325	1.85%	1,183,821	1.14%	695,253	0.67%	1,879,074	1.80%
2010	31,488,377	1,913,180	1.74%	1,257,321	1.14%	792,820	0.72%	2,050,141	1.87%
2011	31,170,097	1,893,842	1.63%	1,333,173	1.15%	705,862	0.61%	2,039,035	1.76%
2012	30,845,417	1,874,115	1.53%	1,406,624	1.15%	592,132	0.48%	1,998,756	1.63%
2013	30,543,159	1,855,750	1.44%	1,456,152	1.13%	572,545	0.44%	2,028,697	1.57%
2014	30,194,336	1,834,556	1.34%	1,485,188	1.09%	466,497	0.34%	1,951,685	1.43%
2015	29,903,339	1,816,876	1.26%	1,522,214	1.06%	361,612	0.25%	1,883,826	1.31%
2016	29,664,197	1,802,346	1.18%	1,552,453	1.02%	339,712	0.22%	1,892,165	1.24%
2017	29,403,563	1,786,510	1.11%	1,585,143	0.99%	325,183	0.20%	1,910,326	1.19%
2018	29,110,433	1,768,700	1.04%	1,623,235	0.96%	317,843	0.19%	1,941,078	1.14%
2019	28,770,428	1,748,042	0.98%	1,654,483	0.92%	298,185	0.17%	1,952,668	1.09%
2020	28,400,134	1,725,544	0.91%	1,686,365	0.89%	343,274	0.18%	2,029,639	1.07%
2021	27,932,502	1,697,131	0.85%	1,718,050	0.86%	390,299	0.20%	2,108,349	1.06%
2022	27,360,441	1,662,374	0.79%	1,746,168	0.83%	458,775	0.22%	2,204,943	1.05%
2023	26,660,322	1,619,836	0.73%	1,764,666	0.79%	501,068	0.23%	2,265,734	1.02%
2024	25,860,906	1,571,264	0.67%	1,781,359	0.76%	548,049	0.23%	2,329,408	0.99%
2025	24,953,848	1,516,153	0.61%	1,788,990	0.72%	590,483	0.24%	2,379,473	0.96%
2026	23,946,836	1,454,969	0.56%	1,791,564	0.68%	640,314	0.24%	2,431,878	0.93%
2027	22,832,034	1,387,235	0.50%	1,777,640	0.64%	663,600	0.24%	2,441,240	0.88%
2028	21,646,556	1,315,208	0.45%	1,763,076	0.60%	690,937	0.24%	2,454,013	0.84%
2029	20,383,104	1,238,443	0.40%	1,739,157	0.57%	708,508	0.23%	2,447,665	0.80%
2030	19,056,509	1,157,841	0.36%	1,702,459	0.52%	705,129	0.22%	2,407,588	0.74%
2031	17,697,029	1,075,241	0.31%	1,658,691	0.48%	707,040	0.21%	2,365,731	0.69%
2032	16,304,635	990,642	0.27%	1,604,862	0.44%	699,497	0.19%	2,304,359	0.64%
2033	14,897,031	905,118	0.24%	1,541,072	0.40%	682,161	0.18%	2,223,233	0.58%
2034	13,493,135	819,820	0.20%	1,467,717	0.36%	657,168	0.16%	2,124,885	0.53%
2035	12,110,372	735,806	0.17%	1,385,568	0.33%	623,577	0.15%	2,009,145	0.47%
2036	10,767,298	654,203	0.15%	1,295,730	0.29%	583,165	0.13%	1,878,895	0.42%
2037	9,480,604	576,025	0.12%	1,199,565	0.25%	538,850	0.11%	1,738,415	0.37%

**County of El Dorado**  
**Retiree Medical Design Study - Results Summary**

**Savings Due to Plan Change without 1.2% of Pay Cap [Scenario C minus Scenario D] :**

<u>Fiscal Year</u>	<u>Projected</u> <u>Accrued</u> <u>Liability</u>	<u>Projected Plan Distributions</u>							
		<u>Projected</u> <u>GASB Annual</u> <u>Required</u> <u>Contribution</u>	<u>% of Non-</u> <u>Safety</u> <u>Payroll</u>	<u>County</u> <u>Contribution</u>	<u>% of Non-</u> <u>Safety</u> <u>Payroll</u>	<u>Implicit</u> <u>Subsidy</u>	<u>% of Non-</u> <u>Safety</u> <u>Payroll</u>	<u>Total Plan</u> <u>Cash Flow</u>	<u>% of Non-</u> <u>Safety</u> <u>Payroll</u>
2008	41,718,804	7,022,652	7.12%	0	0.00%	0	0.00%	0	0.00%
2009	49,464,338	7,802,634	7.49%	54,233	0.05%	2,050	0.00%	56,283	0.05%
2010	57,783,010	8,618,134	7.84%	142,783	0.13%	18,634	0.02%	161,417	0.15%
2011	66,766,745	9,472,119	8.16%	262,949	0.23%	155,131	0.13%	418,080	0.36%
2012	76,443,702	10,403,213	8.49%	413,137	0.34%	300,991	0.25%	714,128	0.58%
2013	86,804,735	11,405,415	8.82%	617,075	0.48%	421,023	0.33%	1,038,098	0.80%
2014	98,066,234	12,481,305	9.14%	861,086	0.63%	536,618	0.39%	1,397,704	1.02%
2015	109,885,828	13,617,742	9.45%	1,134,506	0.79%	682,184	0.47%	1,816,690	1.26%
2016	122,565,810	14,840,837	9.75%	1,435,757	0.94%	792,560	0.52%	2,228,317	1.46%
2017	136,023,156	16,147,396	10.05%	1,772,726	1.10%	913,314	0.57%	2,686,040	1.67%
2018	150,459,746	17,551,280	10.35%	2,142,174	1.26%	949,749	0.56%	3,091,923	1.82%
2019	165,884,657	19,032,275	10.63%	2,559,152	1.43%	1,018,335	0.57%	3,577,487	2.00%
2020	182,170,756	20,624,145	10.91%	3,021,134	1.60%	1,068,200	0.57%	4,089,334	2.16%
2021	199,685,357	22,320,510	11.19%	3,539,050	1.77%	1,121,806	0.56%	4,660,856	2.34%
2022	218,481,424	24,147,197	11.46%	4,070,051	1.93%	1,060,926	0.50%	5,130,977	2.44%
2023	238,986,328	26,105,044	11.74%	4,672,708	2.10%	1,068,827	0.48%	5,741,535	2.58%
2024	260,810,157	28,210,498	12.02%	5,323,273	2.27%	1,181,144	0.50%	6,504,417	2.77%
2025	284,144,412	30,462,001	12.29%	6,008,431	2.42%	1,345,422	0.54%	7,353,853	2.97%
2026	308,624,282	32,821,902	12.55%	6,743,122	2.58%	1,530,005	0.58%	8,273,127	3.16%
2027	334,732,844	35,343,022	12.80%	7,541,711	2.73%	1,620,128	0.59%	9,161,839	3.32%
2028	362,856,500	38,085,665	13.06%	8,401,845	2.88%	1,892,344	0.65%	10,294,189	3.53%
2029	393,511,497	41,036,702	13.33%	9,346,359	3.04%	2,381,745	0.77%	11,728,104	3.81%
2030	424,685,524	44,092,483	13.57%	10,287,838	3.17%	2,427,531	0.75%	12,715,369	3.91%
2031	458,529,371	47,398,929	13.82%	11,310,717	3.30%	2,502,393	0.73%	13,813,110	4.03%
2032	494,171,245	50,888,962	14.05%	12,418,473	3.43%	2,671,499	0.74%	15,089,972	4.17%
2033	532,772,802	54,670,702	14.30%	13,566,670	3.55%	2,665,033	0.70%	16,231,703	4.25%
2034	574,448,681	58,754,764	14.56%	14,836,777	3.68%	2,931,764	0.73%	17,768,541	4.40%
2035	618,446,539	63,003,781	14.79%	16,280,758	3.82%	3,092,051	0.73%	19,372,809	4.55%
2036	665,673,677	67,655,129	15.04%	17,823,229	3.96%	3,334,957	0.74%	21,158,186	4.70%
2037	715,713,062	72,612,300	15.29%	19,420,795	4.09%	3,673,356	0.77%	23,094,151	4.86%