ACTUARIAL ANALYSIS OF RETIREE HEALTH BENEFITS NOVATO UNIFIED SCHOOL DISTRICT AS OF JULY 1, 2006

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March 26, 2007

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March 26, 2007

Novato Unified School District
1015 Seventh Street
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Enclosed is my actuarial valuation of the retiree health program for District employees as of July 1, 2006. The report is based on assumptions stated in the appendix, and on data provided by the District's staff, which I have limited ability to verify. Summaries of the data are included in appendices.

The valuation results are also based on my understanding of the existing benefit design, which is summarized in Appendix F. Only the benefits paid by the District are included in the valuation.

On the basis of the foregoing, I certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted principles and practices which are consistent with the applicable standards of practice of the Actuarial Standards Board. To the extent that future actuarial experience varies from the assumptions used in this report, the actual costs in future years will vary from those presented herein.

Sincerely,

Steven T. Itelson

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SUMMARY OF ACTUARIAL ANALYSIS OF RETIREE HEALTH PROGRAM

Novato Unified School District provides health insurance benefits to certain retirees. Certificated and Management/Confidential employees who retire after age 55 with 10 years of service receive $200 monthly; Classified employees need 15 years of service the same benefit. Those with five or more years of District employment get a prorated amount, as do those who retire from less than full-time employment. District payment ends at age 65. Appendix F gives summaries of the provisions of the program by representation unit.

The Governmental Accounting Standards Board (GASB) published *Statement Number 43* and *Statement Number 45* in 2004. Statement No. 43 requires disclosures by the Retiree Health Plan; Statement No. 45 sets rules for computing expenses for retiree health and welfare benefits. Expenses will be determined as closely as possible to the way they are for pensions. Higher reserves may develop; interest on these assets will pay part of the costs. The GASB Annual Required Contribution (ARC) is $115,000 as of July 1, 2006, which is 0.29% of payroll ($39,118,000). It should be adjusted for interest if paid later. The actuarial accrued liability (AAL) is $1,174,000. Net of reserves of $149,000, the unfunded AAL is $1,025,000 which is 2.62% of payroll. The AAL is 12.69% funded by the reserves. The expected benefits paid for year 2006-07 is expected to be greater than the ARC.

This actuarial valuation used the rates of mortality, retirement, disability and other withdrawal that are used by the California State Teachers' Retirement System (STRS) and the California Public Employees' Retirement System (PERS) in the valuations of their pension plans. Other assumptions used include rates of premium increase, investment return, and growth in covered payroll.

INTRODUCTION

The funding of retiree health and welfare benefits has been a major issue for many employers in both the private and public sectors. Very few programs do any advance funding; instead, pay-as-you-go financing has primarily been used. However, Novato Unified School District has retiree medical reserves of $149,000 as of June 30, 2006, as estimated by the District. These reserves are not yet in a separate Trust Fund. Once GASB is implemented, assets will have to be formally segregated to serve as an offset to liabilities.

Traditional actuarial funding uses one of the cost methods for pension plans, such as projected unit credit (PUC). This method allocates an equal share of the present value of future benefits to each past and future year of service. For a given individual, this method results in a gradual annual increase in costs. The contribution on the PUC method for a group will remain stable if the average attained age is stable and the past service cost is amortized.

There had been no legal or accounting requirement to fund a retiree health benefit plan using traditional pension methods. In 2004, however, the Governmental Accounting Standards Board (GASB) issued *Statements 43* and *45* for such rules in public agencies. *Statement 43* requires actuarial reporting by the Plan. *Statement 45* requires an employer's expense be determined using actuarial methods so that costs accrue over the employees' working lifetimes. More discussion of these accounting considerations is given in the next section. The actuarial calculations are summarized in the Valuation Results section which follows.

Appendix A is a glossary of actuarial terms used in this report. The actuarial assumptions are shown in detail in Appendices B and C. They include rates of retiree mortality and rates at which the employees leave the work force for retirement, death and other turnover. These assumptions are the ones used in pension valuations for the PERS and the State Teachers' Retirement System (STRS). However, probabilities of termination have been multiplied by 2.0 for all groups at all ages and years of service. An investment return assumption of 5.0% has been used. Covered payroll is assumed to rise 3.5% annually. The fixed dollar amount of benefit of $200 monthly is not assumed to rise.

Appendix D gives censuses of the eligible employees by age and service and Appendix E is a distribution of retirees. Appendix F is a summary of benefit provisions. Only the health benefits paid by the District are included in the actuarial projections.

ACCOUNTING STANDARDS

Accounting rules for public employers are promulgated by the Governmental Accounting Standards Board (GASB). *Statement Number 43* on Plan reporting was released in April, 2004; *Statement Number 45* on Employer expense was published in June, 2004.

The accounting rules require that expense be computed using one of six actuarial cost methods, including Projected Unit Credit which was used here. The Annual Required Contribution will be Normal Cost plus amortization of Unfunded Actuarial Accrued Liability over 30 years. The Normal Cost is the cost of the benefits accruing this year for the current employees. The amortization is done as a level percentage of increasing payroll. This contribution will be expressed in dollars and as a percentage of payroll. See Appendix A for an explanation of terms.

Public employers more than 200 participants (employees plus retirees) will be required to have actuarial studies to determine this expense every two years. In the non-valuation years, the same percentage of wages as the prior valuation will be used. All post-employment benefits other than pensions, such as retiree dental, vision, and life insurance plans are included. For public agencies with annual revenue of $10 million to $100 million, the effective dates will be fiscal years starting after December 15, 2006 for the Plan disclosure standards and the subsequent year for the employer expense. Effective dates and these rules should be discussed with the District's auditors.

DEMOGRAPHIC PROJECTIONS

Active Employees

A census of 552 active eligible employees as of April, 2006 was provided by the District. As of July 1, 2006 the average age was 48.1 and average service was 9.1 years. Distributions of these employees by age and service are in Appendix D. The application of the decrement rates in Appendices B (in PERS) and C (in STRS) project the following for these current employees:

	Certificated	Classified	Mgmt/Conf	Total
Service Retire	212	129	27	368
Disability Retire	5	6	0	11
Death	7	3	1	11
Other termination	111	40	11	162
Total	335	178	39	552

Some employees projected to retire will not have sufficient service to receive retiree health benefits, or will retire after age 65 with no District-paid benefits due. The total number of retirees receiving benefits year-by-year is given in Table 1 in the Valuation Results section.

Retirees

There were 57 retirees in the census used for this valuation. This includes 11 Classified members, 42 from Certificated, and four from the Management/Confidential unit. The average age of current retirees was 62.5 as of July 1, 2006. A distribution of these retirees by age and representation unit is in Appendix E. Benefits total about $11,300 monthly for the current retirees, which is about $198 monthly per retiree.

VALUATION RESULTS

The expense is the Annual Required Contribution (ARC) in GASB Statement No. 45. For the year beginning July 1, 2006 it is $115,000. This includes Normal Cost of $73,000 plus $42,000 to amortize the Unfunded Actuarial Accrued Liability (UAAL). The ARC is assumed to be paid on July 1, and should be adjusted for interest if paid later. The total of $115,000 is 0.29% of covered payroll ($47,700,000 for actuarial purposes). Of course the District might not choose to determine expense on this basis until Statement 45 applies. Note that the expense is less than the pay-as –you-go cost at this time. The District can use the same percentage of payroll as the expense for the next year under Statement 45. This 2006 valuation can be used later under GASB's *Compliance Guide*.

The Actuarial Accrued Liability (AAL) as of July 1, 2006 is $1,174,000. There were retiree health reserves of $149,000 as of June 30, 2006, so the UAAL is $1,025,000. The Actuarial Accrued Liability is 12.69% funded. The UAAL is 2.62% of payroll. These results are items to disclose under GASB Statement 43, once it is applicable. The contributions and actuarial liabilities are as follows:

:

1) Actuarial Accrued Liability		
Current Retirees	$324,000	
Current Employees	850,000	
Total		$1,174,000
2) Actuarial Value of Assets		149,000
3) Unfunded Actuarial Accrued Liability		1,025,000
4) Payment to Amortize UAAL		42,000
5) Actuarial Normal Cost		73,000
6) Total Contribution = 4) + 5)		115,000
7) Contribution as Percentage of Payroll		0.29%

The attached Table 1 is my 15-year projection of number of retirees, benefit payments, and Employer contributions at the GASB expense level. I have assumed contributions are paid at the start of the year when crediting investment income. There were 57 retirees in the valuation census, including one "special" retiree over age 65 with lifetime benefits. Table 1 shows 72 for year 2006-07 including those expected to retire this year. The number of retirees generally decreases over the projection, because benefits cease at age 65. Many employees are assumed to retire in their early sixties and hence benefits are paid for only a few years; other are not expected to retire until after age 65 and hence never receive District-paid retiree health benefits. The projection excludes future employees; there may be some retirements in the next 15 years from people not yet hired. Although the projection is shown for 15 years, the ARC will be revised based on future actuarial valuations. These will be at least biennial under Statement 45 guidelines.

TABLE 1

Novato Unified School District
Retiree Medical Program Scenario 1

Fiscal Year	Number Retired	Expected District-Paid Benefits	District Contribution	Assets End of Year
2006-07	72	160,000	115,000	113,000
2007-08	61	141,000	119,000	99,000
2008-09	66	151,000	123,000	78,000
2009-10	70	160,000	128,000	52,000
2010-11	68	155,000	132,000	34,000
2011-12	66	148,000	137,000	28,000
2012-13	59	133,000	141,000	41,000
2013-14	55	123,000	146,000	70,000
2014-15	53	121,000	151,000	108,000
2015-16	50	114,000	157,000	161,000
2016-17	46	106,000	162,000	231,000
2017-18	37	85,000	168,000	332,000
2018-19	33	77,000	174,000	452,000
2019-20	31	72,000	180,000	590,000
2020-21	30	71,000	186,000	742,000

Appendix A
ACTUARIAL TERMINOLOGY

The terminology utilized in calculating the contributions is described below.

NORMAL COST This represents the cost of the portion of an employee's benefit deemed to be earned in the current year. In pension plans such as the District's, a benefit is earned during each year of service. It is, therefore, relatively easy to visualize the Normal Cost as being the cost for each participant of the benefit earned in the current year. In a program such as a post-retirement health insurance plan, this cost cannot be easily related to a benefit formula. The Projected Unit Credit actuarial cost method has been used here. The Normal Cost is calculated so that the total value of a participant's benefit would be accrued in equal units over his total service to the expected retirement date. Thus, if an employee's total projected service to retirement was 30 years, 1/30th of the present value of the expected post-retirement benefits would be the Normal Cost. This would be the total annual cost over the long term if (1) the Normal Costs attributable to the past had been fully funded, and (2) interest were earned at the assumed rate on the Actuarial Accrued Liability.

ACTUARIAL ACCRUED LIABILITY (AAL) This term can be defined retrospectively or prospectively. It is the accumulation of past Normal Costs from date of hire to the valuation date for all current employees. Alternatively, it is the present value of all future benefits less the present value of future Normal Cost payments. It is the portion of the present value prorated for service. For example, for an employee who would have 30 years of service at retirement and has worked 15 years already, it is 15/30 of the present value of expected post-retirement benefits. The Unfunded Actuarial Accrued Liability (UAAL) is the Actuarial Accrued Liability minus the reserves.

AMORTIZATION PAYMENT The Unfunded Actuarial Accrued Liability must be paid off for future contributions to be in balance with future benefits if financing permanent benefits for all employees. The cost has been illustrated using a 30-year period to amortize the UAAL. Payments are set to rise 3.5%annually so that they are expected to remain a constant percentage of covered payroll.

PAY-AS-YOU-GO This way of financing benefits is not a funding method, because no assets are accumulated. The cost allocated to each year is the actual benefits paid. The annual payment might be claims costs, total premiums, or the total of stipends paid by the employer which represent part of the premiums.

Appendix B

Actuarial Assumptions for Employees in PERS

Investment return: 5.0% per year

General inflation: 3.5% per year

Covered payroll increases: 3.5% per year

Rates of death and disability for active employees:
California PERS rates for School Employers from 2004 Experience Study.
Sample annual rates:

	Males Rate (%)		Females Rate (%)	
Age	Death	Disability	Death	Disability
25	.03	.02	.01	.01
30	.04	.04	.02	.03
35	.05	.08	.03	.05
40	.08	.14	.05	.10
45	.11	.28	.07	.16
50	.16	.50	.10	.30
55	.22	.72	.15	.47
60	.31	.71	.23	..37
65	.45	.57	.34	.20
70	.63	.57	.50	.20

Rates of Retirement, Males and Females:
California PERS rates for School Employers from 2004 Experience Study

	Years of Service						
Age	5	10	15	20	25	30	35+
50	0.36%	0.71%	1.00%	1.18%	1.31%	1.47%	1.72%
51	0.35	0.69	0.96	1.14	1.27	1.42	1.66
52	0.35	0.69	0.96	1.14	1.27	1.42	1.67
53	0.46	0.92	1.29	1.52	1.70	1.90	2.23
54	0.60	1.18	1.65	1.96	2.18	2.44	2.86
55	1.94	3.84	5.37	6.35	7.07	7.92	9.29
56	1.58	3.14	4.39	5.19	5.78	6.47	7.60
57	1.70	3.37	4.71	5.57	6.20	6.94	8.15
58	2.02	4.02	5.62	6.63	7.39	8.27	9.71
59	2.31	4.57	6.40	7.56	8.42	9.42	11.06
60	3.68	7.29	10.20	12.05	13.42	15.02	17.63
61	3.64	7.21	10.09	11.92	13.28	14.86	17.44
62	7.62	15.12	21.15	24.98	27.84	31.14	36.57
63	6.87	13.63	19.06	22.52	25.10	28.08	32.97
64	5.34	10.60	14.82	17.51	19.51	21.83	25.63
65	9.06	17.97	25.13	29.69	33.08	37.01	43.45
70	6.60	13.08	18.30	21.62	24.08	26.95	31.64
75	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Rates of Withdrawal, Males and Females:
California PERS rates for School Employers from 2004 Experience Study and multiplied by 2.00 at all age and service combinations

	Years of Service							
Age	0	5	10	15	20	25	30	35+
20	32.34%							
25	30.42	6.94%						
30	28.50	6.22	4.30%					
35	26.58	5.52	3.68	2.88%				
40	24.66	4.80	3.06	2.36	1.85%			
45	22.74	4.10	2.46	1.84	1.38	0.92%		
50	20.82	3.38	1.84	1.32	0.94	0.58	0.38%	
55	18.90	2.68	1.22	0.80	0.50	0.24	0.08	0.04%
60	16.98	1.96	0.62	0.28	0.06	0.04	0.04	0.04
65	15.06	1.26	0.06	0.06	0.04	0.04	0.04	0.04
70	13.14	0.54	0.06	0.06	0.04	0.04	0.04	0.04

Retiree Mortality Rates: California PERS 2004 Experience Study
Sample annual rates and life expectancies:

MALE EMPLOYEES

Age	Life Expectancy (Years)			Rate of Mortality (%)		
	Service Retiree	Disability Retiree	Spouse	Service Retiree	Disability Retiree	Spouse
55	26.4	18.9	30.0	.43	2.12	.25
60	22.0	16.1	25.5	.72	2.87	.44
65	17.9	13.4	21.1	1.30	3.62	.80
70	14.2	10.9	17.1	2.14	4.67	1.28
75	10.9	8.5	13.3	3.72	6.55	2.16
80	8.0	6.5	9.9	6.26	9.48	3.88
85	5.8	4.8	7.1	10.20	14.04	7.22

FEMALE EMPLOYEES

Age	Life Expectancy (Years)			Rate of Mortality (%)		
	Service Retiree	Disability Retiree	Spouse	Service Retiree	Disability Retiree	Spouse
55	30.0	22.9	26.4	.25	1.48	.43
60	25.5	19.7	22.0	.44	1.88	.72
65	21.1	16.6	17.9	.80	2.36	1.30
70	17.1	13.5	14.2	1.28	3.02	2.14
75	13.3	10.6	10.9	2.16	4.30	3.72
80	9.9	8.1	8.0	3.88	6.51	6.26
85	7.1	5.9	5.8	7.22	10.27	10.20

Note: **Life expectancy** is the average number of future years of life for those who have attained the specified age. For example, female service retirees who are currently age 65 will live for an *average* of 21.1 more years. The **rates of mortality** are the percentages of the retirees at the specific age who die before reaching the next age. For example, 0.80% of female service retirees age 65 are assumed to die before reaching age 66.

District's Monthly Retiree Premiums for year 2006:

One-party pre-Medicare rates for Kaiser and HealthNet, respectively are $551.03 and $755.11; however, District payment for retirees is limited to $200.00 per month.

Assumed Increases in benefits: None.

Percentage of Future Retirees Declining Coverage: 1%

Appendix C

Actuarial Assumptions for Employees in STRS

Investment return: 5.0% per year

General inflation: 3.5% per year

Covered payroll increases: 3.5% per year

Rates of death and disability for employees (California STRS 2003 Experience Study)

	Male Rates (%)		Female Rates (%)	
Age	Death	Disability	Death	Disability
25	.05	.02	.03	.02
30	.07	.03	.03	.03
35	.08	.05	.04	.06
40	.09	.08	.05	.09
45	.11	.12	.08	.11
50	.16	.17	.10	.22
55	.26	.21	.16	.28
60	.44		.26	
65	.80		.51	

Rates of retirement for active employees (California STRS 2003 Experience Study)

	Female Rates		Male Rates	
Age	Under 30 Years	30 + Years	Under 30 Years	30 + Years
55	5.0%	8.0%	3.0%	6.0%
56	3.5%	8.0%	2.0%	6.0%
57	3.5%	10.0%	2.0%	8.0%
58	4.5%	15.0%	3.0%	12.0%
59	6.0%	18.0%	5.0%	16.0%
60	10.0%	30.0%	7.0%	25.0%
61	10.0%	35.0%	7.0%	40.0%
62	12.0%	32.0%	9.0%	35.0%
63	18.0%	30.0%	13.0%	27.0%
64	15.0%	27.0%	12.0%	27.0%
65	16.0%	27.0%	14.0%	27.0%
66-69	15.0%	27.0%	10.0%	27.0%
70	100.0%	100.0%	100.0%	100.0%

Rates of Withdrawal:
California STRS rates from 2003 Experience Study multiplied by 2.00 at all age and service combinations. Sample annual rates:

FEMALES

	Age When Hired					
Years of Service	Under 25	25 - 29	30 - 34	35 - 39	40 - 44	45 & Over
0	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%
5	11.00%	11.50%	8.40%	5.80%	5.00%	5.00%
10	4.50%	3.90%	3.40%	2.80%	3.10%	
15	2.10%	1.80%	2.00%	1.80%	1.00%	
20	1.20%	1.30%	1.80%			
25	1.20%	1.10%	0.80%			
30	0.60%					

MALES

	Age When Hired					
Years of Service	Under 25	25 - 29	30 - 34	35 - 39	40 - 44	45 & Over
0	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%
5	7.80%	6.00%	6.00%	6.00%	6.00%	7.20%
10	4.00%	4.00%	4.00%	4.00%	4.80%	1.75%
15	2.20%	2.20%	2.20%	2.40%	1.60%	
20	1.20%	1.20%	1.20%	1.20%		
25	1.00%	1.00%	0.80%			
30						

Retiree Mortality Rates: California STRS 2003 Experience Study
Sample annual rates and life expectancies:

MALE EMPLOYEES

	Life Expectancy (Years)			Rate of Mortality (%)		
Age	Service Retiree	Disability Retiree	Spouse	Service Retiree	Disability Retiree	Spouse
55	28.0	22.2	31.1	.32	2.50	.19
60	23.6	19.9	26.5	.56	2.50	.34
65	19.3	17.3	22.0	1.02	2.50	.67
70	15.5	14.3	17.9	1.80	2.50	1.18
75	12.0	11.1	14.0	2.85	3.72	1.83
80	8.8	8.4	10.5	5.02	6.20	3.78

FEMALE EMPLOYEES

	Life Expectancy (Years)			Rate of Mortality (%)		
Age	Service Retiree	Disability Retiree	Spouse	Service Retiree	Disability Retiree	Spouse
55	31.1	24.9	27.0	.19	2.20	.40
60	26.5	22.5	22.6	.34	2.20	.71
65	22.0	19.9	18.5	.67	2.20	1.29
70	17.9	16.9	14.8	1.18	2.20	2.17
75	14.0	13.6	11.6	1.83	2.27	3.40
80	10.5	10.3	8.7	3.78	3.94	5.59

These are STRS assumptions for current retirees, which have been used in this study for all retirees. The underlying tables are modifications of the 1994 Group Annuity Mortality Tables. Higher rates of mortality among disability retirees in their first three years of retirement have not been used herein.

District's Monthly Retiree Premiums for year 2006:

One-party pre-Medicare rates for Kaiser and HealthNet, respectively are $551.03 and $755.11. District payment for retirees is limited to $200.00 per month

Assumed Increases in benefits: None.

Percentage of Future Retirees Declining Coverage: 1%

APPENDIX D-1

Distribution of All Employees
By Age and Years of Service
as of July 1, 2006

	Years of Service						
Age	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 & Over	Total
Under 25	11	0	0	0	0	0	11
25 - 29	34	1	0	0	0	0	35
30 - 34	29	20	0	0	0	0	49
35 - 39	20	13	2	0	0	0	35
40 - 44	32	17	7	2	1	0	59
45 - 49	33	20	6	14	0	1	74
50 - 54	23	32	18	15	4	2	94
55 - 59	19	27	11	25	8	21	111
60 - 64	7	9	7	24	9	14	70
65 - 69	3	2	2	1	1	3	12
70 & Over	0	2	0	0	0	0	2
Total	211	143	53	81	23	41	552

There are 394 females and 158 males in this census. The average age is 48.1 and the average length of service is 9.1 years.

APPENDIX D-2

Distribution of Non-Management Certificated Employees
By Age and Years of Service
as of July 1, 2006

	Years of Service						
Age	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 & Over	Total
Under 25	7	0	0	0	0	0	7
25 - 29	32	1	0	0	0	0	33
30 - 34	23	18	0	0	0	0	41
35 - 39	14	10	1	0	0	0	25
40 - 44	18	14	5	2	0	0	39
45 - 49	12	13	4	10	0	0	39
50 - 54	9	22	8	6	2	0	47
55 - 59	9	16	3	13	0	15	56
60 - 64	4	5	5	11	2	9	36
65 - 69	3	2	2	0	1	3	11
70 & Over	0	1	0	0	0	0	1
Total	131	102	28	42	5	27	335

There are 250 females and 85 males in this census. The average age is 46.1, and the average service is 8.7 years.

APPENDIX D-3

Distribution of Non-Management Classified Employees
By Age and Years of Service
as of July 1, 2006

	Years of Service						
Age	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 & Over	Total
Under 25	4	0	0	0	0	0	4
25 - 29	1	0	0	0	0	0	1
30 - 34	5	2	0	0	0	0	7
35 - 39	5	3	1	0	0	0	9
40 - 44	11	2	2	0	1	0	16
45 - 49	14	7	2	4	0	1	28
50 - 54	11	9	10	7	2	0	39
55 - 59	7	10	7	11	6	4	45
60 - 64	3	4	1	11	6	3	28
65 - 69	0	0	0	0	0	0	0
70 & Over	0	1	0	0	0	0	1
Total	61	38	23	33	15	8	178

There are 121 females and 57 males in this census. The average age is 51.1 and the average service is 9.7 years.

APPENDIX D-4

Distribution of Management/Confidential Employees
By Age and Years of Service
as of July 1, 2006

	Years of Service						
Age	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 & Over	Total
Under 25	0	0	0	0	0	0	0
25 - 29	1	0	0	0	0	0	1
30 - 34	1	0	0	0	0	0	1
35 - 39	1	0	0	0	0	0	1
40 - 44	3	1	0	0	0	0	4
45 - 49	7	0	0	0	0	0	7
50 - 54	3	1	0	2	0	2	8
55 - 59	3	1	1	1	2	2	10
60 - 64	0	0	1	2	1	2	6
65 - 69	0	0	0	1	0	0	1
70 & Over	0	0	0	0	0	0	0
Total	19	3	2	6	3	6	39

This census includes 23 female and 16 male employees. The average age is 51.7 and the average service is 10.9 years.

APPENDIX E

Distribution of Current Retirees by
Employment Unit and Age
As of July 1, 2006

Age	Certificated	Classified	Mgmt/Conf	Total
Under 55				0
55 - 59	6	1	1	8
60 - 64	36	10	2	48
65 & Over			1	1
Total	42	11	4	57

There are 39 females and 18 males in this table. The average age is 62.5 and the average monthly benefit is $198.

APPENDIX F

Summary of Principal Provisions of Retiree Health Program
Novato Unified School District

	Certificated and Mgmt/Conf	Classified
Full Retirement Benefit		
Eligibilty Age	55	55
Years of Service Required	10	15
Benefit Amount	Payment of one-party medical premiums, maximum $200	Payment of one-party medical premiums, maximum $200
Benefit Duration	Paid until earlier of age 65 or death	Paid until earlier of age 65 or death
Partial Retirement Benefit		
Eligibilty Age	55	55
Years of Service Required	5	5
Benefit Amount	Amount of full benefit is pro-rated by years of service at retirement to 10	Amount of full benefit is pro-rated by years of service at retirement to 15
Benefit Duration	Paid until earlier of age 65 or death	Paid until earlier of age 65 or death
Disability Benefit	Same as full or partial benefit above	Same as full or partial benefit above
Pre-retirement Death Benefit	None	None
Post-retirement Death Benefit	None	None