ACTUARIAL ANALYSIS OF RETIREE HEALTH BENEFITS

NOVATO UNIFIED SCHOOL DISTRICT

AS OF JULY 1, 2012

For Fiscal Years Ending
June 30, 2013 and 2014

Prepared by:
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October 9, 2013

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October 9, 2013

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1015 Seventh Street
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Enclosed is my actuarial valuation of the retiree health program for District employees as of July 1, 2012. 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. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions in this report.

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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Fellow, Society of Actuaries
Member, American Academy of Actuaries

Encl.

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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 up to $200 monthly toward dental, vision, or medical benefits. Classified employees need 15 years of service for 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 45 in 2004. GASB 45 sets rules for computing expenses for retiree health and welfare benefits. Expense (called Annual OPEB Cost or AOC) is determined similarly to the way it is for pensions. Working employees accrue a prorated share of the financial present value of the retiree benefits each year. This valuation is done to comply with GASB 45.

The District's expense on the GASB 45 basis for 2012-13 is $89,041. This represents 0.21% of covered payroll of $41,860,000. This amount is less than the expected benefits for the year 2012-13. The Actuarial Accrued Liability (AAL) is $802,100. The AAL is 0% funded since there are no reserves. The Unfunded Actuarial Accrued Liability is the same $802,100 which is 1.92% of payroll. These amounts will be disclosed on District financial statements.

There were 55 retirees and 452 employees included in this valuation. Employer-paid benefits are projected to be about $121,000 this year. The projection shows the number of retirees fluctuating between about 25 and 70 over time, with total benefits ranging from under $60,000 to over $100,000. There is a lot of fluctuation because benefits are paid for only a short duration for the average retiree.

This actuarial valuation uses the rates of mortality, retirement, disability, and other withdrawal used by PERS and STRS in the valuations of your pension plans. However, the probabilities of termination have been multiplied by 2.0 at all age/service combinations for all representation units. The assumed percentage to decline the benefits for which the retiree is eligible is 1%. Other assumptions used include 5% investment return and 3.5% annual growth in payroll. The $200 monthly benefit limit has not been assumed to increase in the future. However, premiums for dental and vision coverage are assumed to rise 2% every third year.

INTRODUCTION

This report gives the results of an actuarial valuation of the District's Post-Employment Benefits Other than Pensions.

No legal or accounting requirement to accrue expenses for a retiree health benefit plan using traditional pension methods existed until 2004, when the GASB issued Statements 43 and 45 for such rules in public agencies. GASB 43 requires actuarial reporting by the retiree health benefit trust fund. GASB 45 requires that 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 and in Appendix A (page 10).

The actuarial calculations are summarized in the Valuation Results section (page 5). The experience review section (page 8) gives the comparison of what was predicted to what occurred over the period between valuations. Experience back to 2008 is also discussed. The participant data section summarizes information on employees and retirees (page 9). This includes how many are expected to leave the workforce for death, disability, service retirement, and other termination.

Appendix A (page 10) is a glossary of actuarial terms used in this report. The actuarial assumptions and methods are shown in detail in Appendices B (page 12) and C (page 15). They include rates of retiree mortality and rates at which the employees leave the work-force for retirement, death, and other turnover. The "standard" PERS and STRS probabilities of termination have been multiplied by 2.0 at all ages and durations of service.

Appendices D (page 18) and E (page 22) are distributions of the eligible employees and retirees. Appendix F (page 23) is a summary of benefit provisions. Only the retiree health benefits paid by District are included in the actuarial projections and the summary.

ACCOUNTING STANDARDS

Accounting rules for public employers are promulgated by the Governmental Accounting Standards Board (GASB). GASB Statement No. 45 on employer expense for post-employment benefits other than pensions (OPEB) was published in June 2004. GASB 45 sets the Annual OPEB Cost (AOC) as the expense.

The accounting rules require the AOC to be computed using one of six actuarial cost methods; the Projected Unit Credit method was used in this valuation. Actuarial methods allocate costs to time periods, with the Normal Cost being the portion of present value allocated to the current year and Actuarial Accrued Liability (AAL) the portion allocated to the past. The Annual Required Contribution (ARC) is the Normal Cost plus amortization of Unfunded AAL (UAAL, or the AAL less assets) over 30 years. The amortization is done as a level percentage of increasing payroll. This expense will be expressed in dollars and as a percentage of covered payroll. See Appendix A (page 10) for a glossary.

District contributions have been only the payment of benefits from month to month. These have in total exceed the expense over the years, so the Net OPEB Obligation (NOO) as of June 30, 2012 is negative – an asset not a liability, in the amount of $(184,886). The AOC is the ARC plus adjustments for interest and amortization of the Net OPEB Obligation. The District's amortization is over 30 years from when GASB 45 first applied in 2008; there are 26 years remaining.

Public employers with more than 200 participants (employed plus retired) are required to have actuarial studies every two years to determine this expense. In the non-valuation years, the same percentage of wages as the prior valuation will be used for the ARC. All post-employment benefits other than pensions, such as retiree dental, vision and life insurance plans, are included. These rules should be discussed with the District's auditors.

VALUATION RESULTS

The District has not made contributions to a Trust for the retiree health program. Benefits paid of $280,700 for the prior two years are considered contributions for GASB 45. The expenses for these two years totaled $201,500. The Net OPEB Obligation (NOO) therefore decreased and is $(184,886) as of June 30, 2012. Since it is negative, the NOO is actually a balance sheet asset. Covered payroll is $41,860,000 for this valuation.

The Annual OPEB Cost for the year beginning July 1, 2012 is $89,041, compared to $100,835 in the 2010 valuation. The ARC of $89,700 is 0.21% of payroll compared to 0.24% in 2010. As of July 1, 2012 the UAAL is $802,100, which is 1.92% of covered payroll. The AAL is 0% funded. These results are items for disclosure under GASB Statement 45. The results are as follows as of July 1, 2012:

Present Value Future Benefits		
Current Employees	967,800	
Current Retirees	223,800	
Total		1,191,600
Actuarial Accrued Liability		
Current Employees	578,300	
Current Retirees	223,800	
Total		802,100
Assets		0
Unfunded AAL		802,100
Amortization of Unfunded AAL	37,200	
Normal Cost for Year	52,500	
Total ARC		89,700
ARC as percentage of payroll	0.21%	
Add: Interest on NOO		-9,244
Subtract: Amortization of NOO		-8,586
Expense (AOC)		89,041

Overall experience has been favorable since the last actuarial study. Data changes increased the UAAL by $72,000. In prior valuations retirees with dental or vision benefits had not been included in the census. The number of retirees has increased from 19 with medical only to 55. The additional retirees have lower amounts paid by the District. Since it is now clear that retirees can have benefits under $200 for full benefits if dental or vision is elected, future retirees are assumed to have lower benefits. See more discussion in the data and Experience Review sections.

Table 1 is the 15-year projection of number of retirees, benefit payments and District expense. This projection presumes continuation of the pay-as-you-go financing method. The District will pay monthly benefits and show a Net OPEB Obligation (NOO) on yearend financial statements. At this time the NOO is negative $184,886 (a credit). The expense includes amortizing the NOO. The ARC is projected to rise 3.5% per year, the same rate at which covered payroll is assumed to rise.

The number of retirees decreases over this projection because no future employees are included. There are also many employees near or at the eligible retirement ages who are projected to retire soon. The Table includes 55 current retirees plus 14 expected to retire with benefits in 2012-13. Annual benefits are projected to be $121,000 in 2012-13 and $107,000 the following year. As projected, the benefits will decrease to less than the expense and the NOO will become positive, exceeding $300,000 in 2026-27. All projections are re-done with biennial valuations.

This valuation using 5% interest is appropriate if the District will not fund the ARC, or will fund using an investment mix with minimal equity exposure.

It is likely that GASB will issue new standards similar to pension Statements GASB 67 and GASB 68; if so, the UAAL will move from footnotes to the balance sheet. Although the projections are shown for 15 years, they will be revised based on future actuarial valuations. These will be at least biennial per GASB requirements.

TABLE 1
Retiree Health Program for
Novato Unified School District
NOO is Net OPEB Obligation

Fiscal Yr Begin	Number Retirees	Annual Benefits	Annual OPEB Cost	NOO Year End
2012	69	121,000	89,041	-216,845
2013	59	107,000	93,000	-231,000
2014	53	97,000	96,000	-232,000
2015	51	96,000	99,000	-229,000
2016	44	86,000	103,000	-212,000
2017	42	76,000	107,000	-181,000
2018	37	72,000	111,000	-142,000
2019	37	74,000	116,000	-100,000
2020	39	78,000	119,000	-59,000
2021	37	76,000	123,000	-12,000
2022	34	72,000	126,000	42,000
2023	34	74,000	129,000	97,000
2024	30	65,000	132,000	164,000
2025	25	55,000	134,000	243,000
2026	26	57,000	135,000	321,000

EXPERIENCE REVIEW

The purpose of an experience review is to compare what happened to what was predicted. Medical premiums are above the benefit limit so they are not reviewed. The need for use of dental and vision premiums was not known until this year so there is no review of those rates at this time.

Between the 2010 and 2012 valuations, there were three employee deaths and one disability retirement. There were none of either in the 2008 to 2010 period. The actuarial assumptions predicted 1.5 deaths and 1.6 disability retirements. Since 2008 the number of expected employee deaths and disabilities were about three each.

The assumptions projected 46 service retirements for two years; the number of actual retirements was 43. Of those new retirees, only 13 took District-paid benefits. Eligibility was not determined for this analysis so the assumptions on benefit election have not been increased. It appears that more retirees decline benefits for which they are eligible than the assumed 1%, making this assumption conservative. It should be reviewed in the next valuation.

Using two times the PERS and STRS assumptions, 64 terminations were expected for the two years, including 48 for Certificated, 12 from Classified, and four from the Management group. The actual number terminating was 58, with 44 from the Certificated unit, 11 from Classified, and three from Management. Over the 2008-2010 period, there were 74 actual terminations compared to 80 expected. It is possible the use of 200% of “standard” probabilities is too high. This should be reviewed in the next valuation.

There were no retiree deaths reported between valuations, and less than one was expected using the assumptions. Since benefits cease by age 65, both observed and actual deaths will remain low and differences between experience and assumptions will not be statistically significant.

PARTICIPANT DATA

Active Employees

A census of 452 active employees eligible for benefits as of July 1, 2012 was provided by the District. The average age is 49.1 and average service is 10.3 years; in 2010 the corresponding averages were 48.4 and 9.6. Distributions of these employees by age and service are in Appendix D. The application of the decrement rates in Appendices B (PERS members) and C (STRS members) projects the following for these current employees:

	Certificated Non-Mgmt	Classified Non-Mgmt	Management	Total
Service Retire	182	122	21	325
Disability Retire	4	3	0	7
Death	5	4	1	10
Other termination	87	16	7	110
Total	278	145	29	452

The average (arithmetic mean) expected service retirement age is 63.4. Many employees are projected to retire after age 65 and will therefore receive no retiree health benefits. The total number of retirees receiving benefits year-by-year is given in Table 1 in the Valuation Results section, where current retirees are included.

Retirees

There were 27 retirees in the 2010 census. Fifteen had benefits cease at age 65 and four ended for other reasons. There were 13 new retirees with benefits in the two year period, but two of those ended at age 65. Therefore 19 retirees with medical benefits were expected in 2012. Adding in retirees with dental or vision benefits brings the total to 55 retirees as of July 1, 2012. A distribution of the 55 retirees by age and which benefits they have is given in Appendix E. The average age of current retirees is 62.9 and average benefit is $182 monthly.

Appendix A

ACTUARIAL TERMINOLOGY

NORMAL COST 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 funded fully, and (2) experience matched what was assumed in all areas including investment return, premium increase, retirement, turnover, etc.

ACTUARIAL ACCRUED LIABILITY (AAL) for employees 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. 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. For retirees, the AAL equals the present value of future benefits. There are no future Normal Costs after retirement.

UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) is the Actuarial Accrued Liability minus the actuarial value of plan assets. The UAAL is the present value of benefits attributed to the past which have not yet been funded. Amortization of the UAAL is a component of the District's expense.

AMORTIZATION PAYMENT The Unfunded Actuarial Accrued Liability is amortized over 30 years beginning with fiscal year 2008-09.There are 26 years remaining on this schedule as of July 1, 2012. Payments are set to rise 3.5% annually, which makes them level in relation to expected covered payroll.

ANNUAL REQUIRED CONTRIBUTION (ARC) consists of the Normal Cost plus the amortization of UAAL. It is the expense assigned to the current year, if the ARC has been paid each year since implementation of GASB 45. In years when an actuarial valuation is not done, the ARC is set to be the same percentage of that year's covered payroll as had been computed in the prior valuation. The ARC includes the benefits paid to current retirees.

NET OPEB OBLIGATION (NOO) occurs when an agency does not contribute the ARC to a trust fund. It equals the District contribution minus the Annual OPEB Cost. This represents the contribution shortfall – how much less than the ARC has been contributed since GASB 45 implementation. The District's contribution is the paid benefits and it has exceeded the GASB 45 expense for four years. Then the NOO is an asset not a liability and it is negative. As of June 30, 2012, the NOO was $(184,886).

ANNUAL OPEB COST (AOC) is the expense, for accounting purposes, to show on financial statements. It equals the ARC plus interest on the NOO minus the amortization of that NOO, using the same 26-year amortization as discussed above.

PAY-AS-YOU-GO is a way of financing benefits but it is <u>not</u> a funding method because no assets are accumulated. The cost allocated to each year is the actual benefits paid.

Appendix B

Actuarial Assumptions for Classified Employees

Actuarial Method: Projected Unit Credit

Investment return: 5.0% per year

General inflation: 3.5% per year

Covered payroll increases: 3.5% per year

Dental premium: $164.13 in 2012-13 and assumed to rise 2% in 2015 and every third year thereafter.

Vision premium: $16.05 in 2012-13 and assumed to rise 2% in 2015 and every third year thereafter.

Coverage election: 30% medical only, 60% dental plus vision, 5% dental only, 5% vision only

Rates of death and disability for active employees
California PERS rates for School Employers from 2010 Experience Study.

	Males Rate (%)		Females Rate (%)	
Age	Death	Disability	Death	Disability
25	.05	.01	.03	.01
30	.05	.02	.04	.01
35	.07	.06	.05	.04
40	.09	.14	.06	.09
45	.12	.28	.09	.17
50	.18	.44	.13	.30
55	.26	.49	.18	.34
60	.40	.42	.27	.24
65	.61	.38	.42	.15
70	.91	.40	.65	.08

Rates of Retirement
Males and Females:
California PERS rates for School Employers from 2010 Experience Study

	Years of Service						
Age	5	10	15	20	25	30	35+
50	0.0050	0.0090	0.0130	0.0150	0.0150	0.0170	0.0190
51	0.0050	0.0100	0.0140	0.0170	0.0170	0.0190	0.0220
52	0.0060	0.0120	0.0170	0.0200	0.0200	0.0230	0.0260
53	0.0070	0.0140	0.0190	0.0230	0.0230	0.0260	0.0290
54	0.0120	0.0240	0.0330	0.0390	0.0400	0.0440	0.0500
55	0.0240	0.0480	0.0670	0.0790	0.0810	0.0900	0.1020
56	0.0200	0.0390	0.0550	0.0650	0.0670	0.0740	0.0830
57	0.0210	0.0420	0.0590	0.0700	0.0710	0.0790	0.0890
58	0.0250	0.0500	0.0700	0.0830	0.0850	0.0940	0.1060
59	0.0290	0.0570	0.0800	0.0950	0.0970	0.1070	0.1210
60	0.0370	0.0730	0.1020	0.1210	0.1240	0.1370	0.1540
61	0.0460	0.0900	0.1260	0.1490	0.1530	0.1690	0.1910
62	0.0760	0.1510	0.2120	0.2500	0.2560	0.2840	0.3200
63	0.0690	0.1360	0.1910	0.2250	0.2310	0.2560	0.2880
64	0.0670	0.1330	0.1850	0.2190	0.2240	0.2480	0.2800
65	0.0910	0.1800	0.2510	0.2970	0.3040	0.3370	0.3800
70	0.0660	0.1310	0.1830	0.2160	0.2220	0.2450	0.2760
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Rates of Withdrawal
Males and Females:
2.00 times California PERS rates for School Employers from 2010 Experience Study

	Service							
Age	0	5	10	15	20	25	30	35+
20	0.3460							
25	0.3254	0.0556						
30	0.3050	0.0498	0.0344					
35	0.2844	0.0442	0.0294	0.0230				
40	0.2638	0.0384	0.0244	0.0188	0.0146			
45	0.2434	0.0328	0.0196	0.0148	0.0110	0.0074		
50	0.2228	0.0270	0.0148	0.0106	0.0076	0.0046	0.0030	
55	0.2022	0.0214	0.0098	0.0064	0.0040	0.0050	0.0006	0.0004
60	0.1858	0.0156	0.0050	0.0022	0.0004	0.0004	0.0006	0.0004
65	0.1858	0.0146	0.0038	0.0014	0.0004	0.0004	0.0004	0.0004
70	0.1858	0.0134	0.0028	0.0006	0.0004	0.0004	0.0004	0.0004

Future Retirees Declining Coverage: 1%

Retiree Mortality Rates: California PERS 2010 Experience Study
No assumed future decreases in mortality rates
Sample annual rates and life expectancies:

FEMALE RETIREES

	Life Expectancy (Years)			Rate of Mortality (%)		
Age	Service Retiree	Industrial Disability Retiree	Spouse	Service Retiree	Industrial Disability Retiree	Spouse
55	30.3	27.9	27.3	0 .24	0.55	0.47
60	25.7	23.8	23.0	0.43	0.80	0.72
65	21.3	19.8	18.9	0.78	1.18	1.07
70	17.3	16.0	15.0	1.24	1.72	1.68
75	13.5	12.5	11.5	2.07	2.66	3.08

MALE RETIREES

	Life Expectancy (Years)			Rate of Mortality (%)		
Age	Service Retiree	Industrial Disability Retiree	Spouse	Service Retiree	Industrial Disability Retiree	Spouse
55	27.3	25.8	30.3	0.47	0.56	0 .24
60	23.0	21.5	25.7	0.72	0.78	0.43
65	18.9	17.5	21.3	1.07	1.39	0.78
70	15.0	13.9	17.3	1.68	2.24	1.24
75	11.5	10.5	13.5	3.08	3.58	2.07

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 age 65 will live for for an *average* of 21.3 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, 0.78% of female service retirees age 65 are assumed to die before reaching age 66.

Appendix C

Actuarial Assumptions for Employees in STRS

Actuarial Method: Projected Unit Credit

Investment return: 5% per year

General inflation: 3.5% per year

Covered payroll increases: 3.5% per year

Rates of death and disability for active employees
California STRS 2008 Experience Study

	Male Rates (%)		Female Rates (%)	
Age	Death	Disability	Death	Disability
25	.03	.02	.02	.02
30	.04	.03	.02	.03
35	.04	.05	.02	.06
40	.06	.08	.04	.09
45	.10	.11	.06	.11
50	.13	.16	.09	.22
55	.19	.21	.14	.28
60	.29		.22	
65	.53		.51	

Rates of Retirement
California STRS 2008 Experience Study

	Female Rates		Male Rates	
Age	Under 30 Years	30 + Years	Under 30 Years	30 + Years
55	4.50%	9.0%	2.70%	8.0%
56	3.15%	8.0%	1.80%	8.0%
57	3.15%	11.0%	1.80%	10.0%
58	4.05%	16.0%	2.70%	14.0%
59	5.40%	19.0%	4.50%	18.0%
60	9.00%	31.0%	6.30%	27.0%
61	9.00%	40.0%	6.30%	43.0%
62	10.80%	37.0%	10.80%	38.0%
63	16.20%	35.0%	11.70%	30.0%
64	13.50%	32.0%	10.80%	30.0%
65	14.40%	32.0%	13.50%	30.0%
66-69	13.50%	32.0%	10.80%	30.0%
70	100.0%	100.0%	100.0%	100.0%

Rates of Withdrawal:
2.00 times California STRS 2008 Experience Study

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%	10.50%	9.00%	7.50%	6.50%	5.00%
10	4.50%	3.60%	3.20%	2.60%	2.60%	0.80%
15	2.00%	1.80%	1.80%	1.70%	1.60%	0.80%
20	1.00%	1.00%	1.00%	1.20%	0.80%	0.80%
25	0.68%	0.80%	0.80%	0.80%	0.80%	0.80%
30	0.60%	0.80%	0.80%	0.80%	0.80%	0.80%

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%	36.00%
5	7.80%	7.20%	6.00%	6.00%	6.00%	6.00%
10	4.00%	4.00%	4.00%	4.00%	4.00%	2.00%
15	2.20%	2.20%	2.20%	2.20%	2.20%	0.60%
20	1.20%	1.20%	1.20%	1.20%	1.20%	0.50%
25	0.75%	1.00%	1.00%	1.00%	1.00%	0.50%
30	0.50%	0.50%	0.50%	0.50%	0.00%	0.50%

Future Retirees Declining Coverage: 1%

Dental premium: $164.13 in 2012-13 and assumed to rise 2% in 2015 and every third year thereafter.

Vision premium: $16.05 in 2012-13 and assumed to rise 2% in 2015 and every third year thereafter.

Coverage election: 30% medical only, 60% dental plus vision, 5% dental only, 5% vision only

Retiree Mortality Rates: California STRS 2008 Experience Study
No assumed future decreases in mortality rates
Annual rates of mortality and life expectancies:

MALE EMPLOYEES

	Life Expectancy (Years)			Rate of Mortality (%)		
Age	Service Retiree	Disability Retiree	Spouse	Service Retiree	Disability Retiree	Spouse
55	29.2	21.0	31.9	.21	2.50	.17
60	25.1	18.5	27.2	.36	2.50	.27
65	20.6	15.7	22.7	.68	2.50	.51
70	16.5	12.5	18.4	1.27	2.73	.97
75	12.7	934	14.4	2.38	4.69	1.67
80	9.4	6.8	10.8	4.36	8.05	3.26

FEMALE EMPLOYEES

	Life Expectancy (Years)			Rate of Mortality (%)		
Age	Service Retiree	Disability Retiree	Spouse	Service Retiree	Disability Retiree	Spouse
55	31.9	23.9	29.2	.17	2.00	.21
60	27.2	21.1	25.1	.27	2.00	.36
65	22.7	18.1	20.6	.51	2.00	.68
70	18.4	14.8	16.5	.97	2.07	1.27
75	14.4	11.5	12.7	1.67	3.41	2.38
80	10.8	8.6	9.4	3.26	5.63	4.36

These are STRS assumptions for current retirees, which have been used in this study for all retirees. Higher rates of mortality among disability retirees in their first three years of retirement have not been used herein.

APPENDIX D-1

Distribution of All Employees
By Age and Years of Service
as of July 1, 2012

Years of Service							
Age	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 & Over	Total
Under 25	3						3
25 - 29	22	6					28
30 - 34	21	24	2				47
35 - 39	9	20	14				43
40 - 44	10	13	11	4			38
45 - 49	15	21	13	7	3		59
50 - 54	14	23	12	6	9	3	67
55 - 59	13	16	24	9	8	4	74
60 - 64	5	10	15	8	18	14	70
65 & Over		4	7	2	4	6	23
Total	112	137	98	36	42	27	452

There are 315 females and 137 males in this census. The average age is 49.1 and the average length of service is 10.3 years.

APPENDIX D-2

Distribution of Non-Management Certificated Employees
By Age and Years of Service
as of July 1, 2012

Years of Service							
Age	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 & Over	Total
Under 25	1						1
25 - 29	21	4					25
30 - 34	20	23	2				45
35 - 39	8	14	12				34
40 - 44	6	12	7	3			28
45 - 49	8	14	11	6	2		41
50 - 54	5	9	7	3	6	3	33
55 - 59	2	7	14	4	5	1	33
60 - 64	3	2	7	2	8	6	28
65 - 69			3	2	1	1	7
70 & Over		1	2				3
Total	74	86	65	20	22	11	278

There are 200 females and 78 males in this census. The average age is 45.7 and the average service is 9.5 years.

APPENDIX D-3

Distribution of Non-Management Classified Employees
By Age and Years of Service
as of July 1, 2012

Years of Service							
Age	Under 5	5 - 9	10 - 14	15 - 19	20 - 24	25 & Over	Total
Under 25	2						2
25 - 29	1	2					3
30 - 34		1					1
35 - 39		3	2				5
40 - 44	4	1	3	1			9
45 - 49	6	6	2		1		15
50 - 54	6	12	5	3	3		29
55 - 59	6	8	10	5	3	2	34
60 - 64	2	6	7	5	10	6	36
65 - 69		3	2		2	4	11
70 & Over							0
Total	27	42	31	14	19	12	145

There are 99 females and 46 males in this census. The average age is 54.7 and the average service is 12.0 years.

APPENDIX D-4

Distribution of Management/Confidential Employees
By Age and Years of Service
as of July 1, 2012

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

This census includes 16 female and 13 male employees. The average age is 53.2 and the average service is 8.9 years.

APPENDIX E

Distribution of Current Retirees by
Employment Unit and Age
As of July 1, 2012

Age	VSP	DD	VSP+DD	MEDICAL	Total
Under 55					0
55 - 59	1	1	2	3	7
60 - 64	1	2	29	16	48
Total	2	3	31	19	55

The Delta Dental program is shown as DD and the Vision Services Plan as VSP above. There are 51 females and 4 males in this table. The average age is 62.9 and the average monthly benefit is $182.

APPENDIX F

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

	Certificated and Mgmt/Conf	Classified
Full Retirement Benefit		
Eligibility Age	55	55
Years of Service Required	10	15
Benefit Amount	Payment of health insurance premiums, maximum $200	Payment of health insurance premiums, maximum $200
Benefit Duration	Paid until earlier of age 65 or death	Paid until earlier of age 65 or death
Partial Retirement Benefit		
Eligibility 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