



Fiscal Year 2019
GASB 74/75 Report
for the
City of New York
and the
New York City Health Benefits
Program

PREPARED AS OF JUNE 30, 2018

by the
New York City
Office of the Actuary

2019



OFFICE OF THE ACTUARY

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SHERRY S. CHAN
CHIEF ACTUARY

September 13, 2019

Honorable Scott M. Stringer
Comptroller
The City of New York Municipal Building, Room 530
One Centre Street
New York, NY 10007

Re: Other Postemployment Benefits Valuation Report in Accordance with GASB 74 and 75
(Report)

Dear Comptroller Stringer:

This Report presents the results of the Fiscal Year Ended June 30, 2019 Annual Valuation of the Other Postemployment Benefits (OPEB) provided under the New York City Health Benefits Program (Program). These results, with a valuation date of June 30, 2018 are projected forward to a measurement date of June 30, 2019 to form the basis for accounting and financial reporting under Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB75), as amended by GASB Statement No. 85 (GASB85), for Fiscal Year 2019 (i.e. July 1, 2018 to June 30, 2019) for the City of New York (City) and certain non-City entities (Component Units).

These results also form the basis for financial reporting under GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (GASB74), as amended by GASB85, for the New York City Other Postemployment Benefits Plan (OPEB Plan or Plan). Where these results are applicable under both GASB74 and GASB75, the term GASB74/75 is used.

This Report provides the fiduciary net position of the Programs for the City and Component Units, the accounting amounts of the costs to maintain the Programs, and the financial statement reporting and disclosure information for the Plan, the City, Component Units, governmental agencies, and other interested parties.

The results shown herein are based upon:

- The Office of the Actuary's (OA) interpretation of GASB74 and GASB75.
- The OA's understanding of the benefits provided to eligible retirees and beneficiaries.

- The OA’s understanding of Health Care Reform (HCR) (i.e. the Patient Protection and Affordable Care Act (PPACA) signed into law on March 23, 2010 and the Health Care and Education Reconciliation Act (HCERA) signed into law on March 30, 2010), as well as the Tax Cuts and Jobs Act, signed into law on December 22, 2017 and the Budget Continuing Resolution, signed into law on January 22, 2018.
- Census data used in the June 30, 2018 pension actuarial valuations of the New York City Retirement Systems (NYCRS)¹ to produce Preliminary Fiscal Year 2020 Employer Contributions and supplemental data provided by the New York City Office of Labor Relations (OLR), the Educational Construction Fund (ECF), and the City University of New York (CUNY) for participants in the Teachers Insurance Annuity Association (TIAA or CUNY TIAA).
- Health insurance premium rates and related financial information for Fiscal Year 2019 provided by OLR.
- Welfare Fund contribution rates as of June 30, 2018, and negotiated increases, lump-sum, and retroactive payments made on behalf of retirees to Welfare Funds for Fiscal Years 2016 to 2019, provided by OLR.
- Certain actuarial assumptions used in the pension actuarial valuations of the NYCRS that were adopted by the Boards of the NYCRS during Fiscal Year 2019. For details, see SECTION VI – ACTUARIAL ASSUMPTIONS AND METHODS.
- Additional OPEB-specific actuarial assumptions, as described in SECTION VI – ACTUARIAL ASSUMPTIONS AND METHODS.
- Entry Age Normal Cost Method, as described in SECTION VI – ACTUARIAL ASSUMPTIONS AND METHODS.
- Financial information provided by the Office of Management and Budget (OMB) and by the administrative offices of the Component Units.
- Information on the Stabilization Fund provided by OLR and OMB.

This Report does not include results for the New York City Off-Track Betting Corporation (OTB). It is the understanding of the Actuary that, effective May 26, 2011, neither the City nor the Plan has any OPEB obligation for current or future OTB retirees.

¹ New York City Employees’ Retirement System (NYCERS)
 New York City Teachers’ Retirement System (TRS)
 New York City Board of Education Retirement System (BERS)
 New York City Police Pension Fund (POLICE)
 New York City Fire Pension Fund (FIRE)

The results contained in this Report are not meant for other purposes. In particular, the analysis in this Report is not to be relied upon by employers, retirees, or their representatives for any decisions regarding benefit design. Use of this Report for any other purpose or by anyone other than the City, the Component Units, or their auditors may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the Report for that purpose. This Report should not be provided except in its entirety. No one other than the City, Component Units, or their auditors may make any representations or warranties based on any statements or conclusions contained in this Report without the written consent of the OA.

An Actuarial Certification is included in SECTION IV – CERTIFICATION.

Best Regards,

Sherry S. Chan, FSA, EA, MAAA, FCA
Chief Actuary

SSC/eh

cc: New York City Office of the Actuary

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SECTION I - GASB 74/75 INFORMATION

None of the Component Units (CU) which have obligations included in this Report have separately identified OPEB assets as of June 30, 2019 or June 30, 2018. Since GASB74 applies in cases where there are separate trust or trust equivalents, GASB74 does not apply to OPEB that are the obligations of the CU. Results in this section of the Report reflect only the obligations where the City is directly obligated.

Each of the Component Units are considered single employers for the purpose of recording their OPEB liabilities.

Plan Description

The *New York City Other Postemployment Benefits Plan* is a fiduciary component unit of the City and is composed of: (1) the New York City Retiree Health Benefits Trust (NYCRHBT) which is used to receive, hold, and disburse assets accumulated to pay for some of the OPEB provided by the City to its retired employees, and (2) OPEB paid for directly by the City out of its general resources rather than through NYCRHBT. NYCRHBT was established for the exclusive benefit of the City's retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the City's various collective bargaining agreements and the Administrative Code of the City of New York (ACCNYS).

Please note that the OPEB valuation results presented in this Report show the value of OPEB in effect during each fiscal year and do not represent an obligation of the City or the Component Units to continue, modify, or eliminate OPEB in the future.

Plan Administration: New York City Office of Labor Relations (OLR) administers the New York City Health Benefits Program which includes the New York City Postretirement Benefits Program (Program), a defined benefit postretirement benefits plan. ACCNYS Section 12-126 defines OPEB payable to include Health Insurance and Medicare Part B Premium Reimbursement.

Welfare Fund benefits are provided through Welfare Fund arrangements agreed upon, in most cases, through collective bargaining.

Plan Membership: For the Fiscal Year 2019 OPEB valuation, membership consisted of the following. Comparative values for the Fiscal Year 2018 valuation are also shown.

Membership Status as of Beginning of Fiscal Year (excluding Component Units)	FY 2019	FY 2018
Active plan members	298,123	292,672
Active members off payroll who may become eligible to receive benefits	26,626	22,588
Inactive plan members entitled to but not yet receiving benefits	21,893	15,871
Inactive plan members or beneficiaries currently receiving benefits	<u>237,003</u>	<u>232,770</u>
Total	583,645	563,901

Eligibility and Benefits: See SECTION V – SUMMARY OF PLAN PROVISIONS.

Contributions: The City contributions to fund the OPEB benefits are currently reimbursing the NYCRHBT on a pay-as-you-go basis with the possibility of additional contributions that are intended to build the fund for purposes of paying future benefits. The City is not required to provide funding for the OPEB Plan beyond the pay-as-you-go amounts for benefits to currently eligible retirees and their dependents. During Fiscal Year 2019, the City contributed approximately \$2.7 billion to the OPEB Plan.

Assets: Assets are valued at market value.

SECTION II – ASSETS includes two tables showing the detailed financial position of the Plan as of June 30, 2019 and June 30, 2018. The Statement of Fiduciary Net Position represents assets of the Plan and not the NYCRHBT.

- Table II-a sets forth the assets of the Plan.
- Table II-b sets forth the changes in net assets and includes non-trust activity for Fiscal Years 2019 and 2018.

Asset and other financial information reflected in this valuation for the City and the Plan were provided by OMB on August 16, 2019 and checked for reasonability by the OA.

Key Changes Included in This Valuation

The following key changes were included in the Fiscal Year 2019 OPEB valuation:

- The Fiscal Year 2019 Pension Valuation included changes to several demographic assumptions including retirement, mortality, disability, withdrawal, and salary scale. These new assumptions have also been reflected in this valuation. See SECTION VI – ACTUARIAL ASSUMPTIONS AND METHODS for more information.

- Certain data improvements that were made for the Fiscal Year 2019 Pension Valuation have also been made for this valuation. This includes the inclusion of Code 3 NYCERS members and reclassification of “5-year outs,” or certain terminated vested members who stopped accruing City service more than 5 years ago.
- Pre-Medicare and Medicare trend assumptions were updated to reflect a longer grade-down period to the ultimate trend, consistent with recent industry trends and SOA guidance. See SECTION VI – ACTUARIAL ASSUMPTIONS AND METHODS for more information.
- The valuation discount rate as of June 30, 2019 was updated to 2.82% for benefits provided by the City, and 2.79% for benefits provided by Component Units. The valuation discount rate as of June 30, 2018 had been 3.01% for benefits provided by the City, and 2.98% for Component Units. See SECTION VI – ACTUARIAL ASSUMPTIONS AND METHODS for more information.

Investments

Rate of Return: The return was 2.18% for the fiscal year ended June 30, 2019. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Receivables

See SECTION II – ASSETS.

Net OPEB Liability of the City

The components of the net OPEB liability at June 30, 2019, and June 30, 2018 are as follows:

(\$'s in millions)	June 30, 2019	June 30, 2018
Total OPEB liability	\$ 112,443	\$ 103,234
Plan fiduciary net position	\$ 4,680	\$ 4,766
Net OPEB liability	\$ 107,763	\$ 98,468
Plan fiduciary net position as a percentage of the total OPEB liability	4.2%	4.6%

Actuarial Assumptions

See SECTION VI – ACTUARIAL ASSUMPTIONS AND METHODS.

Schedules of Required Supplementary Information

See SECTION III – DETAILED RESULTS.

Notes to Schedules:

- **Benefit changes:** None
- **Assumption changes:** The discount rate used to measure liabilities was updated to reflect the S&P Municipal Bond 20-Year High Grade Index yield as of June 28, 2019 as per GASB74/75 guidance. Certain per capita claims costs were updated based on recent experience. Demographic assumptions and medical trends were updated based on a review of current membership and economic data.
- **Assumptions and Methods used:** See SECTION VI – ACTUARIAL ASSUMPTIONS AND METHODS.

Sensitivity of the Net OPEB Liability

See SECTION III – DETAILED RESULTS for the sensitivity of the Net OPEB Liability to changes in the discount rate and healthcare cost trend rate.

Projection of Fiduciary Net Position

In projecting the fiduciary net position of the plan, the projection of cash flows assumed that the City will contribute at a rate equal to the actual cost of benefits plus the average of contributions above the actual cost of benefits in the last five years. The contributions were assumed to apply first to the service cost for future employees and the remaining contributions to the current and past service costs for current employees. A further portion was assumed to be associated with non-trust benefit payments.

Based on those assumptions the plan's fiduciary net position is projected to be greater than the benefits to be made in all years until 2029. After that time, the plan fiduciary net position will be insufficient to make all benefit payments for plan participants and benefit payments will be funded on a pay-as-you-go basis thereafter.

SECTION II - ASSETS

Table II-a: Statement of Fiduciary Net Position

ASSETS	June 30, 2019 ¹	June 30, 2018 ²
Cash		
Settled Cash	\$ 802,443,727	\$ 433,392,003
Receivables		
Trust	4,087,535	3,878,700
Medicare Part D	45,057	45,057
Payables		
Investment Securities Purchased	<u>0</u>	<u>0</u>
Total Cash	\$ 806,576,319	\$ 437,315,760
Cash Equivalents		
US Treasury Bills	\$ 0	\$ 146,694,000
Commercial Paper	3,085,417,646	3,143,758,202
Short Term Funds	17,803,150	77,899,805
Total Cash Equivalents	\$ 3,103,220,796	\$ 3,368,352,007
Fixed Income		
Government and Agencies	<u>1,136,770,041</u>	<u>1,308,113,053</u>
Total Fixed Income	\$ 1,136,770,041	\$ 1,308,113,053
Prepaid Benefits / Expenses	\$ <u>248,738</u>	\$ <u>0</u>
Total Prepaid	\$ 248,738	\$ 0
Total Assets	\$ 5,046,815,894	\$ 5,113,780,820
LIABILITIES		
Medicare Part B	\$ 177,102,954	\$ 181,298,340
Benefits Payable	190,071,906	166,596,891
Trustee Fees Payable	43,750	43,269
Audit Fees Payable	<u>46,110</u>	<u>43,105</u>
Total Liabilities	\$ 367,264,720	\$ 347,981,605
FIDUCIARY NET POSITION		
Held in Trust for Benefit Payments	\$ 4,679,551,174	\$ 4,765,799,215

¹ Based on Information Provided by OMB on August 16, 2019.

² Based on Information Provided by OMB on August 17, 2018.

Table II-b: Statement of Changes in Fiduciary Net Position

	June 30, 2019 ¹	June 30, 2018 ²
ADDITIONS		
Employer Contributions		
Pay-As-You-Go		
Trust	\$ 2,304,158,039	\$ 2,394,674,888 ³
Non-Trust	348,285,082	286,345,179
Total Contributions	\$ 2,652,443,121	\$ 2,681,020,067
Earned Income		
Interest Income	\$ 76,264,500	\$ 46,988,607
Net Realized Gain / (Loss)	<u>6,294,956</u>	<u>(2,370,038)</u>
Total Investment Income	\$ 82,559,456	\$ 44,618,569
Net Unrealized Gain / (Loss)	<u>18,180,954</u>	<u>3,475,044</u>
TOTAL ADDITIONS	\$ 2,753,183,531	\$ 2,729,113,680
 DEDUCTIONS		
Benefit Payments		
Trust	\$ 2,490,925,380	\$ 2,330,699,124 ³
Non-Trust	<u>348,285,082</u>	<u>286,345,179</u>
Sub-Total	\$ 2,839,210,462	\$ 2,617,044,303
Expenses		
Administrative Expenses	\$ 46,110	\$ 43,105
Legal Fees	0	27,045
Trustee Fees	<u>175,000</u>	<u>103,278</u>
Sub-Total	\$ 221,110	\$ 173,428
TOTAL DEDUCTIONS	\$ 2,839,431,572	\$ 2,617,217,731
CHANGE IN FIDUCIARY NET POSITION	\$ (86,248,041)	\$ 111,895,949
 FIDUCIARY NET POSITION HELD IN TRUST FOR BENEFIT PAYMENTS		
Beginning of Year	\$ 4,765,799,215	\$ 4,653,903,266
End of Year	\$ 4,679,551,174	\$ 4,765,799,215

¹ Based on Information Provided by OMB on August 16, 2019.

² Based on Information Provided by OMB on August 17, 2018.

³ Net of the interfund transfer of \$496,964,244 in Fiscal Year 2018.

SECTION III - DETAILED RESULTS

New York City Educational Construction Fund (ECF)

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Summary of June 30, 2018 Data

1. Actives

a. Number	3
b. Salary	\$377,420
c. Average Age	52.71
d. Average Service	5.83
e. Average Salary	\$125,807

2. Actives Off Payroll (AOP)

a. Number	0
b. Average Age	NA
c. Average Service	NA

3. Deferreds (Includes Deferred Retirees, if any)

a. Number	1
b. Average Age	46.34

4. Retirees

a. Total ¹	
i. Number	5
ii. Average Age	75.34
b. By Benefit	<u>Participant / Spouse</u>
i. Pre-Medicare ²	1 / 0
ii. Medicare Eligible ²	3 / 2
iii. Welfare Fund ²	NR / NR
iv. Medicare Part B ³	5 / 3

¹ Retirees eligible for at least one benefit from ECF.

² Retirees currently eligible for benefit from ECF.

³ Retirees eligible for benefit from ECF currently or in the future.

NR Benefit not the responsibility of ECF

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

June 30, 2017 Results of the Actuarial Valuation
Based on a 3.13% Discount Rate

1. Total Present Value of Projected Benefits

	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active ¹	\$ 130,808	\$ 764,214	\$ 0	\$ 184,763	\$ 234,120	\$ 1,313,905
b. Deferred ²	851,257	661,948	0	160,790	486,412	2,160,407
c. Retired	<u>127,304</u>	<u>683,368</u>	<u>0</u>	<u>186,673</u>	<u>33,935</u>	<u>1,031,280</u>
d. TOTAL	\$ 1,109,369	\$ 2,109,530	\$ 0	\$ 532,226	\$ 754,467	\$ 4,505,592

2. Entry Age Accrued Liability

a. Active ¹	\$ 25,264	\$ 233,532	\$ 0	\$ 56,246	\$ 69,831	\$ 384,873
b. Deferred ²	851,257	661,948	0	160,790	486,412	2,160,407
c. Retired	<u>127,304</u>	<u>683,368</u>	<u>0</u>	<u>186,673</u>	<u>33,935</u>	<u>1,031,280</u>
d. TOTAL	\$ 1,003,825	\$ 1,578,848	\$ 0	\$ 403,709	\$ 590,178	\$ 3,576,560

3. Actuarial Value of Assets	\$ 0
4. Unfunded Accrued Liability (UAL)	\$ 3,576,560
5. Entry Age Normal Cost	\$ 78,627
6. Salary of Active Participants	\$ 370,652
7. Normal Cost Percentage [5. / 6.]	21.213%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

June 30, 2018 Results of the Actuarial Valuation
Based on a 2.98% Discount Rate

1. Total Present Value of Projected Benefits

	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active ¹	\$ 145,578	\$ 870,133	\$ 0	\$ 217,076	\$ 111,738	\$ 1,344,525
b. Deferred ²	219,323	262,030	0	64,978	60,248	606,579
c. Retired	<u>116,063</u>	<u>705,339</u>	<u>0</u>	<u>197,543</u>	<u>17,229</u>	<u>1,036,174</u>
d. TOTAL	\$ 480,964	\$ 1,837,502	\$ 0	\$ 479,597	\$ 189,215	\$ 2,987,278

2. Entry Age Accrued Liability

a. Active ¹	\$ 36,030	\$ 311,985	\$ 0	\$ 77,585	\$ 38,711	\$ 464,311
b. Deferred ²	219,323	262,030	0	64,978	60,248	606,579
c. Retired	<u>116,063</u>	<u>705,339</u>	<u>0</u>	<u>197,543</u>	<u>17,229</u>	<u>1,036,174</u>
d. TOTAL	\$ 371,416	\$ 1,279,354	\$ 0	\$ 340,106	\$ 116,188	\$ 2,107,064

3. Actuarial Value of Assets		\$ 0
4. Unfunded Accrued Liability (UAL)		\$ 2,107,064
5. Entry Age Normal Cost		\$ 77,208
6. Salary of Active Participants		\$ 377,420
7. Normal Cost Percentage [5. / 6.]		20.457%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Market Values of Assets

	Total
1. Plan Net Position @ 6/30/2017	\$ 0
2. Changes for the year:	
a. ER Contributions	58,457
b. EE Contributions	0
c. Net Investment Income	0
d. Benefit Payments	(58,457)
e. Administrative Expenses	0
f. Other	0
g. Net Changes	<u>\$ 0</u>
3. Plan Net Position @ 6/30/2018	<u>\$ 0</u>
4. Changes for the year:	
a. ER Contributions	51,363
b. EE Contributions	0
c. Net Investment Income	0
d. Benefit Payments	(51,363)
e. Administrative Expenses	0
f. Other	0
g. Net Changes	<u>\$ 0</u>
5. Plan Net Position @ 6/30/2019	<u>\$ 0</u>

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Development of Asset (Gain) / Loss June 30, 2018

		Total
1. Market Value 6/30/2017	\$	0
2. Market Value 6/30/2018		0
3. Net Investment Income		0
4. Cash Flow (2. - 1. - 3.)		0
5. Projected Earnings (4% * 1. + 1.980% * 4.)		0
6. (Gain) / Loss (5. - 3.)		0
7. Recognition Period		5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)		0
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$	0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Development of Asset (Gain) / Loss June 30, 2019

		Total
1. Market Value 6/30/2018	\$	0
2. Market Value 6/30/2019		0
3. Net Investment Income		0
4. Cash Flow (2. - 1. - 3.)		0
5. Projected Earnings (4% * 1. + 1.980% * 4.)		0
6. (Gain) / Loss (5. - 3.)		0
7. Recognition Period		5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)		0
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$	0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Roll-Forward of Entry Age Accrued Liabilities to June 30, 2018

		Total
1. Entry Age Accrued Liability (EAAL) at 6/30/2017 ¹	\$	3,576,560
2. Entry Age Normal Cost at 6/30/2017 ¹		78,627
3. Actual Benefit Payments-FY18		(58,457)
4. Interest ¹		113,500
5. (Gain)/Loss due to Discount Rate Change		168,800
6. Roll-Forward EAAL at 6/30/2018 ²	\$	3,879,030

¹Assumes a 3.13% interest rate

²Assumes a 2.98% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Roll-Forward of Entry Age Accrued Liabilities to June 30, 2019

		Total
1. Disclosed Entry Age Accrued Liability (EAAL) at 6/30/2018 ¹	\$	3,879,030
2. Entry Age Normal Cost at 6/30/2018 ¹		77,208
3. Actual Benefit Payments-FY19		(51,363)
4. Interest ¹		117,136
5. (Gain)/Loss due to Experience Change ¹		(1,824,770)
6. (Gain)/Loss due to Trend Change ¹		(69,697)
7. (Gain)/Loss due to Dependent Assumption Change ¹		(46,219)
8. (Gain)/Loss due to Discount Rate Change		69,590
9. Roll-Forward EAAL at 6/30/2019 ²	\$	2,150,915

¹Assumes a 2.98% interest rate

²Assumes a 2.79% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Changes in Net OPEB Liability (NOL) by Source
Balances at June 30, 2018

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2017	\$ 3,541,815	\$ 0	\$ 3,541,815
2. Changes for the Year:			
a. Service Cost	78,627	0	78,627
b. Interest	113,500	0	113,500
c. Differences b/t Expected and Actual Experience	37,345	0	37,345
d. Changes in Assumptions	166,200	0	166,200
e. Contributions - Employer	0	58,457	(58,457)
f. Contributions - Employee	0	0	0
g. Net Investment Income	0	0	0
h. Actual Benefit Payments	(58,457)	(58,457)	0
i. Administrative Expenses	0	0	0
j. Other Changes	0	0	0
k. Net Changes	337,215	\$ 0	\$ 337,215
3. Balances at June 30, 2018	\$ 3,879,030	\$ 0	\$ 3,879,030
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
a. 1% Decrease			\$ 5,348,840
b. 1% Increase			\$ 2,931,784
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
a. 1% Decrease			\$ 2,721,122
b. 1% Increase			\$ 5,637,725

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Changes in Net OPEB Liability (NOL) by Source
Balances at June 30, 2019

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2018	\$ 3,879,030	\$ 0	\$ 3,879,030
2. Changes for the Year:			
a. Service Cost	77,208	0	77,208
b. Interest	117,136	0	117,136
c. Differences b/t Expected and Actual Experience	(1,824,770)	0	(1,824,770)
d. Changes in Assumptions	(46,326)	0	(46,326)
e. Contributions - Employer	0	51,363	(51,363)
f. Contributions - Employee	0	0	0
g. Net Investment Income	0	0	0
h. Actual Benefit Payments	(51,363)	(51,363)	0
i. Administrative Expenses	0	0	0
j. Other Changes	0	0	0
k. Net Changes	(1,728,115)	\$ 0	\$ (1,728,115)
3. Balances at June 30, 2019	\$ 2,150,915	\$ 0	\$ 2,150,915
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
a. 1% Decrease			\$ 2,581,909
b. 1% Increase			\$ 1,820,074
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
a. 1% Decrease			\$ 1,743,701
b. 1% Increase			\$ 2,709,284

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Schedule of Changes in Net OPEB Liability and Related Ratios

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
1. Total OPEB Liability				
a. Service Cost	\$ 77,208	\$ 78,627	\$ 76,223	\$ 92,498
b. Interest	117,136	113,500	108,370	54,890
c. Changes of Benefit Terms	0	0	0	0
d. Differences b/t Expected and Actual Experience	(1,824,770)	37,345	2,178,629	20,054
e. Changes of Assumptions	(46,326)	166,200	(820,838)	0
f. Benefit Payments	(51,363)	(58,457)	(59,650)	(62,303)
g. Net Changes in Total OPEB Liability	\$ (1,728,115)	\$ 337,215	\$ 1,482,734	\$ 105,139
2. Total OPEB Liability - Beginning	\$ 3,879,030	\$ 3,541,815	\$ 2,059,081	\$ 1,953,942
3. Total OPEB Liability - Ending	\$ 2,150,915	\$ 3,879,030	\$ 3,541,815	\$ 2,059,081
4. Plan Fiduciary Net Position				
a. Contributions - Employer	\$ 51,363	\$ 58,457	\$ 59,650	\$ 62,303
b. Contributions - Employee	0	0	0	0
c. Net Investment Income	0	0	0	0
d. Benefit Payments	(51,363)	(58,457)	(59,650)	(62,303)
e. Administrative Expenses	0	0	0	0
f. Other Changes	0	0	0	0
g. Net Changes in Plan Fiduciary Net Position	\$ 0	\$ 0	\$ 0	\$ 0
5. Plan Fiduciary Net Position - Beginning	\$ 0	\$ 0	\$ 0	\$ 0
6. Plan Fiduciary Net Position - Ending	\$ 0	\$ 0	\$ 0	\$ 0
7. Net OPEB Liability	\$ 2,150,915	\$ 3,879,030	\$ 3,541,815	\$ 2,059,081
8. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%	0.0%	0.0%
9. Covered Employee Payroll	\$377,420	\$370,652	\$359,856	\$483,451
10. Net OPEB Liability as a Percentage of Covered Employee Payroll	569.9%	1046.5%	984.2%	425.9%

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Average Expected Remaining Service Lives

<u>Group</u>	<u># Count</u>	<u>Total Future WorkLife @ 6/30/2018</u>	<u>Average Expected Remaining Service Life @ 6/30/2018</u>
Active	3	9.96	3.32
AOP	0	0	0
Term Vested	1	0	0
Retired	<u>5</u>	<u>0</u>	<u>0</u>
Total	9	9.96	1.11

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Expected and Actual Experience**

Year	Differences between Expected and Actual Experience	Recognition Period (Years)	2018	2019	2020	2021
2018	\$ 37,345	1.15	32,474	4,871	0	0
2019	\$ (1,824,770)	1.11	0	(1,643,937)	(180,833)	0
2020						
2021						
Net increase (decrease) in OPEB Expense			\$ 32,474	\$ (1,639,066)	\$ (180,833)	\$ 0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Changes
in Assumptions**

<u>Year</u>	<u>Differences due to Changes in Assumptions</u>	<u>Recognition Period (Years)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
2018	\$ 166,200	1.15	144,522	21,678	0	0
2019	\$ (46,326)	1.11	0	(41,735)	(4,591)	0
2020						
2021						
Net increase (decrease) in OPEB Expense			<u>\$ 144,522</u>	<u>\$ (20,057)</u>	<u>\$ (4,591)</u>	<u>\$ 0</u>

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Projected and Actual Earnings on OPEB Plan Investments**

Year	Differences between Projected and Actual Earnings on OPEB Plan Investments	Recognition Period (Years)	2018	2019	2020	2021
2018	\$ 0	5	0	0	0	0
2019	\$ 0	5	0	0	0	0
2020						
2021						
2022						
Net increase (decrease) in OPEB Expense			\$ 0	\$ 0	\$ 0	\$ 0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2018

<u>Component</u>		<u>Amount</u>
a. Service Cost	\$	78,627
b. Interest on the Total OPEB Liability		113,500
c. Differences between Expected and Actual Experience		32,474
d. Changes of Assumptions		144,522
e. Employee Contributions		0
f. Projected Earnings on OPEB Plan Investments		0
g. Differences between Projected and Actual Earnings on Plan Investments		0
h. OPEB Plan Administrative Expenses		0
i. Other Changes in Fiduciary Net Position		0
		<hr/>
Total OPEB Expense	\$	369,123

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2019

<u>Component</u>	<u>Amount</u>
a. Service Cost	\$ 77,208
b. Interest on the Total OPEB Liability	117,136
c. Differences between Expected and Actual Experience	(1,639,066)
d. Changes of Assumptions	(20,057)
e. Employee Contributions	0
f. Projected Earnings on OPEB Plan Investments	0
g. Differences between Projected and Actual Earnings on Plan Investments	0
h. OPEB Plan Administrative Expenses	0
i. Other Changes in Fiduciary Net Position	0
	<hr/>
Total OPEB Expense	\$ (1,464,779)

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

	Fiscal Year Ending June 30, 2018		Fiscal Year Ending June 30, 2019	
	\$369,123		(\$1,464,779)	
Recognized OPEB Expense				
	Outflows	Inflows	Outflows	Inflows
Differences between Expected and Actual Experience	\$ 4,871	\$ 0	\$ 0	\$ 180,833
Changes of Assumptions	21,678	0	0	4,591
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	0	0	0	0
Total	\$ 26,549	\$ 0	\$ 0	\$ 185,424

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended <u>June 30</u>		
2018	\$176,996	
2019	\$26,549	(\$1,685,672)
2020		(\$185,424)
2021		
2022		

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Educational Construction Fund (ECF)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

For the Fiscal Year ended June 30, 2019, the City recognized OPEB Expense of (\$1,464,779).

At June 30, 2019, the City reported total Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 0	\$ 180,833
Changes of Assumptions	0	4,591
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	<u>0</u>	<u>0</u>
Total	\$ 0	\$ 185,424

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended <u>June 30</u>	<u>Amount</u>
2019	\$ (1,659,123)
2020	(185,424)
2021	
2022	

New York City Health and Hospitals Corporation (HHC)

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Summary of June 30, 2018 OPEB Data

	NYCERS		TRS		BERS		TOTAL
1. Actives							
a. Number	29,782		0		23		29,805
b. Salary	\$ 2,220,496,203	\$	0	\$	1,912,569	\$	2,222,408,772
c. Average Age	50.46		NA		55.43		50.47
d. Average Service	11.86		NA		15.65		11.87
e. Average Salary	\$ 74,558	\$	NA	\$	83,155	\$	74,565
2. Actives Off Payroll (AOP)							
a. Number	4,594		0		6		4,600
b. Average Age	43.87		NA		48.00		43.87
c. Average Service	2.10		NA		9.00		2.11
3. Deferreds (Includes Deferred Retirees, if any)							
a. Number	3,440		0		2		3,442
b. Average Age	54.15		NA		56.50		54.15
4. Retirees							
a. Total ¹							
i. Number	22,541		6		2		22,549
ii. Average Age	73.33		75.25		76.74		73.33
b. By Benefit						<u>Participant / Spouse</u>	
i. Pre-Medicare ²						3,701 / 1,912	
ii. Medicare Eligible ²						18,848 / 4,708	
iii. Welfare Fund ²						20,746 / NA	
iv. Medicare Part B ³						NR / NR	

¹ Retirees eligible for at least one benefit from HHC.

² Retirees currently eligible for benefit from HHC.

³ Retirees eligible for benefit from HHC currently or in the future.

NR Benefit not the responsibility of HHC.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

June 30, 2017 Results of the Actuarial Valuation
Based on a 3.13% Discount Rate

1. Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active ¹	\$ 2,124,610,974	\$ 2,626,114,780	\$ 1,429,281,732	\$ 0	\$ 121,269,558	\$ 6,301,277,044
b. Deferred ²	131,291,914	121,463,723	67,938,382	0	1,190,734	321,884,753
c. Retired	<u>345,025,318</u>	<u>995,631,026</u>	<u>597,024,990</u>	<u>0</u>	<u>1,208,464</u>	<u>1,938,889,798</u>
d. TOTAL	\$ 2,600,928,206	\$ 3,743,209,529	\$ 2,094,245,104	\$ 0	\$ 123,668,756	\$ 8,562,051,595
2. Entry Age Accrued Liability						
a. Active ¹	\$ 798,870,023	\$ 1,182,016,722	\$ 615,923,780	\$ 0	\$ 32,169,817	\$ 2,628,980,342
b. Deferred ²	131,291,914	121,463,723	67,938,382	0	1,190,734	321,884,753
c. Retired	<u>345,025,318</u>	<u>995,631,026</u>	<u>597,024,990</u>	<u>0</u>	<u>1,208,464</u>	<u>1,938,889,798</u>
d. TOTAL	\$ 1,275,187,255	\$ 2,299,111,471	\$ 1,280,887,152	\$ 0	\$ 34,569,015	\$ 4,889,754,893
3. Actuarial Value of Assets						\$ 0
4. Unfunded Accrued Liability (UAL)						\$ 4,889,754,893
5. Entry Age Normal Cost						\$ 279,873,620
6. Salary of Active Participants						\$ 2,211,014,210
7. Normal Cost Percentage [5. / 6.]						12.658%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

**June 30, 2018 Results of the Actuarial Valuation
Based on a 2.98% Discount Rate**

1. Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active ¹	\$ 2,354,105,867	\$ 2,921,752,215	\$ 1,487,176,697	\$ 0	\$ 182,322,257	\$ 6,945,357,036
b. Deferred ²	405,813,445	318,352,103	163,724,743	0	10,140,832	898,031,123
c. Retired	<u>419,244,541</u>	<u>1,170,485,384</u>	<u>645,826,398</u>	<u>0</u>	<u>3,126,137</u>	<u>2,238,682,460</u>
d. TOTAL	\$3,179,163,853	\$4,410,589,702	\$2,296,727,838	\$ 0	\$ 195,589,226	\$ 10,082,070,619
2. Entry Age Accrued Liability						
a. Active ¹	\$ 891,492,404	\$ 1,322,027,581	\$ 641,553,954	\$ 0	\$ 51,087,665	\$ 2,906,161,604
b. Deferred ²	405,813,445	318,352,103	163,724,743	0	10,140,832	898,031,123
c. Retired	<u>419,244,541</u>	<u>1,170,485,384</u>	<u>645,826,398</u>	<u>0</u>	<u>3,126,137</u>	<u>2,238,682,460</u>
d. TOTAL	\$1,716,550,390	\$2,810,865,068	\$1,451,105,095	\$ 0	\$ 64,354,634	\$ 6,042,875,187
3. Actuarial Value of Assets						\$ 0
4. Unfunded Accrued Liability (UAL)						\$ 6,042,875,187
5. Entry Age Normal Cost						\$ 307,104,165
6. Salary of Active Participants						\$ 2,222,408,772
7. Normal Cost Percentage [5. / 6.]						13.819%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Market Values of Assets

		Total
1. Plan Net Position @ 6/30/2017	\$	0
2. Changes for the year:		
a. ER Contributions		235,395,190
b. EE Contributions		0
c. Net Investment Income		0
d. Benefit Payments		(235,395,190)
e. Administrative Expenses		0
f. Other		0
g. Net Changes	\$	0
3. Plan Net Position @ 6/30/2018	\$	0
4. Changes for the year:		
a. ER Contributions		171,558,795
b. EE Contributions		0
c. Net Investment Income		0
d. Benefit Payments		(171,558,795)
e. Administrative Expenses		0
f. Other		0
g. Net Changes	\$	0
5. Plan Net Position @ 6/30/2019	\$	0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Development of Asset (Gain) / Loss June 30, 2018

		Total
1. Market Value 6/30/2017	\$	0
2. Market Value 6/30/2018		0
3. Net Investment Income		0
4. Cash Flow (2. - 1. - 3.)		0
5. Projected Earnings (4% * 1. + 1.980% * 4.)		0
6. (Gain) / Loss (5. - 3.)		0
7. Recognition Period		5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)		0
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$	0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Development of Asset (Gain) / Loss June 30, 2019

		Total
1. Market Value 6/30/2018	\$	0
2. Market Value 6/30/2019		0
3. Net Investment Income		0
4. Cash Flow (2. - 1. - 3.)		0
5. Projected Earnings (4% * 1. + 1.980% * 4.)		0
6. (Gain) / Loss (5. - 3.)		0
7. Recognition Period		5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)		0
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$	0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Roll-Forward of Entry Age Accrued Liabilities to June 30, 2018

		Total
1. Entry Age Accrued Liability (EAAL) at 6/30/2017 ¹	\$	4,889,754,893
2. Entry Age Normal Cost at 6/30/2017 ¹		279,873,620
3. Actual Benefit Payments-FY18		(235,395,190)
4. Interest ¹		158,153,822
5. (Gain)/Loss due to Discount Rate Change		116,529,156
6. Roll-Forward EAAL at 6/30/2018 ²	\$	5,208,916,301

¹Assumes a 3.13% interest rate

²Assumes a 2.98% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Roll-Forward of Entry Age Accrued Liabilities to June 30, 2019

		Total
1. Disclosed Entry Age Accrued Liability (EAAL) at 6/30/2018 ¹	\$	5,208,916,301
2. Entry Age Normal Cost at 6/30/2018 ¹		307,104,165
3. Actual Benefit Payments-FY19		(171,558,795)
4. Interest ¹		161,839,949
5. (Gain)/Loss due to Experience Change ¹		858,810,861
6. (Gain)/Loss due to Demographic Assumption Change ¹		(794,228,500)
7. (Gain)/Loss due to Trend Rate Change ¹		(153,914,867)
8. (Gain)/Loss due to Discount Rate Change		142,134,320
9. Roll-Forward EAAL at 6/30/2019 ²	\$	5,559,103,434

¹Assumes a 2.98% interest rate

²Assumes a 2.79% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Changes in Net OPEB Liability (NOL) by Source Balances at June 30, 2018

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2017	\$ 4,790,643,607	\$ 0	\$ 4,790,643,607
2. Changes for the Year:			
a. Service Cost	279,873,620	0	279,873,620
b. Interest	158,153,822	0	158,153,822
c. Differences b/t Expected and Actual Experien	104,933,324	0	104,933,324
d. Change in Assumptions	110,707,118	0	110,707,118
e. Contributions - Employer	0	235,395,190	(235,395,190)
f. Contributions - Employee	0	0	0
g. Net Investment Income	0	0	0
h. Actual Benefit Payments	(235,395,190)	(235,395,190)	0
i. Administrative Expenses	0	0	0
j. Other Changes	0	0	0
k. Net Changes	\$ 418,272,694	\$ 0	\$ 418,272,694
3. Balances at June 30, 2018	\$ 5,208,916,301	\$ 0	\$ 5,208,916,301
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
a. 1% Decrease			\$ 6,106,586,377
b. 1% Increase			\$ 4,502,774,496
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
a. 1% Decrease			\$ 4,322,155,597
b. 1% Increase			\$ 6,460,618,094

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Changes in Net OPEB Liability (NOL) by Source Balances at June 30, 2019

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2018	\$ 5,208,916,301	\$ 0	\$ 5,208,916,301
2. Changes for the Year:			
a. Service Cost	307,104,165	0	307,104,165
b. Interest	161,839,949	0	161,839,949
c. Differences b/t Expected and Actual Experien	858,810,861	0	858,810,861
d. Change in Assumptions	(806,009,047)	0	(806,009,047)
e. Contributions - Employer	0	171,558,795	(171,558,795)
f. Contributions - Employee	0	0	0
g. Net Investment Income	0	0	0
h. Actual Benefit Payments	(171,558,795)	(171,558,795)	0
i. Administrative Expenses	0	0	0
j. Other Changes	0	0	0
k. Net Changes	\$ 350,187,133	\$ 0	\$ 350,187,133
3. Balances at June 30, 2019	\$ 5,559,103,434	\$ 0	\$ 5,559,103,434
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
a. 1% Decrease			\$ 6,419,047,492
b. 1% Increase			\$ 4,871,928,968
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
a. 1% Decrease			\$ 4,658,384,710
b. 1% Increase			\$ 6,819,567,608

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Schedule of Changes in Net OPEB Liability and Related Ratios

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
1. Total OPEB Liability				
a. Service Cost	\$ 307,104,165	\$ 279,873,620	\$ 274,749,014	\$ 326,174,054
b. Interest	161,839,949	158,153,822	147,666,641	139,259,723
c. Changes of Benefit Terms	0	0	0	0
d. Differences b/t Expected and Actual Experience	858,810,861	104,933,324	(122,396,196)	(43,447,941)
e. Changes of Assumptions	(806,009,047)	110,707,118	(661,093,887)	0
f. Benefit Payments	(171,558,795)	(235,395,190)	(56,086,853)	(95,999,857)
g. Net Changes in Total OPEB Liability	\$ 350,187,133	\$ 418,272,694	\$ (417,161,281)	\$ 325,985,979
2. Total OPEB Liability - Beginning	\$ 5,208,916,301	\$ 4,790,643,607	\$ 5,207,804,888	\$ 4,881,818,909
3. Total OPEB Liability - Ending	\$ 5,559,103,434	\$ 5,208,916,301	\$ 4,790,643,607	\$ 5,207,804,888
4. Plan Fiduciary Net Position				
a. Contributions - Employer	\$ 171,558,795	235,395,190	56,086,853	95,999,857
b. Contributions - Employee	0	0	0	0
c. Net Investment Income	0	0	0	0
d. Benefit Payments	(171,558,795)	(235,395,190)	(56,086,853)	(95,999,857)
e. Administrative Expenses	0	0	0	0
f. Other Changes	0	0	0	0
g. Net Changes in Plan Fiduciary Net Position	\$ 0	\$ 0	\$ 0	\$ 0
5. Plan Fiduciary Net Position - Beginning	\$ 0	\$ 0	\$ 0	\$ 0
6. Plan Fiduciary Net Position - Ending	\$ 0	\$ 0	\$ 0	\$ 0
7. Net OPEB Liability	\$ 5,559,103,434	\$ 5,208,916,301	\$ 4,790,643,607	\$ 5,207,804,888
8. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%	0.0%	0.0%
9. Covered Employee Payroll	\$2,222,408,772	\$2,211,014,210	\$2,283,056,125	\$2,171,335,699
10. Net OPEB Liability as a Percentage of Covered Employee Payroll	250.1%	235.6%	209.8%	239.8%

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Average Expected Remaining Service Lives @ 6/30/2018

<u>Group</u>	<u># Count</u>	<u>Total Future WorkLife @ 6/30/2018</u>	<u>Average Expected Remaining Service Life @ 6/30/2018</u>
Active	29,805	339,220	11.38
AOP ¹	4,600	59,505	12.94
Term Vested	3,442	0	0
Retired	<u>22,549</u>	<u>0</u>	<u>0</u>
Total	60,396	398,725	6.30

¹Only 40% of AOP are assumed to return to active status

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Expected and Actual Experience**

Year	Differences between Expected Recognition and Actual Experience											
	Period (Years)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
2016 ¹	\$ (43,447,941)	6.57	(6,613,081)	(6,613,081)	(6,613,081)	(6,613,081)	(6,613,081)	(3,769,455)	0	0	0	
2017	\$ (122,396,196)	6.57	0	(18,629,558)	(18,629,558)	(18,629,558)	(18,629,558)	(18,629,558)	(10,618,848)	0	0	
2018	\$ 104,933,324	6.35	0	0	16,524,933	16,524,933	16,524,933	16,524,933	16,524,933	5,783,726	0	
2019	\$ 858,810,861	6.30	0	0	0	136,319,184	136,319,184	136,319,184	136,319,184	136,319,184	40,895,757	
2020												
2021												
Net increase (decrease) in OPEB Expense			<u>\$ (6,613,081)</u>	<u>\$ (25,242,639)</u>	<u>\$ (8,717,706)</u>	<u>\$ 127,601,478</u>	<u>\$ 127,601,478</u>	<u>\$ 127,601,478</u>	<u>\$ 130,445,104</u>	<u>\$ 142,225,269</u>	<u>\$ 142,102,910</u>	<u>\$ 40,895,757</u>

¹Represents the Future Working Lifetime as of 6/30/2016

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Changes
in Assumptions**

Year	Differences Due to Changes in Assumptions	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025
2017	\$ (661,093,887)	6.57	(100,623,118)	(100,623,118)	(100,623,118)	(100,623,118)	(100,623,118)	(100,623,118)	(57,355,179)	0	0
2018	\$ 110,707,118	6.35	0	17,434,192	17,434,192	17,434,192	17,434,192	17,434,192	17,434,192	6,101,966	0
2019	\$ (806,009,047)	6.30	0	0	(127,937,944)	(127,937,944)	(127,937,944)	(127,937,944)	(127,937,944)	(127,937,944)	(38,381,383)
2020											
2021											
Net increase (decrease) in OPEB Expense			<u>\$ (100,623,118)</u>	<u>\$ (83,188,926)</u>	<u>\$ (211,126,870)</u>	<u>\$ (211,126,870)</u>	<u>\$ (211,126,870)</u>	<u>\$ (211,126,870)</u>	<u>\$ (167,858,931)</u>	<u>\$ (121,835,978)</u>	<u>\$ (38,381,383)</u>

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Projected and Actual Earnings on OPEB Plan Investments**

Year	Differences between Projected and Actual Earnings on OPEB Plan Investments	Recognition Period (Years)	2018	2019	2020	2021	2022	2023
2018	\$ 0	5	0	0	0	0	0	0
2019	\$ 0	5	0	0	0	0	0	0
2020								
2021								
Net increase (decrease) in OPEB Expense			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2018

<u>Component</u>	<u>Amount</u>
a. Service Cost	\$ 279,873,620
b. Interest on the Total OPEB Liability	158,153,822
c. Differences between Expected and Actual Experience	(8,717,706)
d. Changes of Assumptions	(83,188,926)
e. Employee Contributions	0
f. Projected Earnings on OPEB Plan Investments	0
g. Differences between Projected and Actual Earnings on Plan Investments	0
h. OPEB Plan Administrative Expenses	0
i. Other Changes in Fiduciary Net Position	0
	<hr/>
Total OPEB Expense	\$ 346,120,810

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2019

<u>Component</u>	<u>Amount</u>
a. Service Cost	\$ 307,104,165
b. Interest on the Total OPEB Liability	161,839,949
c. Differences between Expected and Actual Experience	127,601,478
d. Changes of Assumptions	(211,126,870)
e. Employee Contributions	0
f. Projected Earnings on OPEB Plan Investments	0
g. Differences between Projected and Actual Earnings on Plan Investments	0
h. OPEB Plan Administrative Expenses	0
i. Other Changes in Fiduciary Net Position	0
	<hr/>
Total OPEB Expense	\$ 385,418,722

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

	<u>Fiscal Year Ending June 30, 2016</u>		<u>Fiscal Year Ending June 30, 2017</u>		<u>Fiscal Year Ending June 30, 2018</u>		<u>Fiscal Year Ending June 30, 2019</u>	
Recognized OPEB Expense	\$458,820,696		\$296,549,898		\$346,120,810		\$385,418,722	
Deferred Resources	Outflows	Inflows	Outflows	Inflows	Outflows	Inflows	Outflows	Inflows
Differences between Expected and Actual Experience	\$ 0	\$ 36,834,860	\$ 0	\$ 103,766,638	\$ 88,408,391	\$ 0	\$ 722,491,677	\$ 0
Changes of Assumptions	0	0	0	560,470,769	93,272,926	0	0	678,071,103
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	0	0	0	0	0	0	0	0
Total	\$ 0	\$ 36,834,860	\$ 0	\$ 664,237,407	\$ 181,681,317	\$ 0	\$ 722,491,677	\$ 678,071,103

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended June 30				
2016	(\$6,613,081)			
2017	(\$6,613,081)	(\$119,252,676)		
2018	(\$6,613,081)	(\$119,252,676)	\$33,959,125	
2019	(\$6,613,081)	(\$119,252,676)	\$33,959,125	\$8,381,240
2020	(\$6,613,081)	(\$119,252,676)	\$33,959,125	\$8,381,240
2021	(\$6,613,081)	(\$119,252,676)	\$33,959,125	\$8,381,240
2022	(\$3,769,455)	(\$119,252,676)	\$33,959,125	\$8,381,240
2023		(\$67,974,027)	\$33,959,125	\$8,381,240
2024			\$11,885,692	\$8,381,240
2025				\$2,514,374

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Health and Hospitals Corporation (HHC)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

For the Fiscal Year ended June 30, 2019, the City recognized OPEB Expense of \$385,418,722.

At June 30, 2019, the City reported total Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 794,375,135	\$ 83,503,139
Changes of Assumptions	75,838,734	1,037,295,636
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	0	0
Total	\$ 870,213,869	\$ 1,120,798,775

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended <u>June 30</u>	<u>Amount</u>
2019	\$ (83,525,392)
2020	(83,525,392)
2021	(83,525,392)
2022	(80,681,766)
2023	(25,633,662)
2024	20,266,932
2025	2,514,374

New York City Housing Authority (NYCHA)

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Housing Authority (NYCHA)

Summary of June 30, 2018 OPEB Data

	NYCERS		TRS		BERS		TOTAL
1. Actives							
a. Number	9,170		1		0		9,171
b. Salary	\$ 616,144,245	\$	96,019		NA		\$ 616,240,264
c. Average Age	48.84		70.00		NA		48.84
d. Average Service	15.14		33.00		NA		15.14
e. Average Salary	\$ 67,191	\$	96,019		NA		\$ 67,194
2. Actives Off Payroll (AOP)							
a. Number	778		0		0		778
b. Average Age	42.48		NA		NA		42.48
c. Average Service	2.08		NA		NA		2.08
3. Deferreds (Includes Deferred Retirees, if any)							
a. Number	1,466		0		0		1,466
b. Average Age	53.72		NA		NA		53.72
4. Retirees							
a. Total ¹							
i. Number	9,101		3		22		9,126
ii. Average Age	71.58		79.78		70.51		71.58
b. By Benefit						<u>Participant / Spouse</u>	
i. Pre-Medicare ²						1,948 / 1,276	
ii. Medicare Eligible ²						6,394 / 2,062	
iii. Welfare Fund ²						7,767 / NA	
iv. Medicare Part B ³						9,126 / 3,777	

¹ Retirees eligible for at least one benefit from NYCHA.

² Retirees currently eligible for benefit from NYCHA.

³ Retirees eligible for benefit from NYCHA currently or in the future.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Housing Authority (NYCHA)

**June 30, 2017 Results of the Actuarial Valuation
Based on a 3.13% Discount Rate**

1. Total Present Value of Projected Benefits

	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active ¹	\$ 894,648,291	\$ 835,855,109	\$ 437,843,004	\$ 572,614,491	\$ 56,881,666	\$ 2,797,842,561
b. Deferred ²	57,369,360	44,233,526	24,038,468	30,522,460	622,952	156,786,766
c. Retired	<u>246,485,954</u>	<u>405,462,396</u>	<u>262,309,280</u>	<u>296,845,739</u>	<u>853,724</u>	<u>1,211,957,093</u>
d. TOTAL	\$ 1,198,503,605	\$ 1,285,551,031	\$ 724,190,752	\$ 899,982,690	\$ 58,358,342	\$ 4,166,586,420

2. Entry Age Accrued Liability

a. Active ¹	\$ 356,506,199	\$ 379,745,679	\$ 188,820,201	\$ 260,194,138	\$ 14,611,828	\$ 1,199,878,045
b. Deferred ²	57,369,360	44,233,526	24,038,468	30,522,460	622,952	156,786,766
c. Retired	<u>246,485,954</u>	<u>405,462,396</u>	<u>262,309,280</u>	<u>296,845,739</u>	<u>853,724</u>	<u>1,211,957,093</u>
d. TOTAL	\$ 660,361,513	\$ 829,441,601	\$ 475,167,949	\$ 587,562,337	\$ 16,088,504	\$ 2,568,621,904

3. Actuarial Value of Assets

\$ 0

4. Unfunded Accrued Liability (UAL)

\$ 2,568,621,904

5. Entry Age Normal Cost

\$ 115,760,055

6. Salary of Active Participants

\$ 626,181,848

**7. Normal Cost Percentage
[5. / 6.]**

18.487%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Housing Authority (NYCHA)

June 30, 2018 Results of the Actuarial Valuation
Based on a 2.98% Discount Rate

1. Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active ¹	\$ 979,087,107	\$ 919,850,153	\$ 450,624,177	\$ 612,694,917	\$ 83,530,239	\$ 3,045,786,593
b. Deferred ²	228,074,568	135,401,079	70,761,454	90,821,315	6,362,324	531,420,740
c. Retired	<u>291,971,002</u>	<u>466,658,069</u>	<u>278,669,977</u>	<u>330,676,960</u>	<u>2,137,348</u>	<u>1,370,113,356</u>
d. TOTAL	\$ 1,499,132,677	\$ 1,521,909,301	\$ 800,055,608	\$ 1,034,193,192	\$ 92,029,911	\$ 4,947,320,689
2. Entry Age Accrued Liability						
a. Active ¹	\$ 384,189,458	\$ 409,192,789	\$ 189,437,740	\$ 272,638,692	\$ 21,521,922	\$ 1,276,980,601
b. Deferred ²	228,074,568	135,401,079	70,761,454	90,821,315	6,362,324	531,420,740
c. Retired	<u>291,971,002</u>	<u>466,658,069</u>	<u>278,669,977</u>	<u>330,676,960</u>	<u>2,137,348</u>	<u>1,370,113,356</u>
d. TOTAL	\$ 904,235,028	\$ 1,011,251,937	\$ 538,869,171	\$ 694,136,967	\$ 30,021,594	\$ 3,178,514,697
3. Actuarial Value of Assets						\$ 0
4. Unfunded Accrued Liability (UAL)						\$ 3,178,514,697
5. Entry Age Normal Cost						\$ 126,675,088
6. Salary of Active Participants						\$ 616,240,264
7. Normal Cost Percentage [5. / 6.]						20.556%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

New York City School Construction Authority (SCA)

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Summary of June 30, 2018 OPEB Data

	NYCERS	BERS	TOTAL
1. Actives			
a. Number	70	666	736
b. Salary	\$8,648,085	71,410,862	80,058,947
c. Average Age	53.84	51.66	51.87
d. Average Service	19.53	12.13	12.83
e. Average Salary	\$123,544	\$107,224	\$108,776
2. Actives Off Payroll (AOP)			
a. Number	1	95	96
b. Average Age	65.00	50.16	50.31
c. Average Service	2.00	3.92	3.90
3. Deferreds (Includes Deferred Retirees, if any)			
a. Number	9	32	41
b. Average Age	55.44	55.97	55.85
4. Retirees			
a. Total ¹			
i. Number	48	249	297
ii. Average Age	71.79	73.37	73.11
b. By Benefit			<u>Participant / Spouse</u>
i. Pre-Medicare ²			NR / NR
ii. Medicare Eligible ²			NR / NR
iii. Welfare Fund ²			297 / NA
iv. Medicare Part B ³			NR / NR

¹ Retirees eligible for at least one benefit from SCA.

² Retirees currently eligible for benefit from SCA.

³ Retirees eligible for benefit from SCA currently or in the future.

NR Benefit not the responsibility of SCA.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

June 30, 2017 Results of the Actuarial Valuation
Based on a 3.13% Discount Rate

1. Total Present Value of Projected Benefits

	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active ¹	\$ 0	\$ 0	\$ 25,968,540	\$ 0	\$ 0	\$ 25,968,540
b. Deferred ²	0	0	1,422,988	0	0	1,422,988
c. Retired	<u>0</u>	<u>0</u>	<u>8,472,671</u>	<u>0</u>	<u>0</u>	<u>8,472,671</u>
d. TOTAL	\$ 0	\$ 0	\$ 35,864,199	\$ 0	\$ 0	\$ 35,864,199

2. Entry Age Accrued Liability

a. Active ¹	\$ 0	\$ 0	\$ 12,031,312	\$ 0	\$ 0	\$ 12,031,312
b. Deferred ²	0	0	1,422,988	0	0	1,422,988
c. Retired	<u>0</u>	<u>0</u>	<u>8,472,671</u>	<u>0</u>	<u>0</u>	<u>8,472,671</u>
d. TOTAL	\$ 0	\$ 0	\$ 21,926,971	\$ 0	\$ 0	\$ 21,926,971

3. Actuarial Value of Assets	\$ 0
4. Unfunded Accrued Liability (UAL)	\$ 21,926,971
5. Entry Age Normal Cost	\$ 1,226,189
6. Salary of Active Participants	\$ 73,176,662
7. Normal Cost Percentage [5. / 6.]	1.676%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

June 30, 2018 Results of the Actuarial Valuation
Based on a 2.98% Discount Rate

1. Total Present Value of Projected Benefits

	Pre-Medicare	Medicare	Welfare Funds	art B Premium	Cadillac Tax	Total
a. Active ¹	\$ 0	\$ 0	\$ 31,107,497	\$ 0	\$ 0	\$ 31,107,497
b. Deferred ²	0	0	1,990,601	0	0	1,990,601
c. Retired	0	0	<u>9,249,654</u>	0	0	<u>9,249,654</u>
d. TOTAL	\$ 0	\$ 0	\$ 42,347,752	\$ 0	\$ 0	\$ 42,347,752

2. Entry Age Accrued Liability

a. Active ¹	\$ 0	\$ 0	\$ 15,354,743	\$ 0	\$ 0	\$ 15,354,743
b. Deferred ²	0	0	1,990,601	0	0	1,990,601
c. Retired	0	0	<u>9,249,654</u>	0	0	<u>9,249,654</u>
d. TOTAL	\$ 0	\$ 0	\$ 26,594,998	\$ 0	\$ 0	\$ 26,594,998

3. Actuarial Value of Assets	\$ 0
4. Unfunded Accrued Liability (UAL)	\$ 26,594,998
5. Entry Age Normal Cost	\$ 1,363,069
6. Salary of Active Participants	\$ 80,058,947
7. Normal Cost Percentage [5. / 6.]	1.703%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Market Values of Assets

	Total
1. Plan Net Position @ 6/30/2017	\$ 0
2. Changes for the year:	
a. ER Contributions	567,069
b. EE Contributions	0
c. Net Investment Income	0
d. Benefit Payments	(567,069)
e. Administrative Expenses	0
f. Other	0
g. Net Changes	<u>0</u>
	\$ 0
3. Plan Net Position @ 6/30/2018	<u>0</u>
4. Changes for the year:	
a. ER Contributions	637,257
b. EE Contributions	0
c. Net Investment Income	0
d. Benefit Payments	(637,257)
e. Administrative Expenses	0
f. Other	0
g. Net Changes	<u>0</u>
	\$ 0
5. Plan Net Position @ 6/30/2019	<u>0</u>

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Development of Asset (Gain) / Loss June 30, 2018

		Total
1. Market Value 6/30/2017	\$	0
2. Market Value 6/30/2018		0
3. Net Investment Income		0
4. Cash Flow (2. - 1. - 3.)		0
5. Projected Earnings (4% * 1. + 1.980% * 4.)		0
6. (Gain) / Loss (5. - 3.)		0
7. Recognition Period		5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)		0
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$	0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Development of Asset (Gain) / Loss
June 30, 2019

		Total
1. Market Value 6/30/2018	\$	0
2. Market Value 6/30/2019		0
3. Net Investment Income		0
4. Cash Flow (2. - 1. - 3.)		0
5. Projected Earnings (4% * 1. + 1.980% * 4.)		0
6. (Gain) / Loss (5. - 3.)		0
7. Recognition Period		5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)		0
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$	0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Roll-Forward of Entry Age Accrued Liabilities to June 30, 2018

		Total
1. Entry Age Accrued Liability (EAAL) at 6/30/2017 ¹	\$	21,926,971
2. Entry Age Normal Cost at 6/30/2017 ¹		1,226,189
3. Estimated Benefit Payments-FY18		(567,069)
4. Interest ¹		715,888
5. (Gain)/Loss due to Discount Rate Change		539,255
6. Roll-Forward EAAL at 6/30/2018 ²	\$	23,841,234

¹Assumes a 3.13% interest rate

²Assumes a 2.98% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Roll-Forward of Entry Age Accrued Liabilities to June 30, 2019

		Total
1. Disclosed Entry Age Accrued Liability (EAAL) at 6/30/2018 ¹	\$	23,841,234
2. Entry Age Normal Cost at 6/30/2018 ¹		1,363,069
3. Estimated Benefit Payments-FY19		(637,257)
4. Interest ¹		741,663
5. (Gain)/Loss due to Experience Change ¹		2,835,826
6. (Gain)/Loss due to Demographic Assumption Change ¹		(3,913,956)
7. (Gain)/Loss due to Discount Rate Change		690,031
8. Roll-Forward EAAL at 6/30/2019 ²	\$	24,920,610

¹Assumes a 2.98% interest rate

²Assumes a 2.79% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Changes in Net OPEB Liability (NOL) by Source
Balances at June 30, 2018

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2017	\$ 20,015,064	\$ 0	\$ 20,015,064
2. Changes for the Year:			
a. Service Cost	1,226,189	0	1,226,189
b. Interest	715,888	0	715,888
c. Differences b/t Expected and Actual Experience	1,943,051	0	1,943,051
d. Changes in Assumptions	508,111	0	508,111
e. Contributions - Employer	0	567,069	(567,069)
f. Contributions - Employee	0	0	0
g. Net Investment Income	0	0	0
h. Actual Benefit Payments	(567,069)	(567,069)	0
i. Administrative Expenses	0	0	0
j. Other Changes	0	0	0
k. Net Changes	\$ 3,826,170	\$ 0	\$ 3,826,170
3. Balances at June 30, 2018	\$ 23,841,234	\$ 0	\$ 23,841,234
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
a. 1% Decrease			\$ 27,932,016
b. 1% Increase			\$ 20,553,618
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
a. 1% Decrease			\$ 20,073,318
b. 1% Increase			\$ 28,721,878

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Changes in Net OPEB Liability (NOL) by Source Balances at June 30, 2019

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2018	\$ 23,841,234	\$ 0	\$ 23,841,234
2. Changes for the Year:			
a. Service Cost	1,363,069	0	1,363,069
b. Interest	741,663	0	741,663
c. Differences b/t Expected and Actual Experience	2,835,826	0	2,835,826
d. Changes in Assumptions	(3,223,925)	0	(3,223,925)
e. Contributions - Employer	0	637,257	(637,257)
f. Contributions - Employee	0	0	0
g. Net Investment Income	0	0	0
h. Actual Benefit Payments	(637,257)	(637,257)	0
i. Administrative Expenses	0	0	0
j. Other Changes	0	0	0
k. Net Changes	\$ 1,079,376	\$ 0	\$ 1,079,376
3. Balances at June 30, 2019	\$ 24,920,610	\$ 0	\$ 24,920,610
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
a. 1% Decrease			\$ 29,033,445
b. 1% Increase			\$ 21,567,718
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
a. 1% Decrease			\$ 20,824,705
b. 1% Increase			\$ 30,290,312

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Schedule of Changes in Net OPEB Liability and Related Ratios

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
1. Total OPEB Liability				
a. Service Cost	\$ 1,363,069	\$ 1,226,189	\$ 1,050,170	\$ 1,281,787
b. Interest	741,663	715,888	615,479	611,500
c. Changes of Benefit Terms	0	0	0	0
d. Differences b/t Expected and Actual Experience	2,835,826	1,943,051	(761,806)	(32,395)
e. Changes of Assumptions	(3,223,925)	508,111	(3,259,111)	0
f. Benefit Payments	(637,257)	(567,069)	(549,250)	(477,190)
g. Net Changes in Total OPEB Liability	\$ 1,079,376	\$ 3,826,170	\$ (2,904,518)	\$ 1,383,702
2. Total OPEB Liability - Beginning	\$ 23,841,234	\$ 20,015,064	\$ 22,919,582	\$ 21,535,880
3. Total OPEB Liability - Ending	\$ 24,920,610	\$ 23,841,234	\$ 20,015,064	\$ 22,919,582
4. Plan Fiduciary Net Position				
a. Contributions - Employer	\$ 637,257	\$ 567,069	\$ 549,250	\$ 477,190
b. Contributions - Employee	0	0	0	0
c. Net Investment Income	0	0	0	0
d. Benefit Payments	(637,257)	(567,069)	(549,250)	(477,190)
e. Administrative Expenses	0	0	0	0
f. Other Changes	0	0	0	0
g. Net Changes in Plan Fiduciary Net Position	\$ 0	\$ 0	\$ 0	\$ 0
5. Plan Fiduciary Net Position - Beginning	\$ 0	\$ 0	\$ 0	\$ 0
6. Plan Fiduciary Net Position - Ending	\$ 0	\$ 0	\$ 0	\$ 0
7. Net OPEB Liability	\$ 24,920,610	\$ 23,841,234	\$ 20,015,064	\$ 22,919,582
8. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%	0.0%	0.0%
9. Covered Employee Payroll	\$ 80,058,947	\$ 73,176,662	\$ 68,026,651	\$ 60,765,975
10. Net OPEB Liability as a Percentage of Covered Employee Payroll	31.1%	32.6%	29.4%	37.7%

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Average Expected Remaining Service Lives @ 6/30/2018

<u>Group</u>	<u># Count</u>	<u>Total Future WorkLife @ 6/30/2018</u>	<u>Average Expected Remaining Service Life @ 6/30/2018</u>
Active	736	7,872	10.70
AOP ¹	96	1,036	10.79
Term Vested	41	0	0
Retired	<u>297</u>	<u>0</u>	<u>0</u>
Total	1,170	8,908	7.45

¹Only 40% of AOP are assumed to return to active status

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Expected and Actual Experience**

Year	Differences between Expected and Actual Experience	Recognition Period (Years)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2016 ¹	\$ (32,395)	6.41	(5,054)	(5,054)	(5,054)	(5,054)	(5,054)	(5,054)	(2,071)	0	0	0	0
2017	\$ (761,806)	6.41	0	(118,846)	(118,846)	(118,846)	(118,846)	(118,846)	(118,846)	(48,730)	0	0	0
2018	\$ 1,943,051	6.44			301,716	301,716	301,716	301,716	301,716	301,716	132,755	0	0
2019	\$ 2,835,826	7.45				380,648	380,648	380,648	380,648	380,648	380,648	380,648	171,290
2020													
2021													
Net increase (decrease) in OPEB Expense			<u>\$ (5,054)</u>	<u>\$(123,900)</u>	<u>\$ 177,816</u>	<u>\$ 558,464</u>	<u>\$ 558,464</u>	<u>\$ 558,464</u>	<u>\$ 561,447</u>	<u>\$ 633,634</u>	<u>\$ 513,403</u>	<u>\$ 380,648</u>	<u>\$ 171,290</u>

¹Represents the Future Working Lifetime as of 6/30/2016

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Changes
in Assumptions**

Year	Differences Due to Changes in Assumptions	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2017	\$ (3,259,111)	6.41	(508,442)	(508,442)	(508,442)	(508,442)	(508,442)	(508,442)	(208,459)	0	0	0
2018	\$ 508,111	6.44	0	78,899	78,899	78,899	78,899	78,899	78,899	34,717	0	0
2019	\$ (3,223,925)	7.45	0	0	(432,742)	(432,742)	(432,742)	(432,742)	(432,742)	(432,742)	(432,742)	(194,731)
2020												
2021												
Net increase (decrease) in OPEB Expense			<u>\$(508,442)</u>	<u>\$(429,543)</u>	<u>\$(862,285)</u>	<u>\$(862,285)</u>	<u>\$(862,285)</u>	<u>\$(862,285)</u>	<u>\$(562,302)</u>	<u>\$(398,025)</u>	<u>\$(432,742)</u>	<u>\$(194,731)</u>

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Projected and Actual Earnings on OPEB Plan Investments**

Year	Differences between Projected and Actual Earnings on OPEB Plan Investments	Recognition Period (Years)	2018	2019	2020	2021	2022	2023
2018	\$ 0	5	0	0	0	0	0	0
2019	\$ 0	5	0	0	0	0	0	0
2020								
2021								
Net increase (decrease) in OPEB Expense			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2018

<u>Component</u>		<u>Amount</u>
a. Service Cost	\$	1,226,189
b. Interest on the Total OPEB Liability		715,888
c. Differences between Expected and Actual Experience		177,816
d. Changes of Assumptions		(429,543)
e. Employee Contributions		0
f. Projected Earnings on OPEB Plan Investments		0
g. Differences between Projected and Actual Earnings on Plan Investments		0
h. OPEB Plan Administrative Expenses		0
i. Other Changes in Fiduciary Net Position		0
		<hr/>
Total OPEB Expense	\$	1,690,350

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2019

<u>Component</u>		<u>Amount</u>
a. Service Cost	\$	1,363,069
b. Interest on the Total OPEB Liability		741,663
c. Differences between Expected and Actual Experience		558,464
d. Changes of Assumptions		(862,285)
e. Employee Contributions		0
f. Projected Earnings on OPEB Plan Investments		0
g. Differences between Projected and Actual Earnings on Plan Investments		0
h. OPEB Plan Administrative Expenses		0
i. Other Changes in Fiduciary Net Position		0
		<hr/>
Total OPEB Expense	\$	1,800,911

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

	<u>Fiscal Year Ending June 30, 2016</u>		<u>Fiscal Year Ending June 30, 2017</u>		<u>Fiscal Year Ending June 30, 2018</u>		<u>Fiscal Year Ending June 30, 2019</u>	
Recognized OPEB Expense	\$1,888,233		\$1,033,307		\$1,690,350		\$1,800,911	
Deferred Resources	Outflows	Inflows	Outflows	Inflows	Outflows	Inflows	Outflows	Inflows
Differences between Expected and Actual Experience	\$ 0	\$ 27,341	\$ 0	\$ 642,960	\$ 1,641,335	\$ 0	\$ 2,455,178	\$ 0
Changes of Assumptions	0	0	0	2,750,669	429,212	0	0	2,791,183
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	0	0	0	0	0	0	0	0
Total	\$ 0	\$ 27,341	\$ 0	\$ 3,393,629	\$ 2,070,547	\$ 0	\$ 2,455,178	\$ 2,791,183

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended <u>June 30</u>				
2016	(\$5,054)			
2017	(\$5,054)	(\$627,288)		
2018	(\$5,054)	(\$627,288)	\$380,615	
2019	(\$5,054)	(\$627,288)	\$380,615	(\$52,094)
2020	(\$5,054)	(\$627,288)	\$380,615	(\$52,094)
2021	(\$5,054)	(\$627,288)	\$380,615	(\$52,094)
2022	(\$2,071)	(\$627,288)	\$380,615	(\$52,094)
2023		(\$257,189)	\$380,615	(\$52,094)
2024			\$167,472	(\$52,094)
2025				(\$52,094)
2026				(\$23,441)

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City School Construction Authority (SCA)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

For the Fiscal Year ended June 30, 2019, the City recognized OPEB Expense of \$1,800,911.

At June 30, 2019, the City reported total Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 3,794,797	\$ 417,447
Changes of Assumptions	350,313	4,524,968
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	<u>0</u>	<u>0</u>
Total	\$ 4,145,110	\$ 4,942,415

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended <u>June 30</u>	<u>Amount</u>
2019	\$ (303,821)
2020	(303,821)
2021	(303,821)
2022	(300,838)
2023	71,332
2024	115,378
2025	(52,094)
2026	(23,441)

New York City Municipal Water Finance Authority (WFA)

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Summary of June 30, 2018 OPEB Data

	NYCERS	BERS	TOTAL
1. Actives			
a. Number	10	0	10
b. Salary	\$ 942,469	NA	\$ 942,469
c. Average Age	43.60	NA	43.60
d. Average Service	9.30	NA	9.30
e. Average Salary	\$ 94,247	NA	\$ 94,247
2. Actives Off Payroll (AOP)			
a. Number	2	0	2
b. Average Age	36.00	NA	36.00
c. Average Service	2.00	NA	2.00
3. Deferreds (Includes Deferred Retirees, if any)			
a. Number	1	0	1
b. Average Age	52.00	NA	52.00
4. Retirees			
a. Total ¹			
i. Number	4	1	5
ii. Average Age	70.58	74.81	71.43
b. By Benefit			<u>Participant / Spouse</u>
i. Pre-Medicare ²			1 / NA
ii. Medicare Eligible ²			4 / 1
iii. Welfare Fund ²			5 / NA
iv. Medicare Part B ³			NR / NR

¹ Retirees eligible for at least one benefit from WFA.

² Retirees currently eligible for benefit from WFA.

³ Retirees eligible for benefit from WFA currently or in the future.

NR Benefit not the responsibility of WFA.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

June 30, 2017 Results of the Actuarial Valuation
Based on a 3.13% Discount Rate

1. Total Present Value of Projected Benefits

	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active ¹	\$ 1,020,762	\$ 893,924	\$ 435,002	\$ 0	\$ 48,892	\$ 2,398,580
b. Deferred ²	0	0	0	0	0	0
c. Retired	<u>0</u>	<u>134,741</u>	<u>122,773</u>	<u>0</u>	<u>122</u>	<u>257,636</u>
d. TOTAL	\$ 1,020,762	\$ 1,028,665	\$ 557,775	\$ 0	\$ 49,014	\$ 2,656,216

2. Entry Age Accrued Liability

a. Active ¹	\$ 420,928	\$ 408,841	\$ 200,858	\$ 0	\$ 15,203	\$ 1,045,830
b. Deferred ²	0	0	0	0	0	0
c. Retired	<u>0</u>	<u>134,741</u>	<u>122,773</u>	<u>0</u>	<u>122</u>	<u>257,636</u>
d. TOTAL	\$ 420,928	\$ 543,582	\$ 323,631	\$ 0	\$ 15,325	\$ 1,303,466

3. Actuarial Value of Assets		\$ 0
4. Unfunded Accrued Liability (UAL)		\$ 1,303,466
5. Entry Age Normal Cost		\$ 93,822
6. Salary of Active Participants		\$ 858,968
7. Normal Cost Percentage [5. / 6.]		10.923%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

June 30, 2018 Results of the Actuarial Valuation

Based on a 2.98% Discount Rate

1. Total Present Value of Projected Benefits

	Pre-Medicare	Medicare	Welfare Funds	art B Premium	Cadillac Tax	Total
a. Active ¹	\$ 1,299,707	\$ 1,076,059	\$ 470,369	\$ 0	\$ 82,932	\$ 2,929,067
b. Deferred ²	249,628	97,805	50,179	0	4,865	402,477
c. Retired	<u>18,242</u>	<u>214,315</u>	<u>167,351</u>	<u>0</u>	<u>457</u>	<u>400,365</u>
d. TOTAL	\$ 1,567,577	\$ 1,388,179	\$ 687,899	\$ 0	\$ 88,254	\$ 3,731,909

2. Entry Age Accrued Liability

a. Active ¹	\$ 527,034	\$ 458,727	\$ 197,733	\$ 0	\$ 26,475	\$ 1,209,969
b. Deferred ²	249,628	97,805	50,179	0	4,865	402,477
c. Retired	<u>18,242</u>	<u>214,315</u>	<u>167,351</u>	<u>0</u>	<u>457</u>	<u>400,365</u>
d. TOTAL	\$ 794,904	\$ 770,847	\$ 415,263	\$ 0	\$ 31,797	\$ 2,012,811

3. Actuarial Value of Assets	\$ 0
4. Unfunded Accrued Liability (UAL)	\$ 2,012,811
5. Entry Age Normal Cost	\$ 110,962
6. Salary of Active Participants	\$ 942,469
7. Normal Cost Percentage [5. / 6.]	11.774%

¹ Includes Total Present Value of Projected Benefits for AOP, if any.

² Includes Deferred Retirees, if any.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Market Values of Assets

	Total
1. Plan Net Position @ 6/30/2017	\$ 0
2. Changes for the year:	
a. ER Contributions	20,396
b. EE Contributions	0
c. Net Investment Income	0
d. Benefit Payments	(20,396)
e. Administrative Expenses	0
f. Other	0
g. Net Changes	<u>0</u>
	\$ 0
3. Plan Net Position @ 6/30/2018	<u>0</u>
4. Changes for the year:	
a. ER Contributions	23,115
b. EE Contributions	0
c. Net Investment Income	0
d. Benefit Payments	(23,115)
e. Administrative Expenses	0
f. Other	0
g. Net Changes	<u>0</u>
	\$ 0
5. Plan Net Position @ 6/30/2019	<u>0</u>

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Development of Asset (Gain) / Loss June 30, 2018

		Total
1. Market Value 6/30/2017	\$	0
2. Market Value 6/30/2018		0
3. Net Investment Income		0
4. Cash Flow (2. - 1. - 3.)		0
5. Projected Earnings (4% * 1. + 1.980% * 4.)		0
6. (Gain) / Loss (5. - 3.)		0
7. Recognition Period		5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)		0
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$	0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Development of Asset (Gain) / Loss June 30, 2019

		Total
1. Market Value 6/30/2018	\$	0
2. Market Value 6/30/2019		0
3. Net Investment Income		0
4. Cash Flow (2. - 1. - 3.)		0
5. Projected Earnings (4% * 1. + 1.980% * 4.)		0
6. (Gain) / Loss (5. - 3.)		0
7. Recognition Period		5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)		0
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$	0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Roll-Forward of Entry Age Accrued Liabilities to June 30, 2018

		Total
1. Entry Age Accrued Liability (EAAL) at 6/30/2017 ¹	\$	1,303,466
2. Entry Age Normal Cost at 6/30/2017 ¹		93,822
3. Actual Benefit Payments-FY18		(20,396)
4. Interest ¹		43,418
5. (Gain)/Loss due to Discount Rate Change		37,160
6. Roll-Forward EAAL at 6/30/2018 ²	\$	1,457,470

¹Assumes a 3.13% interest rate

²Assumes a 2.98% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Roll-Forward of Entry Age Accrued Liabilities to June 30, 2019

		Total
1. Disclosed Entry Age Accrued Liability (EAAL) at 6/30/2018 ¹	\$	1,457,470
2. Entry Age Normal Cost at 6/30/2018 ¹		110,962
3. Actual Benefit Payments-FY19		(23,115)
4. Interest ¹		46,397
5. (Gain)/Loss due to Experience Change ¹		571,891
6. (Gain)/Loss due to Demographic Assumption Change ¹		(336,677)
7. (Gain)/Loss due to Trend Rate Change ¹		(53,798)
8. (Gain)/Loss due to Discount Rate Change		54,704
9. Roll-Forward EAAL at 6/30/2019 ²	\$	1,827,834

¹Assumes a 2.98% interest rate

²Assumes a 2.79% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Changes in Net OPEB Liability (NOL) by Source Balances at June 30, 2018

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2017	\$ 1,411,819	\$ 0	\$ 1,411,819
2. Changes for the Year:			
a. Service Cost	93,822	0	93,822
b. Interest	43,418	0	43,418
c. Differences b/t Expected and Actual Experience	(106,042)	0	(106,042)
d. Change in Assumptions	34,849	0	34,849
e. Contributions - Employer	0	20,396	(20,396)
f. Contributions - Employee	0	0	0
g. Net Investment Income	0	0	0
h. Actual Benefit Payments	(20,396)	(20,396)	0
i. Administrative Expenses	0	0	0
j. Other Changes	0	0	0
k. Net Changes	\$ 45,651	\$ 0	\$ 45,651
3. Balances at June 30, 2018	\$ 1,457,470	\$ 0	\$ 1,457,470
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
a. 1% Decrease			\$ 1,747,595
b. 1% Increase			\$ 1,233,836
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
a. 1% Decrease			\$ 1,164,356
b. 1% Increase			\$ 1,884,825

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Changes in Net OPEB Liability (NOL) by Source Balances at June 30, 2019

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)		Net OPEB Liability (a) - (b)
1. Balances at June 30, 2018	\$ 1,457,470	\$ 0	\$	1,457,470
2. Changes for the Year:				
a. Service Cost	110,962	0		110,962
b. Interest	46,397	0		46,397
c. Differences b/t Expected and Actual Experience	571,891	0		571,891
d. Change in Assumptions	(335,771)	0		(335,771)
e. Contributions - Employer	0	23,115		(23,115)
f. Contributions - Employee	0	0		0
g. Net Investment Income	0	0		0
h. Actual Benefit Payments	(23,115)	(23,115)		0
i. Administrative Expenses	0	0		0
j. Other Changes	0	0		0
k. Net Changes	\$ 370,364	\$ 0	\$	370,364
3. Balances at June 30, 2019	\$ 1,827,834	\$ 0	\$	1,827,834
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate				
a. 1% Decrease			\$	2,163,386
b. 1% Increase			\$	1,565,444
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate				
a. 1% Decrease			\$	1,478,443
b. 1% Increase			\$	2,333,220

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Schedule of Changes in Net OPEB Liability and Related Ratios

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
1. Total OPEB Liability				
a. Service Cost	\$ 110,962	\$ 93,822	\$ 101,168	\$ 136,444
b. Interest	46,397	43,418	43,073	42,584
c. Changes of Benefit Terms	0	0	0	0
d. Differences b/t Expected and Actual Experience	571,891	(106,042)	(96,417)	(8,454)
e. Changes of Assumptions	(335,771)	34,849	(222,259)	0
f. Benefit Payments	(23,115)	(20,396)	(14,901)	(16,973)
g. Net Changes in Total OPEB Liability	\$ 370,364	\$ 45,651	\$ (189,336)	\$ 153,601
2. Total OPEB Liability - Beginning	\$ 1,457,470	\$ 1,411,819	\$ 1,601,155	\$ 1,447,554
3. Total OPEB Liability - Ending	\$ 1,827,834	\$ 1,457,470	\$ 1,411,819	\$ 1,601,155
4. Plan Fiduciary Net Position				
a. Contributions - Employer	\$ 23,115	\$ 20,396	\$ 14,901	\$ 16,973
b. Contributions - Employee	0	0	0	0
c. Net Investment Income	0	0	0	0
d. Benefit Payments	(23,115)	(20,396)	(14,901)	(16,973)
e. Administrative Expenses	0	0	0	0
f. Other Changes	0	0	0	0
g. Net Changes in Plan Fiduciary Net Position	\$ 0	\$ 0	\$ 0	\$ 0
5. Plan Fiduciary Net Position - Beginning	\$ 0	\$ 0	\$ 0	\$ 0
6. Plan Fiduciary Net Position - Ending	\$ 0	\$ 0	\$ 0	\$ 0
7. Net OPEB Liability	\$ 1,827,834	\$ 1,457,470	\$ 1,411,819	\$ 1,601,155
8. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%	0.0%	0.0%
9. Covered Employee Payroll	\$ 942,469	\$ 858,968	\$ 1,038,842	\$ 1,147,964
10. Net OPEB Liability as a Percentage of Covered Employee Payroll	193.9%	169.7%	135.9%	139.5%

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Average Expected Remaining Service Lives @6/30/2018

<u>Group</u>	<u># Count</u>	<u>Total of Future WorkLife @ 6/30/2018</u>	<u>Average Expected Remaining Service Life @ 6/30/2018</u>
Active	10	129.92	12.99
AOP ¹	2	32.75	16.38
Term Vested	1	0	0
Retired	<u>5</u>	<u>0</u>	<u>0</u>
Total	18	162.67	8.51

¹Only 40% of AOP are assumed to return to active status

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Expected and Actual Experience**

Year	Differences between Expected and Actual Experience	Recognition Period (Years)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2016 ¹	\$ (8,454)	9.26	(913)	(913)	(913)	(913)	(913)	(913)	(913)	(913)	(913)	(237)	0	0
2017	\$ (96,417)	9.26	0	(10,412)	(10,412)	(10,412)	(10,412)	(10,412)	(10,412)	(10,412)	(10,412)	(10,412)	(2,709)	0
2018	\$ (106,042)	8.71	0	0	(12,175)	(12,175)	(12,175)	(12,175)	(12,175)	(12,175)	(12,175)	(12,175)	(8,642)	0
2019	\$ 571,891	8.51	0	0	0	67,202	67,202	67,202	67,202	67,202	67,202	67,202	67,202	34,275
2020														
2021														
2022														
Net increase (decrease) in OPEB Expense			<u>\$ (913)</u>	<u>\$ (11,325)</u>	<u>\$ (23,500)</u>	<u>\$ 43,702</u>	<u>\$ 43,702</u>	<u>\$ 43,702</u>	<u>\$ 43,702</u>	<u>\$ 43,702</u>	<u>\$ 43,702</u>	<u>\$ 44,378</u>	<u>\$ 55,851</u>	<u>\$ 34,275</u>

¹Represents the Future Working Lifetime as of 6/30/2016

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

**Increase (Decrease) in OPEB Expense Arising from the Changes
in Assumptions**

Year	Differences Due to Changes in Assumptions	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2017	\$ (222,259)	9.26	(24,002)	(24,002)	(24,002)	(24,002)	(24,002)	(24,002)	(24,002)	(24,002)	(24,002)	(6,241)	0
2018	\$ 34,849	8.71	0	4,001	4,001	4,001	4,001	4,001	4,001	4,001	4,001	2,841	0
2019	\$ (335,771)	8.51	0	0	(39,456)	(39,456)	(39,456)	(39,456)	(39,456)	(39,456)	(39,456)	(39,456)	(20,123)
2020													
2021													
2022													
Net increase (decrease) in OPEB Expense			<u>\$ (24,002)</u>	<u>\$ (20,001)</u>	<u>\$ (59,457)</u>	<u>\$ (59,457)</u>	<u>\$ (59,457)</u>	<u>\$ (59,457)</u>	<u>\$ (59,457)</u>	<u>\$ (59,457)</u>	<u>\$ (59,457)</u>	<u>\$ (42,856)</u>	<u>\$ (20,123)</u>

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Projected and Actual Earnings on OPEB Plan Investments**

Year	Differences between Projected and Actual Earnings on OPEB Plan Investments	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023
2017	\$ 0	5	0	0	0	0	0	0	0
2018	\$ 0	5	0	0	0	0	0	0	0
2019	\$ 0	5	0	0	0	0	0	0	0
2020									
2021									
2022									
Net increase (decrease) in OPEB Expense			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2018

<u>Component</u>		<u>Amount</u>
a. Service Cost	\$	93,822
b. Interest on the Total OPEB Liability		43,418
c. Differences between Expected and Actual Experience		(23,500)
d. Changes of Assumptions		(20,001)
e. Employee Contributions		0
f. Projected Earnings on OPEB Plan Investments		0
g. Differences between Projected and Actual Earnings on Plan Investments		0
h. OPEB Plan Administrative Expenses		0
i. Other Changes in Fiduciary Net Position		0
		<hr/>
Total OPEB Expense	\$	93,739

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2019

<u>Component</u>		<u>Amount</u>
a. Service Cost	\$	110,962
b. Interest on the Total OPEB Liability		46,397
c. Differences between Expected and Actual Experience		43,702
d. Changes of Assumptions		(59,457)
e. Employee Contributions		0
f. Projected Earnings on OPEB Plan Investments		0
g. Differences between Projected and Actual Earnings on Plan Investments		0
h. OPEB Plan Administrative Expenses		0
i. Other Changes in Fiduciary Net Position		0
		<hr/>
Total OPEB Expense	\$	141,604

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

	<u>Fiscal Year Ending June 30, 2016</u>		<u>Fiscal Year Ending June 30, 2017</u>		<u>Fiscal Year Ending June 30, 2018</u>		<u>Fiscal Year Ending June 30, 2019</u>	
Recognized OPEB Expense	\$178,115		\$108,914		\$93,739		\$141,604	
Deferred Resources	Outflows	Inflows	Outflows	Inflows	Outflows	Inflows	Outflows	Inflows
Differences between Expected and Actual Experience	\$ 0	\$ 7,541	\$ 0	\$ 86,005	\$ 0	\$ 93,867	\$ 504,689	\$ 0
Changes of Assumptions	0	0	0	198,257	30,848	0	0	296,315
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 0	\$ 7,541	\$ 0	\$ 284,262	\$ 30,848	\$ 93,867	\$ 504,689	\$ 296,315

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended <u>June 30</u>				
2016	(\$913)			
2017	(\$913)	(\$34,414)		
2018	(\$913)	(\$34,414)	(\$8,174)	
2019	(\$913)	(\$34,414)	(\$8,174)	\$27,746
2020	(\$913)	(\$34,414)	(\$8,174)	\$27,746
2021	(\$913)	(\$34,414)	(\$8,174)	\$27,746
2022	(\$913)	(\$34,414)	(\$8,174)	\$27,746
2023	(\$913)	(\$34,414)	(\$8,174)	\$27,746
2024	(\$913)	(\$34,414)	(\$8,174)	\$27,746
2025	(\$237)	(\$34,414)	(\$8,174)	\$27,746
2026		(\$8,950)	(\$5,801)	\$27,746
2027				\$14,152

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

New York City Municipal Water Finance Authority (WFA)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

For the Fiscal Year ended June 30, 2019, the City recognized OPEB Expense of \$141,604.

At June 30, 2019, the City reported total Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 504,689	\$ 151,675
Changes of Assumptions	26,847	446,568
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	<u>0</u>	<u>0</u>
Total	\$ 531,536	\$ 598,243

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended <u>June 30</u>	<u>Amount</u>
2019	\$ (15,755)
2020	\$ (15,755)
2021	\$ (15,755)
2022	\$ (15,755)
2023	\$ (15,755)
2024	\$ (15,755)
2025	\$ (15,079)
2026	\$ 12,995
2027	\$ 14,152

City of New York (Excluding Component Units)

NEW YORK CITY HEALTH BENEFITS PROGRAM

**Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)
City of New York (Excluding Component Units)
Summary of June 30, 2018 OPEB Data**

By System Not Including Component Units ¹

	NYCERS	TRS	BERS	POLICE	FIRE	NYCRS TOTAL
1. Actives						
a. Number	104,814	117,922	25,162	36,562	11,237	295,697
b. Salary	\$7,824,152,347	\$10,153,047,223	\$1,189,241,965	\$4,008,358,587	\$1,362,965,001	\$24,537,765,123
c. Average Age	46.34	43.69	51.07	37.65	40.61	44.39
d. Average Service	11.88	11.71	10.14	11.62	13.88	11.71
e. Average Salary	\$74,648	\$86,100	\$47,263	\$109,632	\$121,293	\$82,983
2. Actives Off Payroll (AOP)						
a. Number	10,181	8,463	5,893	1,940	35	26,512
b. Average Age	39.71	40.76	45.49	37.36	37.11	41.15
c. Average Service	1.92	7.37	3.63	2.97	9.66	4.13
3. Deferreds (Includes Deferred Retirees, if any)						
a. Number	9,598	10,436	1,239	459	68	21,800
b. Average Age	54.74	52.17	56.56	41.92	43.12	53.31
4. Retirees						
a. Total ²						
i. Number	73,405	79,669	16,784	49,295	16,195	235,348
ii. Average Age	70.35	73.44	74.51	62.13	67.14	69.75
b. By Benefit ³	<u>Participant / Spouse</u>	<u>Participant / Spouse</u>	<u>Participant / Spouse</u>	<u>Participant / Spouse</u>	<u>Participant / Spouse</u>	<u>Participant / Spouse</u>
i. Pre-Medicare ⁴	20,542 / 12,310	11,368 / 5,156	2,166 / 962	30,122 / 20,873	7,063 / 6,457	71,261 / 45,758
ii. Medicare Eligible ⁴	52,863 / 17,065	68,301 / 20,242	14,618 / 4,567	19,173 / 10,948	9,132 / 5,103	164,087 / 57,925
iii. Welfare Fund ⁴	71,508 / NA	77,320 / NA	16,047 / NA	48,616 / NA	15,438 / NA	228,929 / NA
iv. Medicare Part B ⁵	97,358 / 36,329	81,317 / 26,131	16,815 / 5,535	49,295 / 31,821	16,195 / 11,560	260,980 / 111,376
	TIAA	LODW				GRAND TOTAL
1. Actives						
a. Number	2,426	0				298,123
b. Salary	\$222,123,385	0				\$24,759,888,508
c. Average Age	50.37	NA				44.44
d. Average Service	14.11	NA				11.73
e. Average Salary	\$91,560	NA				\$83,053
2. Actives Off Payroll (AOP)						
a. Number	114	0				26,626
b. Average Age	57.69	NA				41.23
c. Average Service	21.11	NA				4.20
3. Deferreds (Includes Deferred Retirees, if any)						
a. Number	93 ⁶	0				21,893
b. Average Age	54.43	NA				53.31
4. Retirees						
a. Total						
i. Number	872	783				237,003
ii. Average Age	76.91	80.82				69.82
b. By Benefit ³	<u>Participant / Spouse</u>	<u>Participant / Spouse</u>				<u>Participant / Spouse</u>
i. Pre-Medicare ⁴	19 / 48	52 / 0				71,332 / 45,806
ii. Medicare Eligible ⁴	853 / 338	731 / 0				165,671 / 58,263
iii. Welfare Fund ⁴	872 / NA	NA / NA				229,801 / NA
iv. Medicare Part B ⁵	3,097 / 1,379	783 / 0				264,860 / 112,755

¹ City results also include coverage for the following benefits for members of each component unit:

	Health Insurance (NYCHA (Housing Police retirees only), SCA)	Welfare Fund (NYCHA (Housing Police retirees only), CUNY Senior Colleges (non-pedagogical))	Medicare Part B (HHC, SCA, WFA, CUNY Senior Colleges)
Actives	736	4,311	47,654
AOP	97	821	7,284
Deferreds	23	327	4,009
Retirees	1,081	2,847	28,937

² Retirees eligible for receipt of Health Insurance, excluding Component Units.

³ Includes Component Unit participants with City-provided benefits.

⁴ Retirees currently eligible for benefit.

⁵ Retirees eligible for benefit currently or in the future.

⁶ Estimate due to lack of data.

NEW YORK CITY HEALTH BENEFITS PROGRAM

**Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)
City of New York (Excluding Component Units)
June 30, 2017 Results of the Actuarial Valuation
Based on a 3.17% Discount Rate**

1. Total Present Value of Projected Benefits¹	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active¹	\$43,299,889,908	\$31,076,757,852	\$14,693,095,104	\$23,681,696,200	\$3,890,846,123	\$116,642,285,187
b. Deferred²	2,383,908,605	1,554,456,713	883,314,945	1,179,950,142	58,839,087	6,060,469,492
c. Retired	<u>15,017,667,441</u>	<u>13,984,195,138</u>	<u>8,037,639,431</u>	<u>10,140,026,669</u>	<u>68,476,927</u>	<u>47,248,005,606</u>
d. TOTAL	\$60,701,465,954	\$46,615,409,703	\$23,614,049,480	\$35,001,673,011	\$4,018,162,137	\$169,950,760,285
2. Entry Age Accrued Liability						
a. Active²	\$14,969,988,363	\$11,513,156,766	\$5,627,365,478	\$8,972,872,022	\$819,054,774	\$41,902,437,403
b. Deferred³	2,383,908,605	1,554,456,713	883,314,945	1,179,950,142	58,839,087	6,060,469,492
c. Retired	<u>15,017,667,441</u>	<u>13,984,195,138</u>	<u>8,037,639,431</u>	<u>10,140,026,669</u>	<u>68,476,927</u>	<u>47,248,005,606</u>
d. TOTAL	\$32,371,564,409	\$27,051,808,617	\$14,548,319,854	\$20,292,848,833	\$946,370,788	\$95,210,912,501
3. Actuarial Value of Assets						\$4,653,903,266
4. Unfunded Accrued Liability (UAL)						\$90,557,009,235
5. Entry Age Normal Cost						\$4,860,387,841
6. Salary of Active Participants⁴						\$26,230,448,259
7. Normal Cost Percentage						18.530%
[5. / 6.]						

¹ City results also include coverage for the following benefits for members of each component unit:

	Health Insurance (NYCHA (Housing Police retirees only), SCA)	Welfare Fund (NYCHA (Housing Police retirees only), CUNY Senior Colleges (non-pedagogical))	Medicare Part B (HHC, SCA, WFA, CUNY Senior Colleges)
Actives	699	4,305	48,923
AOP	26	752	6,047
Deferreds	30	74	2,023
Retirees	1,100	2,867	28,003

² Includes Total Present Value of Projected Benefits for AOP, if any.

³ Includes Deferred Retirees, if any.

⁴ Includes Component Units.

NEW YORK CITY HEALTH BENEFITS PROGRAM

**Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)
City of New York (Excluding Component Units)
June 30, 2018 Results of the Actuarial Valuation
Based on a 3.01% Discount Rate**

1. Total Present Value of Projected Benefits¹	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Cadillac Tax	Total
a. Active¹	\$52,230,300,625	\$37,556,098,942	\$16,305,914,935	\$27,556,967,573	\$6,378,006,481	\$140,027,288,556
b. Deferred²	3,714,850,875	2,375,799,601	1,247,801,807	1,852,863,857	153,451,877	9,344,768,017
c. Retired	<u>17,220,547,882</u>	<u>16,031,423,291</u>	<u>8,578,030,121</u>	<u>11,301,334,309</u>	<u>181,354,088</u>	<u>53,312,689,691</u>
d. TOTAL	\$73,165,699,382	\$55,963,321,834	\$26,131,746,863	\$40,711,165,739	\$6,712,812,446	\$202,684,746,264
2. Entry Age Accrued Liability						
a. Active²	\$17,874,172,955	\$13,787,107,380	\$6,175,787,964	\$10,372,886,347	\$1,455,798,632	\$49,665,753,278
b. Deferred³	3,714,850,875	2,375,799,601	1,247,801,807	1,852,863,857	153,451,877	9,344,768,017
c. Retired	<u>17,220,547,882</u>	<u>16,031,423,291</u>	<u>8,578,030,121</u>	<u>11,301,334,309</u>	<u>181,354,088</u>	<u>53,312,689,691</u>
d. TOTAL	\$38,809,571,712	\$32,194,330,272	\$16,001,619,892	\$23,527,084,513	\$1,790,604,597	\$112,323,210,986
3. Actuarial Value of Assets						\$4,765,799,215
4. Unfunded Accrued Liability (UAL)						\$107,557,411,771
5. Entry Age Normal Cost						\$5,725,025,094
6. Salary of Active Participants⁴						\$27,679,916,380
7. Normal Cost Percentage [5. / 6.]						20.683%

¹ City results also include coverage for the following benefits for members of each component unit:

	Health Insurance (NYCHA (Housing Police retirees only), SCA)	Welfare Fund (NYCHA (Housing Police retirees only), CUNY Senior Colleges (non- pedagogical))	Medicare Part B (HHC, SCA, WFA, CUNY Senior Colleges)
Actives	736	4,311	47,654
AOP	97	821	7,284
Deferreds	23	327	4,009
Retirees	1,081	2,847	28,937

² Includes Total Present Value of Projected Benefits for Inactives, if any.

³ Includes Deferred Retirees, if any.

⁴ Includes Component Units.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

Market Values of Assets

	Total
1. Plan Net Position @ 6/30/2017	\$ 4,653,903,266
2. Changes for the year:	
a. ER Contributions	2,681,020,067
b. EE Contributions	0
c. Net Investment Income	48,093,613
d. Benefit Payments	(2,617,044,303)
e. Administrative Expenses	(43,105)
f. Other	(130,323)
g. Net Changes	<u>\$ 111,895,949</u>
3. Plan Net Position @ 6/30/2018	<u>\$ 4,765,799,215</u>
4. Changes for the year:	
a. ER Contributions	2,652,443,121
b. EE Contributions	0
c. Net Investment Income	100,740,410
d. Benefit Payments	(2,839,210,462)
e. Administrative Expenses	(46,110)
f. Other	(175,000)
g. Net Changes	<u>\$ (86,248,041)</u>
5. Plan Net Position @ 6/30/2019	<u>\$ 4,679,551,174</u>

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

Development of Asset (Gain) / Loss June 30, 2018

	Total
1. Market Value 6/30/2017	\$ 4,653,903,266
2. Market Value 6/30/2018	4,765,799,215
3. Net Investment Income	48,093,613
4. Cash Flow (2. - 1. - 3.)	63,802,336
5. Projected Earnings ¹ (4% * 1. + 1.980% * 4.)	187,419,417
6. (Gain) / Loss (5. - 3.)	139,325,804
7. Recognition Period	5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)	27,865,161
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$ 111,460,643

¹ Assumes middle of year payments

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

Development of Asset (Gain) / Loss June 30, 2019

	Total
1. Market Value 6/30/2018	\$ 4,765,799,215
2. Market Value 6/30/2019	4,679,551,174
3. Net Investment Income	100,740,410
4. Cash Flow (2. - 1. - 3.)	(186,988,451)
5. Projected Earnings ¹ (4% * 1. + 1.980% * 4.)	186,929,597
6. (Gain) / Loss (5. - 3.)	86,189,187
7. Recognition Period	5 Years
8. Amount Recognized in OPEB Expense (6. / 7.)	17,237,837
9. Deferred (Inflow) / Outflow of Resources (6. - 8.)	\$ 68,951,350

¹ Assumes middle of year payments

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

Roll Forward of Entry Age Accrued Liabilities to June 30, 2018

	Total
1. Entry Age Accrued Liability (EAAL) at 6/30/2017 ¹	\$ 95,210,912,501
2. Entry Age Normal Cost at 6/30/2017 ¹	4,860,387,841
3. Actual Benefit Payments-FY18	(2,617,044,303)
4. Interest ¹	3,131,103,689
5. (Gain)/Loss due to Discount Rate Change	2,648,935,441
6. Roll-Forward EAAL at 6/30/2018 ²	\$ 103,234,295,169

¹Assumes a 3.17% interest rate

²Assumes a 3.01% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

Roll Forward of Entry Age Actuarial Accrued Liabilities to June 30, 2019

	Total
1. Disclosed Entry Age Accrued Liability (EAAL) at 6/30/2018 ¹	\$ 103,234,295,169
2. Entry Age Normal Cost at 6/30/2018 ¹	5,725,025,094
3. Actual Benefit Payments-FY19	(2,839,210,462)
4. Interest ¹	3,237,262,217
5. (Gain)/Loss due to Experience Change ¹	9,362,492,183
6. (Gain)/Loss due to Demographic Assumption Change ¹	(8,278,153,229)
7. (Gain)/Loss due to Trend Rate Change ¹	(1,214,049,819)
8. (Gain)/Loss due to Discount Rate Change	3,214,877,122
9. Roll-Forward EAAL at 6/30/2019 ²	\$ 112,442,538,275

¹Assumes a 3.01% interest rate

²Assumes a 2.82% interest rate

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

**Changes in Net OPEB Liability (NOL) by Source
Balances at June 30, 2018**

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2017	\$ 93,053,018,608	\$ 4,653,903,266	\$ 88,399,115,342
2. Changes for the Year:			
a. Service Cost	4,860,387,841	0	4,860,387,841
b. Interest	3,131,103,689	0	3,131,103,689
c. Differences b/t Expected and Actual Experienc	2,293,748,135	0	2,293,748,135
d. Changes in Assumptions	2,513,081,199	0	2,513,081,199
e. Contributions - Employer	0	2,681,020,067	(2,681,020,067)
f. Contributions - Employee	0	0	0
g. Net Investment Income	0	48,093,613	(48,093,613)
h. Actual Benefit Payments	(2,617,044,303)	(2,617,044,303)	0
i. Administrative Expenses	0	(43,105)	43,105
j. Other Changes	0	(130,323)	130,323
k. Net Changes	\$ 10,181,276,561	\$ 111,895,949	\$ 10,069,380,612
3. Balances at June 30, 2018	\$ 103,234,295,169	\$ 4,765,799,215	\$ 98,468,495,954
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
a. 1% Decrease			\$ 117,735,345,310
b. 1% Increase			\$ 83,498,528,055
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
a. 1% Decrease			\$ 79,972,799,539
b. 1% Increase			\$ 124,978,417,672

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

**Changes in Net OPEB Liability (NOL) by Source
Balances at June 30, 2019**

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2018	\$ 103,234,295,169	\$ 4,765,799,215	\$ 98,468,495,954
2. Changes for the Year:			
a. Service Cost	5,725,025,094	0	5,725,025,094
b. Interest	3,237,262,217	0	3,237,262,217
c. Differences b/t Expected and Actual Experienc	9,362,492,183	0	9,362,492,183
d. Changes in Assumptions	(6,277,325,926)	0	(6,277,325,926)
e. Contributions - Employer	0	2,652,443,121	(2,652,443,121)
f. Contributions - Employee	0	0	0
g. Net Investment Income	0	100,740,410	(100,740,410)
h. Actual Benefit Payments	(2,839,210,462)	(2,839,210,462)	0
i. Administrative Expenses	0	(46,110)	46,110
j. Other Changes	0	(175,000)	175,000
k. Net Changes	\$ 9,208,243,106	\$ (86,248,041)	\$ 9,294,491,147
3. Balances at June 30, 2019	\$ 112,442,538,275	\$ 4,679,551,174	\$ 107,762,987,101
4. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
a. 1% Decrease			\$ 127,388,903,657
b. 1% Increase			\$ 92,341,131,505
5. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
a. 1% Decrease			\$ 88,136,793,407
b. 1% Increase			\$ 135,419,822,472

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

Schedule of Changes in Net OPEB Liability and Related Ratios

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>
1. Total OPEB Liability							
a. Service Cost	\$ 5,725,025,094	\$	4,860,387,841	\$	4,521,008,728	\$	5,112,510,498
b. Interest	3,237,262,217		3,131,103,689		2,898,446,758		2,668,923,050
c. Changes of Benefit Terms	0		0		0		0
d. Differences b/t Expected and Actual Experience	9,362,492,183		2,293,748,135		519,255,914		(120,146,814)
e. Changes of Assumptions	(6,277,325,926)		2,513,081,199		(10,974,634,867)		0
f. Benefit Payments	(2,839,210,462)		(2,617,044,303)		(2,424,766,464)		(2,277,515,643)
g. Net Changes in Total OPEB Liability	\$ 9,208,243,106	\$	10,181,276,561	\$	(5,460,689,931)	\$	5,383,771,091
2. Total OPEB Liability - Beginning	\$ 103,234,295,169	\$	93,053,018,608	\$	98,513,708,539	\$	93,129,937,448
3. Total OPEB Liability - Ending	\$ 112,442,538,275	\$	103,234,295,169	\$	93,053,018,608	\$	98,513,708,539
4. Plan Fiduciary Net Position							
a. Contributions - Employer	\$ 2,652,443,121	\$	2,681,020,067	\$	3,020,942,554	\$	2,897,128,941
b. Contributions - Employee	0		0		0		0
c. Net Investment Income	100,740,410		48,093,613		21,515,588		20,565,435
d. Benefit Payments	(2,839,210,462)		(2,617,044,303)		(2,424,766,464)		(2,277,515,643)
e. Administrative Expenses	(46,110)		(43,105)		(41,100)		(40,000)
f. Other Changes	(175,000)		(130,323)		(78,516)		(331,067)
g. Net Changes in Plan Fiduciary Net Position	\$ (86,248,041)	\$	111,895,949	\$	617,572,062	\$	639,807,666
5. Plan Fiduciary Net Position - Beginning	\$ 4,765,799,215	\$	4,653,903,266	\$	4,036,331,204	\$	3,396,523,538
6. Plan Fiduciary Net Position - Ending	\$ 4,679,551,174	\$	4,765,799,215	\$	4,653,903,266	\$	4,036,331,204
7. Net OPEB Liability	\$ 107,762,987,101	\$	98,468,495,954	\$	88,399,115,342	\$	94,477,377,335
8. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	4.2%		4.6%		5.0%		4.1%
9. Covered Employee Payroll¹	\$27,679,916,380		\$26,230,448,259		\$25,112,110,958		\$24,204,772,333
10. Net OPEB Liability as a Percentage of Covered Employee Payroll	389.3%		375.4%		352.0%		390.3%

¹Includes those Component Units with Medicare Part B, Health Insurance or Welfare Fund coverage provided by the City.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

Average Expected Remaining Service Lives @ 6/30/2018

<u>Group</u> ¹	<u># Count</u>	<u>Total Future WorkLife @ 6/30/2018</u>	<u>Average Expected Remaining Service Life @ 6/30/2018</u>
Active	328,674	4,267,653	12.98
Actives Off Payroll ²	31,324	450,397	14.38
Term Vested	25,377	0	0
Retired	<u>260,638</u>	<u>0</u>	<u>0</u>
Total	646,013	4,718,050	7.09

¹Includes those Component Units with Health Insurance, Welfare Fund, or Medicare Part B coverage provided by the City.

²Only 40% of AOP are assumed to return to active status.

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Expected and Actual Experience**

Year	Differences between Expected and Actual Experience	Recognition Period (Years)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2016 ¹	\$ (120,146,814)	6.81	(17,642,704)	(17,642,704)	(17,642,704)	(17,642,704)	(17,642,704)	(17,642,704)	(14,290,590)	0	0	0	0
2017	\$ 519,255,914	6.81	0	76,249,033	76,249,033	76,249,033	76,249,033	76,249,033	76,249,033	61,761,716	0	0	0
2018	\$ 2,293,748,135	6.86	0	0	334,365,617	334,365,617	334,365,617	334,365,617	334,365,617	334,365,617	287,554,433	0	0
2019	\$ 9,362,492,183	7.09	0	0	0	1,320,520,759	1,320,520,759	1,320,520,759	1,320,520,759	1,320,520,759	1,320,520,759	1,320,520,759	118,846,870
2020													
2021													
2022													
Net increase (decrease) in OPEB Expense			\$ (17,642,704)	\$ 58,606,329	\$ 392,971,946	\$ 1,713,492,705	\$ 1,713,492,705	\$ 1,713,492,705	\$ 1,716,844,819	\$ 1,716,648,092	\$ 1,608,075,192	\$ 1,320,520,759	\$ 118,846,870

¹Represents the Future Working Lifetime as of 6/30/2016

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Changes
in Assumptions**

Year	Differences Due to Changes in Assumptions	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2017	\$ (10,974,634,867)	6.81	(1,611,546,970)	(1,611,546,970)	(1,611,546,970)	(1,611,546,970)	(1,611,546,970)	(1,611,546,970)	(1,305,353,047)	0	0	0
2018	\$ 2,513,081,199	6.86	0	366,338,367	366,338,367	366,338,367	366,338,367	366,338,367	366,338,367	315,050,997	0	0
2019	\$ (6,277,325,926)	7.09	0	0	(885,377,423)	(885,377,423)	(885,377,423)	(885,377,423)	(885,377,423)	(885,377,423)	(885,377,423)	(79,683,965)
2020												
2021												
2022												
Net increase (decrease) in OPEB Expense			\$ (1,611,546,970)	\$ (1,245,208,603)	\$ (2,130,586,026)	\$ (2,130,586,026)	\$ (2,130,586,026)	\$ (2,130,586,026)	\$ (1,824,392,103)	\$ (570,326,426)	\$ (885,377,423)	\$ (79,683,965)

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences
between Projected and Actual Earnings on OPEB Plan Investments**

Year	Differences between Projected and Actual Earnings on OPEB Plan Investments	Recognition Period (Years)	2016	2017	2018	2019	2020	2021	2022	2023
2016	\$ 127,556,503	5	25,511,301	25,511,301	25,511,301	25,511,301	25,511,299	0	0	0
2017	\$ 151,739,578	5	0	30,347,916	30,347,916	30,347,916	30,347,916	30,347,914	0	0
2018	\$ 139,325,804	5		0	27,865,161	27,865,161	27,865,161	27,865,161	27,865,160	0
2019	\$ 86,189,187	5	0	0	0	17,237,837	17,237,837	17,237,837	17,237,837	17,237,839
2020										
2021										
2022										
Net increase (decrease) in OPEB Expense			<u>\$ 25,511,301</u>	<u>\$ 55,859,217</u>	<u>\$ 83,724,378</u>	<u>\$ 100,962,215</u>	<u>\$ 100,962,213</u>	<u>\$ 75,450,912</u>	<u>\$ 45,102,997</u>	<u>\$ 17,237,839</u>

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2018

<u>Component</u>	<u>Amount</u>
a. Service Cost	\$ 4,860,387,841
b. Interest on the Total OPEB Liability	3,131,103,689
c. Differences between Expected and Actual Experience	392,971,946
d. Changes of Assumptions	(1,245,208,603)
e. Employee Contributions	0
f. Projected Earnings on OPEB Plan Investments	(187,419,417)
g. Differences between Projected and Actual Earnings on Plan Investments	83,724,378
h. OPEB Plan Administrative Expenses	43,105
i. Other Changes in Fiduciary Net Position	<u>130,323</u>
Total OPEB Expense	\$ 7,035,733,262

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

Components of OPEB Expense for the Fiscal Year Ended June 30, 2019

<u>Component</u>	<u>Amount</u>
a. Service Cost	\$ 5,725,025,094
b. Interest on the Total OPEB Liability	3,237,262,217
c. Differences between Expected and Actual Experience	1,713,492,705
d. Changes of Assumptions	(2,130,586,026)
e. Employee Contributions	0
f. Projected Earnings on OPEB Plan Investments	(186,929,597)
g. Differences between Projected and Actual Earnings on Plan Investments	100,962,215
h. OPEB Plan Administrative Expenses	46,110
i. Other Changes in Fiduciary Net Position	<u>175,000</u>
Total OPEB Expense	\$ 8,459,447,718

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

	Fiscal Year Ending June 30, 2016		Fiscal Year Ending June 30, 2017		Fiscal Year Ending June 30, 2018		Fiscal Year Ending June 30, 2019	
Recognized OPEB Expense	\$7,641,551,274		\$5,749,238,512		\$7,035,733,262		\$8,459,447,718	
Deferred Resources	Outflows	Inflows	Outflows	Inflows	Outflows	Inflows	Outflows	Inflows
Differences between Expected and Actual Experience	\$ 0	\$ 102,504,110	\$ 443,006,881	\$ 0	\$ 1,959,382,518	\$ 0	\$ 8,041,971,424	\$ 0
Changes of Assumptions	0	0	0	9,363,087,897	2,146,742,832	0	0	5,391,948,503
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	102,045,202	0	121,391,662	0	111,460,643	0	68,951,350	0
Total	\$ 102,045,202	\$ 102,504,110	\$ 564,398,543	\$ 9,363,087,897	\$ 4,217,585,993	\$ 0	\$ 8,110,922,774	\$ 5,391,948,503

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended June 30				
2016	\$7,868,597			
2017	\$7,868,597	(\$1,504,950,021)		
2018	\$7,868,597		\$728,569,145	
2019	\$7,868,597	(\$1,504,950,021)	\$728,569,145	\$452,381,173
2020	\$7,868,595	(\$1,504,950,021)	\$728,569,145	\$452,381,173
2021	(\$17,642,704)	(\$1,504,950,023)	\$728,569,145	\$452,381,173
2022	(\$14,290,590)	(\$1,535,297,937)	\$728,569,144	\$452,381,173
2023		(\$1,243,591,331)	\$700,703,984	\$452,381,175
2024			\$602,605,430	\$435,143,336
2025				\$435,143,336
2026				\$39,162,905

NEW YORK CITY HEALTH BENEFITS PROGRAM

Governmental Accounting Standards Board Statements No. 74 and No. 75 (GASB 74/75)

City of New York (Excluding Component Units)

OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources

For the Fiscal Year ended June 30, 2019, the City recognized OPEB Expense of \$8,459,447,718.

At June 30, 2019, the City reported total Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 9,957,497,140	\$ 49,575,998
Changes of Assumptions	1,780,404,465	11,531,942,460
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	238,753,961	0
Total	\$ 11,976,655,566	\$ 11,581,518,458

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended <u>June 30</u>	<u>Amount</u>
2019	\$ (316,131,106)
2020	(316,131,108)
2021	(341,642,409)
2022	(368,638,210)
2023	(90,506,172)
2024	1,037,748,766
2025	435,143,336
2026	39,162,905

SECTION IV - CERTIFICATION

In the opinion of the undersigned actuaries, the actuarial assumptions used are reasonable and appropriate for purposes of measurement of the obligations under GASB 74 and 75 contained herein. The cost results and actuarial exhibits presented in this Report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures. To the best of the knowledge of the undersigned, the information fairly presents the actuarial position of the postretirement benefits under the City's Health Benefits Program in accordance with the requirements of GASB Statements No. 74 and 75 as of June 30, 2019.

Future actuarial measurements may differ significantly from current measurements due to, but not limited to, the following factors: retiree group benefits program experience differing from that anticipated by the assumptions, changes in assumptions, changes expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period), and changes in plan provisions, applicable law or regulations. Small variations in approximations and estimates may lead to significant changes in actuarial measurements. An analysis of the potential range of such future differences other than the required disclosures related to the sensitivity to discount rate and healthcare cost trend rate assumptions is beyond the scope of this Report.

The actuaries whose signatures appear below are Members of the American Academy of Actuaries (AAA) and, together, meet the Qualification Standards of the AAA to render this Statement of Actuarial Opinion.

Sherry S. Chan, FSA, EA, MAAA, FCA
Chief Actuary
New York City Office of the Actuary

Thomas O'Hara, ASA, MAAA
Administrative Actuary
New York City Office of the Actuary

SECTION V – SUMMARY OF PLAN PROVISIONS

Plan Sponsor New York City. The valuation includes results for the component units, HHC, NYCHA, SCA, and WFA that participate under the same plan terms. In addition, the valuation includes results for ECF, which participates in the New York State Health Insurance Program (NYSHIP), described later in this section.

Plan Name New York City Health Benefits Program (Program)

Eligibility (City) Retirees can participate if they satisfy one of the following criteria:

Retirees

- At least 10 years of credited service as a member of the NYCERS (five years of credited service if employed on or before December 27, 2001; 15 years of service if a member of TRS or BERS, represented by the United Federation of Teachers and employed after April 27, 2010; no service requirement for accidental disability retirements) and be working at least 20 hours a week at termination of active service, plus
- Receives a pension check from the NYCERS (or is eligible for certain Deferred Retirement benefits). Payability date varies by NYCERS and group.

Terminated Vested Members

- The same as Retirees once in receipt of a pension benefit.

Members Eligible for Certain Deferred Retirement Benefits

- Certain members of NYCERS, TRS and BERS who have at least 20 years of credited service are eligible for up to five years of OPEB coverage prior to commencement of pension benefits.

Members Terminated for Other than Immediate Retirement

- Members who do not have retiree medical coverage under the retiree medical provisions are eligible to continue coverage under COBRA provisions. COBRA continuation coverage is generally limited to certain maximum periods (i.e.

generally to the end of 36 months under New York State insurance law).

Spouses and Other Dependents

- Spouses of retirees are covered. Children of retirees are covered to age 26, or longer if disabled. Dependent coverage is terminated when a retiree dies, except in the following situations:
 - Lifetime coverage is provided to the surviving spouse or domestic partner, and to children up to age 26 of uniformed members of the Police or Fire Departments who die in the Line of Duty.
 - Effective November 13, 2001, other surviving spouses of retired uniformed members of the Police and Fire Departments may elect to continue coverage for life by paying 102% of the stated premium.
 - Effective August 31, 2010, surviving spouses of retired uniformed members of the Departments of Correction and Sanitation may elect to continue coverage for life by paying 102% of the stated premium.

Eligibility (ECF)

Retirees

- Age 55 with 10 years of service.
- Employees who retire after 1995 are also eligible for dental coverage.

Terminated Vested Members

- Termination after 10 years of service entitles employees to deferred pension benefits and OPEB.

Disability Retirement

- 10 years of service

Spouses and Other Dependents

- OPEB benefits are assumed to continue for dependents after the death of the retiree.

Eligibility (TIAA)

Retirees

- Hired before July 1, 1976: Age 55 with 10 years of service.
- Hired on or after July 1, 1976: Age 62 with 15 years of service.

Exception for Executive Compensation Plan (ECP) employees:
Age 55 with 10 years of service.

Terminated Vested Members

- Hired before July 1, 1976: Terminate with 15 years of service, benefit commences at age 55.
- Hired between July 1, 1976 and August 31, 1985: Terminate with 10 years of service, benefit commences at age 62 with no subsequent full-time employment at another college, university, or institution of post-secondary education.
- Hired on or after September 1, 1985: Terminate with 15 years of service, benefit commences at age 62 with no subsequent full-time employment at another college, university, or institution of post-secondary education.

Exception for ECP Employees: Terminate with 10 years of service, benefit commences at age 55 with no subsequent full-time employment at another institution of post-secondary education.

Disability Retirement

- A member who is disabled with at least 10 years of service and receiving a benefit from the Optional Retirement Program of TIAA is entitled to retiree health benefits.

Covered Benefits

The City and certain Component Units provide OPEB through the Program. In addition, the City provides certain Program benefits through the Stabilization Fund. The City and certain Component Units contribute to various Welfare Funds, generally negotiated with and administered by various labor organizations. The City and certain Component Units also reimburse Medicare Part B Premiums paid by eligible retirees and other eligible beneficiaries.

OPEB Coverage Groupings

The City subsidizes only some of the OPEB for various groups of NYCERS retirees.

The table below presents, by payroll agency, those benefits assumed to be provided by the City for purposes of the Fiscal Year 2019 OPEB valuation. There is no change in coverage from the prior OPEB valuation.

For the Component Units included in the OPEB valuation, the benefit categories not paid by the City are reflected in the results of the individual Component Units (i.e. Payroll Agencies in bold below).

**New York City Retirement Systems
Components of Post-Retirement Medical Benefits Paid By New York City**

Payroll Agency	Health Insurance	Welfare Fund ²	Medicare Part B
Charter Schools	Yes	Yes	Yes
Custodial Engineer	Yes	Yes	Yes
CUNY - Senior Colleges	No ¹	Yes ³	Yes
CUNY - Community Colleges	Yes	Yes	Yes
Correction Department	Yes	Yes	Yes
CP Engineers	No ¹	No	No
Courts (State)	Yes	Yes	Yes
DA Investigators	Yes	Yes	Yes
Department of Education	Yes	Yes	Yes
HSG Develop Corp	No	No	No
Health and Hospital Corp	No¹	No	Yes
Housing Authority	No¹	No	No¹
Housing Police (Retirees Only)	Yes	Yes	No ¹
Regular	Yes	Yes	Yes
REMIC	NA	NA	NA
Sanitation	Yes	Yes	Yes
School Construction Authority	Yes	No	Yes
State Housing	No	No	No
Transit Authority	No ¹	No	No
Transit Police (Retirees Only)	Yes	Yes	Yes
Triboro Bridge	No	No	No
Water Finance Authority	No¹	No	Yes
POLICE	Yes	Yes	Yes
FIRE	Yes	Yes	Yes
TIAA - Senior Colleges	No ¹	No	Yes
TIAA - Community Colleges	Yes	Yes	Yes
ECF	No	No	No
LOD Survivors	Yes	No	Yes

¹ The City pays these benefits upfront, not out of the NYCRRHT, and then is reimbursed.

² Welfare Fund coverage not available to pre-1/1/1971 retirees. LOD death beneficiary coverage provided through Stabilization Fund.

³ The City pays the Welfare Fund for non-pedagogical CUNY Senior Colleges retirees.

Basic Coverage

The City and certain Component Units currently provide Basic Medical Coverage (Basic Coverage) at no cost if a non-Medicare-eligible retiree participates in HIP HMO or GHI/EBCBS indemnity arrangement, or a Medicare-eligible retiree participates in HIP HMO or GHI/EBCBS Senior Care.

Basic Coverage includes hospital and physician coverage and excludes coverage for prescription drugs. GHI/EBCBS Senior Care coordinates with Medicare Part A and Medicare Part B on a supplemental basis. Under the HIP HMO, Medicare-eligible retirees generally participate in a Medicare Advantage Plan under Medicare Part C. Cost sharing provisions (e.g. deductibles, co-payments) are assumed to change over time to contain the overall cost of coverage. Basic Coverage under other plans may require additional retiree contributions.

Other plans available to non-Medicare-eligible retirees include Aetna EPO, CIGNA, Empire HMO, Empire EPO, GHI HMO, MetroPlus, and Vytra Health Plans.

Other plans available to Medicare-eligible retirees include Medicare supplemental plans, such as Empire Medicare-Related Coverage and various Medicare Advantage arrangements (e.g. MediBlue).

Retirees of the Component Units included in this valuation, other than ECF, have the same coverage as City retirees. It is the understanding of the OA that ECF retirees are covered by NYSHIP.

Retirees may waive Basic Coverage.

The City and the Component Units do not provide both subscriber and dependent coverage for the same individual.

Medicare Part B Premium Reimbursement

Upon application, the City and certain Component Units reimburse the Medicare Part B Premium for all Medicare-eligible retirees and eligible covered dependents. The reimbursement includes the base Part B premium and any additional premium charged to high-income retirees via the Income Related Monthly Adjustment Amounts (IRMAA).

Welfare Funds

The City and certain Component Units pay annual per capita contributions directly to the various Welfare Funds that cover retirees for certain health care benefits not provided through the Basic Coverage. Welfare Fund benefits may include, but are not limited to, prescription drug, vision, and dental coverage, sometimes

with dollar limits. In addition, the Welfare Funds provide non-health related benefits such as life insurance, accidental death or disability benefits, legal services, or short or long-term disability benefits. The Welfare Funds are generally separate legal entities, often administered by various labor organizations. Information on the Welfare Funds is available in a Special Report issued by the Office of the Comptroller (Comptroller Report)².

Contributions are sometimes made for active employees to Welfare Funds that are combined with retirees. Alternatively, contributions are made to separate retiree only funds. The Welfare Funds' per capita contributions apply only to retirees and not to covered dependents even though a particular Fund may choose to extend its coverage to dependents. The contributions for retirees are generally made only on behalf of individuals who retired in or after 1971. In recent years, a portion of the Welfare Fund contributions has been reimbursed by the Stabilization Fund. The valuation includes Welfare Fund contributions whether they come from the Stabilization Fund or directly from the City or CUs.

The per capita contribution amounts change periodically based on negotiated contract provisions. In addition to prospective increases, the collective bargaining agreements have provided for ad hoc lump-sum payment amounts to the Welfare Funds. The 2018 Municipal Labor Committee (MLC) Health Savings Agreement reflected in this valuation includes scheduled increases through Fiscal Year 2020. Thereafter, starting in Fiscal Year 2021, the valuation assumes that the contribution amount to the Welfare Funds will increase at the Welfare Plan trend rates.

Stabilization Fund

The City maintains and has historically contributed to the Health Insurance Stabilization Reserve Fund (Stabilization Fund). Certain Component Units are understood to have contributed to the Stabilization Fund in situations where the GHI/EBCBS premiums paid would be lower than the HIP benchmark premium. In addition, the Stabilization Fund receives dividends from participating insurance carriers including the GHI/EBCBS arrangement.

The Stabilization Fund has been used to provide the following health related benefits:

² Analysis of the Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2016, issued March 5, 2019, https://comptroller.nyc.gov/wp-content/uploads/documents/SR18_108S.pdf

- A GHI Home Care benefit for certain non-Medicare participants.
- Welfare Fund contributions for the Line-of-Duty Survivors. In addition, the Stabilization Fund has reimbursed the City, various Component Units, and other entities participating in the Program for a portion of Welfare Fund contributions.
- Injectables and Chemotherapy Drug plan for certain non-Medicare participants (formerly referred to as PICA, but psychotropic and asthma drugs are not currently covered).
- Utilization review for the GHI/EBCBS arrangement, provided by the New York County Health Services Review Organization.
- Healthline (Intracorp) providing pre-certification of hospitalization for GHI/EBCBS participants.

In addition, under the 2014 Municipal Labor Committee (MLC) Health Savings Agreement, the Stabilization Fund had agreed to provide up to \$60 million in fiscal year 2019 and each year thereafter to the Welfare Funds. In addition, the Stabilization Fund has made a contribution to fill the gap between savings realized from the program savings initiatives and the required savings target for the fiscal year.

The OA is not aware of any valuation performed by the Stabilization Fund for measurements under GASB74 or other purposes. Thus, the OA has not considered the impact of any such calculations on the analyses herein.

ECF Coverage

NYSHIP health benefits consist of a hospital program, medical program covering amounts after copayment at participating providers, managed mental health and substance abuse program, and card-based prescription drug program. NYSHIP requires retirees to enroll in Medicare Part A and Medicare Part B, and mandates that participants be reimbursed for Medicare Part B Premiums. NYSHIP provides drug coverage to Medicare eligible participants through a Medicare Part D Employer Group Waiver Plan (EGWP).

SECTION VI - ACTUARIAL ASSUMPTIONS AND METHODS

General

Basis for Assumptions The actuarial assumptions used in the Fiscal Year 2019 OPEB valuation are a combination of those used in the NYCERS pension actuarial valuations and those specific to the OPEB valuations.

For Fiscal Year 2019, the OA conducted a full review of the actuarial assumptions and methods used to fund the NYCERS. These reviews led to formalized recommendations titled “Proposed Changes in Actuarial Assumptions and Methods Used in Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2018 for [NYCERS],” and were adopted by all five of the NYCERS Boards. These are available on the Reports page of the OA website (www.nyc.gov/actuary).

Actuarial Cost Method Entry Age Normal cost method, level percent of pay calculated on an individual basis.

Valuation Date June 30, 2018

Measurement Date June 30, 2019

Asset Valuation Market value of assets.

Discount Rate 2.82% for benefits provided by the City, 2.79% for benefits provided by Component Units. Results as of the June 30, 2018 Measurement Date are presented at 3.01% for benefits provided by the City, and 2.98% for Component Units.

The projection of cash flows used to determine the discount rate assumed that the City will contribute at a rate equal to the pay-as-you-go amounts plus the average of contributions made over the most recent five-year period in excess of the pay-as-you-go amounts. The contributions apply first to service cost of future plan members based on projection of overall payroll at 3.0% and normal cost rate for Tier 6 members of each of the NYCERS. Remaining contributions are applied to the current and past service costs for current plan members.

Based on those assumptions, the City’s OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until 2029. After

that time, benefit payments will be funded on a pay-as-you go basis. The discount rate is the single equivalent rate which results in the same present value as discounting future benefit payments made from assets at the long-term expected rate of return and discounting future benefit payments funded on a pay-as-you-go basis at the Municipal Bond 20-year Index Rate.

Results for the OPEB plans for Component Units are presented using a discount rate of the Municipal Bond 20-year Index Rate, since there is no pre-funding assumed for these plans.

**Long-Term
Expected Rate of
Return**

4.00% net of investment expenses, which includes an inflation rate of 2.50%.

The long-term rate of return is based on the NYCRHBT's investment policy and was determined using a building-block method in which best-estimate ranges of expected future real rates of return (i.e. expected returns, net of investment expense and inflation) are developed separately from assumed inflation.

<u>Asset Class</u>	<u>Target Allocation as of June 30, 2019</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	100%	1.50%

Nominal long-term expected rates of return for these assets are equal to the sum of the above expected long-term real rate and the expected long-term inflation rate of 2.50%.

**Municipal Bond
20-year Index
Rate**

S&P Municipal Bond 20-Year High Grade Rate Index, which was 2.79% as of June 28, 2019. Results as of the June 30, 2018 Measurement Date are presented using the same index, which was 2.98% as of June 29, 2018.

**Consumer Price
Index**

2.50%

**General Wage
Increases**

3.00% per annum which includes an inflation rate of 2.50% and a general wage increase rate of 0.50%. For more information see the 2019 Assumptions and Methods reports.

Assumed Healthcare Cost Trend Rate (HCCTR)

Fiscal Year Ending	Pre-Medicare Plans	Medicare Plans	Medicare Part B Premiums	Welfare Fund Contributions
2019	7.00%	5.00%	5.88% ¹	3.50%
2020	7.00%	5.00%	5.00%	3.50%
2021	6.75%	4.90%	5.00%	3.50%
2022	6.50%	4.90%	5.00%	3.50%
2023	6.25%	4.80%	5.00%	3.50%
2024	6.00%	4.80%	5.00%	3.50%
2025	5.75%	4.70%	5.00%	3.50%
2026	5.50%	4.70%	5.00%	3.50%
2027	5.25%	4.60%	5.00%	3.50%
2028	5.00%	4.60%	5.00%	3.50%
2029	4.75%	4.50%	5.00%	3.50%
2030 and Later	4.50%	4.50%	5.00%	3.50%

¹ Reflects actual calendar year premium for the first 6 months of FY20 (July 2019 to December 2019) and 5.0% trend for the remaining 6 months.

Health trend information from various sources was reviewed, including City premium trend experience for HIP HMO and GHI/EBCBS, public sector benchmark survey for other large plan sponsors, the Medicare Trustees’ Report, and the SOA Getzen model. Based on the review, no trend changes were made to the Medicare Part B premium and Welfare Fund contributions, but the medical trends have been updated for the FY 2019 valuation as follows:

	FY 2019	FY 2018
<u>Initial Trend:</u>		
Pre-Medicare	7.0%	7.0%
Medicare	5.0%	5.0%
<u>Ultimate Trend:</u>		
Pre-Medicare	4.5%	5.0%
Medicare	4.5%	5.0%
<u>FY Ultimate Reached:</u>		
Pre-Medicare	2030	2023
Medicare	2029	2019

The Medicare Part B Premium trend has historically averaged slightly higher than the overall Medicare Plan trend rate since much of the cost shifting has been concentrated in the hospital (Part A) portion of the Medicare Plan arrangements. The trend assumption does not assume that this cost shifting will continue at current levels.

Historical negotiated increase rates for the larger Welfare funds have averaged around 3% in recent years, which is lower than the anticipated trend on the underlying costs of benefits provided by these funds. However, the City periodically makes one-time lump sum contributions to the Welfare Funds. For these reasons the Welfare Fund contribution trend was assumed to be 3.5%.

Dependent Coverage

Non-contributory Basic Medical Coverage and Part B premium reimbursement for dependents are assumed to terminate when an employee or retiree dies, except for Line of Duty survivors. Certain other survivors of POLICE, FIRE, and uniformed members of the Departments of Correction and Sanitation are eligible for a lifetime COBRA continuation benefit. These individuals contribute 102% of the premium but the valuation includes an additional estimated cost above the value of their COBRA contribution. The valuation assumes that 30% of eligible spouses will elect the lifetime continuation benefit.

Dependents

Male retirees were assumed to be four years older than their wives, and female retirees were assumed to be two years younger than their husbands; for POLICE and FIRE employees, husbands are assumed to be two years older than their wives.

Child dependents of current retirees are assumed to receive coverage until age 26.

Children are assumed to be covered for eight years after retirement plus an additional five years for service retirements of POLICE, FIRE, and NYCERS retirees who were eligible to retire based only on service and no minimum age.

Dependent allocation assumptions are shown below. The assumptions were updated as part of the Fiscal Year 2017 valuation. The OA reviewed recent experience to confirm these assumptions were still reasonable for the Fiscal Year 2019 valuation.

DEPENDENT COVERAGE ASSUMPTIONS								
Group	NYCERS - HHC	NYCERS - NYCHA	NYCERS - Other	TRS	BERS	POLICE	FIRE	TIAA
Male								
- Single Coverage	40%	35%	35%	50%	45%	15%	10%	55%
- Spouse	40%	35%	35%	30%	45%	10%	20%	40%
- Child/No Spouse	5%	10%	5%	5%	2%	10%	5%	2.5%
- Spouse and Child	15%	20%	25%	15%	8%	65%	65%	2.5%
Female								
- Single Coverage	70%	75%	70%	60%	60%	45%	10%	55%
- Spouse	20%	15%	20%	30%	35%	10%	20%	40%
- Child/No Spouse	5%	8%	5%	5%	2.5%	25%	5%	2.5%
- Spouse and Child	5%	2%	5%	5%	2.5%	20%	65%	2.5%

Note: For accidental death, 70% of POLICE and 80% of FIRE members are assumed to have family coverage.

Active Off Payroll (AOP) Liabilities

40% of the measured liability of the AOP population will terminate membership prior to vesting and not receive OPEB, which is roughly equivalent to valuing 60% of the AOP members.

Participation Rates

Participation assumptions were updated as part of the Fiscal Year 2017 valuation to reflect recent experience. The OA reviewed recent experience to confirm these assumptions were still reasonable for the Fiscal Year 2019 valuation.

Actual elections are used for current retirees. Some current retirees not eligible for Medicare are assumed to change elections upon attaining age 65 based on election patterns of Medicare-eligible retirees.

For current retirees who appear to be eligible for health coverage but have not made an election (i.e. non-filers), the valuation reflects single GHI/EBCBS coverage and Part B premium benefits only, to approximate the obligation if these individuals were to file for coverage. For future retirees, the portion assumed not to file for future benefits, and therefore is valued similarly, are as follows.

NYCERS - HHC	13%
NYCERS - NYCHA	13%
NYCERS - Others	10%
TRS	6%
BERS	12%
POLICE	1%
FIRE	2%
TIAA	0%

This non-filer group also includes some participants who do not qualify for coverage because they were working less than 20 hours a week at termination.

Detailed assumptions for future Program retirees are presented below.

PLAN PARTICIPATION ASSUMPTIONS								
Benefits	NYCERS - HHC	NYCERS - NYCHA	NYCERS - Other	TRS	BERS	POLICE	FIRE	TIAA
Pre-Medicare								
- GHI/EBCBS	72%	65%	72%	80%	70%	85%	80%	90%
- HIP HMO	20%	26%	20%	8%	16%	9%	12%	6%
- Other HMO	4%	4%	4%	2%	2%	4%	6%	4%
- Waiver	4%	5%	4%	10%	12%	2%	2%	0%
Medicare								
- GHI	72%	72%	72%	90%	78%	85%	80%	90%
- HIP HMO	20%	20%	20%	6%	16%	9%	12%	6%
- Other HMO	4%	4%	4%	2%	2%	4%	6%	4%
- Waiver	4%	4%	4%	2%	4%	2%	2%	0%
Post-Medicare Migration								
- Other HMO to GHI	0%	0%	0%	0%	0%	0%	0%	0%
- HIP HMO to GHI	0%	23%	0%	25%	0%	0%	0%	0%
- Pre-Med. Waiver								
- To GHI @ 65	0%	10%	0%	40%	67%	0%	0%	0%
- To HIP @ 65	0%	10%	0%	40%	0%	0%	0%	0%

Per Capita Claim Costs

GHI/EBCBS plans are insured via a Minimum Premium arrangement while the HIP and many of the Other HMOs are community-rated. Costs reflect age-adjusted premiums for all plans.

Initial monthly premium rates used in valuations are shown below:

Plan	Monthly Health Insurance Costs	
	FY19	
HIP HMO		
Non-Medicare Single	\$	729.97
Non-Medicare Family	\$	1,783.60
Medicare	\$	170.84
GHI/EBCBS		
Non-Medicare Single	\$	741.40
Non-Medicare Family	\$	1,947.32
Medicare	\$	191.64
Other HMOs ¹		
Non-Medicare Single	\$	1,075.01
Non-Medicare Family	\$	2,409.82
Medicare Single	\$	338.86
Medicare Family	\$	668.49
¹ Other HMO premiums represent the total premium for medical (not prescription drug) coverage, including retiree contributions.		

Additionally, the individual monthly rates at age 65 used in valuations are shown below:

Plan	Monthly Costs @ Age 65	
	FY19	
HIP HMO		
Non-Medicare	\$	1,641.20
Medicare	\$	170.84
GHI/EBCBS		
Non-Medicare	\$	1,690.38
Medicare	\$	187.24
Other HMOs	Varies by system	

Claims data was generally not provided to the OA for the HIP coverage or for Other HMOs. OLR provided a copy of the claims component of the Fiscal Year 2019 GHI/EBCBS renewals. For the non-Medicare participants, retiree claims were not separated from active claims. The claims information provided was compared to the premium rates provided.

Based on information provided by OLR, estimates of margins that had been included in the premiums but expected to be refunded were removed from both the GHI and EBCBS non-Medicare premiums before age adjustment.

A retiree who elects Basic Medical Coverage other than the benchmark HIP and GHI/EBCBS plans is required to contribute the full difference in cost. The OA confirmed, based on data provided by OLR, that net employer premiums were consistent with the benchmark rates and stated policy regarding other coverage.

In valuing future retirees, the various monthly premium rates for Other HMOs were blended by proportion of enrollment.

Administrative Expenses

Assumed to be included in reported premium amounts.

Medicare Part D

Drug coverage is offered to Program retirees via riders or through the Welfare Funds. It is the understanding of the OA that the City has filed for and is receiving the Medicare Part D Retiree Drug Subsidy (RDS) for a small number of retirees. It is also understood that some Welfare Funds participate in the RDS program, while others participate in Part D by providing EGWP drug benefits. The value of the RDS is not knowingly reflected herein, in accordance with GASB Statement 75 and Technical Bulletin No. 2006-1.

Medicare Part B Premiums

Calendar Year	Monthly Premium
2013 - 2015	\$ 104.90
2016	\$ 109.97
2017	\$ 113.63
2018	\$ 125.85
2019	\$ 134.43

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2019. Due to limited cost-of-living adjustments in Social Security benefits for Calendar Years 2017, 2018, and 2019, some Medicare Part

B participants will not be charged the Medicare Part B premium originally projected or ultimately announced for those years. Thus, the valuation uses a blended estimate as a better representation of future Part B premium costs.

For the Fiscal Year 2019 OPEB valuation the annual premium used was \$1,561.68, which is equal to 12 times an average of the Calendar Year 2018 and 2019 monthly premiums shown.

For Calendar Year 2019, the monthly premium of \$134.43 was determined as follows:

- 3.5% of the basic \$104.90 monthly hold-harmless amount, assuming that there would be no claims made for the slight increase in Part B premiums for continuing retirees, and
- 96.5% of the announced premium of \$135.50 for Calendar Year 2019, representing the proportion of the Medicare population that will pay the announced amount.

The Calendar Year 2018 monthly premium of \$125.85 was determined similarly, using 28% of the \$104.90 hold-harmless and 72% of the \$134.00 rate that was in effect for Calendar Year 2018.

Overall Medicare Part B Premium amounts are assumed to increase by the following percentages to reflect the income-related increases in Medicare Part B Premiums for high income individuals.

Fiscal Year Ending	Income-Related Medicare Part B Increase
2019	5.0%
2020	5.2%
2021	5.3%
2022	5.4%
2023	5.5%
2024	5.6%
2025	5.8%
2026	5.9%
2027 and Later	6.0%

Medicare Part B Premium Reimbursement

90% of Medicare participants are assumed to claim reimbursement; based on historical data.

Welfare Funds

It is the understanding of the OA that the benefits provided from the Welfare Funds are adjusted from time to time so that costs to the Welfare Funds do not exceed available assets and income and further, that the benefit type and levels provided to retirees also differ from benefits provided to active employees even within the same fund.

The OPEB valuation reflects the Welfare Fund contribution, which in turn is used to pay various premiums or claims for coverage provided by each of the funds. Such coverage could potentially vary by age and could involve various cross subsidies within the pool of each fund between active employees, non-Medicare retirees, and Medicare retirees. Under the Actuarial Standard of Practice that applies to OPEB valuations³, the valuation should reflect age-adjusted costs for pooled plans except in very limited cases. Factors to be considered include the purpose of the measurement, the existence and materiality of age-specific costs, and the sustainability of the premium structure should certain active or retiree groups cease to participate.

The OA has considered these factors and concluded that the cost of the Welfare Funds should be measured on a pooled basis. In particular, the Actuary has concluded that there is no significant cross subsidy between retiree and active benefits because the two groups are not generally pooled together.

The Welfare Fund contribution reported as of the valuation date, June 30, 2018, (including any reported retroactive amounts) was used as the per capita cost for valuation purposes.

The calculations reflect an additional one-time \$100 contribution for Fiscal Years 2019 in July 2018 and Fiscal Year 2020 in July 2019.

Reported annual contribution amounts for the last two years are shown in SECTION VII, Tables VII-h to VII-l. Welfare Fund rates are based on actual reported Union Welfare Fund code for current retirees.

Weighted average annual contribution rates used for future retirees, based on Welfare Fund enrollment of recent retirees, are shown in the following table.

³ Actuarial Standard of Practice, Number 6, *Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Cost or Actuarially Determined Contributions*.

NYCRS	Contribution
NYCERS	\$ 1,870
TRS	\$ 1,823
BERS	\$ 1,926
POLICE	\$ 1,737
FIRE	\$ 1,780

Health Care Cost Savings Initiative

The Municipal Labor Committee (MLC) announced a second health savings agreement to generate cumulative healthcare savings of \$1.1 billion during Fiscal Years 2019 through 2021⁴. Details on this savings have not been communicated yet and thus are not reflected in this valuation. We will reflect savings initiatives in future valuations as they are announced.

Age and Gender Related Morbidity

The premiums are age and gender adjusted for GHI/EBCBS, HIP, and Other HMOs. The assumed relative costs of coverage are consistent with information presented in the 2013 study *Health Care Costs - From Birth to Death*, sponsored by the Society of Actuaries.

For non-Medicare costs, a sample of factors used are:

Age	Male	Female	Age	Male	Female
20	0.170	0.225	45	0.355	0.495
25	0.146	0.301	50	0.463	0.576
30	0.181	0.428	55	0.608	0.671
35	0.227	0.466	60	0.783	0.783
40	0.286	0.467	64	0.957	0.917

Children costs assume a factor of 0.229.

Medicare costs prior to age 65 assume an additional disability-related morbidity factor. A sample of factors used are:

⁴ <https://www1.nyc.gov/assets/olr/downloads/pdf/collectivebargaining/health-benefits-agreement-fiscal-years-2019-2021.pdf>

Age	Male	Female
20	0.323	0.422
25	0.278	0.565
30	0.346	0.804
35	0.432	0.876
40	0.545	0.878
45	0.676	0.929
50	0.883	1.082
55	1.159	1.260

Age	Male	Female
60	1.493	1.470
65	0.919	0.867
70	0.946	0.885
75	1.032	0.953
80	1.122	1.029
85	1.217	1.116
90	1.287	1.169
95	1.304	1.113
99 and Older	1.281	0.978

The age adjustment for the non-Medicare GHI/EBCBS premium reflects a 5% reduction in the GHI portion of the monthly premium (with the GHI portion representing \$349.58 out of \$741.40 for single coverage, and \$928.59 out of \$1,947.32 for family coverage for Fiscal Year 2019 rates) and a 3% reduction in the EBCBS portion of the premium (with the EBCBS portion representing the remainder of the premiums) for the estimated margin anticipated to be returned.

COBRA

There is no cost to the City for COBRA beneficiaries who enroll in community-rated HMO's, including HIP, since these individuals pay their full community rate. However, there is a cost under the experience-rated GHI/EBCBS coverage.

The valuation assumes 15% of employees not eligible for OPEB elect COBRA coverage for 15 months based on experience of other large employers. A lump-sum COBRA cost of \$1,100 was assumed for terminations during Fiscal Year 2019. This amount is increased by the Pre-Medicare HCCTR for future years but is not adjusted for age-related morbidity.

Census data was not available for surviving spouses of POLICE, FIRE, Corrections, or Sanitation members who are entitled to lifetime COBRA continuation coverage, as this benefit is administered directly by the insurance carriers. The number and obligation for the surviving spouses with lifetime coverage were estimated based on current census of POLICE and FIRE retirees and the projected number of deaths that would have occurred since the inception of this benefit on November 13, 2001 (and on August 31, 2010 for the Departments of Correction and Sanitation).

Cadillac Tax

The valuation includes an explicit calculation of the high-cost plan excise tax (i.e. the Cadillac Tax) that will be imposed beginning in 2022 under HCR. The tax is 40% of the excess of (a) over (b) where (a) is the cost of medical coverage, and (b) is the statutory limits (\$10,200 for

single coverage and \$27,500 for family coverage), adjusted for the following:

- For Pre-Medicare retirees above the age of 55, the limit will be increased by \$1,650 for single coverage; \$3,450 for family coverage.
- The dollar limits are increased by Chained CPI+1% (i.e. 3.25%) for 2019 and by Chained CPI (i.e. 2.25%) for subsequent years. Indexing of limits starts in 2018; tax first applies in 2022.

The impact of the Cadillac Tax for the Program benefits is calculated based on the following assumptions about the cost of medical coverage:

- The cost for each benefit option without age adjustment (GHI, HIP, or other HMO, combined with the average cost of Medicare Part B premium reimbursement, if applicable) was separately compared to the applicable limit.
- The Cadillac Tax attributed to the riders or optional benefit arrangements is assumed to be reflected in the contribution required for the rider or optional benefit.
- The Cadillac Tax attributed to amounts provided by Welfare Fund benefits is assumed to be absorbed by the Welfare Fund or by lower net Welfare Fund contribution amounts.
- Pre-Medicare retirees under age 55 are not assumed to have the higher limits that apply to employees engaged in high-risk professions because the majority of employees included in this valuation are not in such professions.

In cases where the City provides only a portion of the OPEB benefits which give rise to the Cadillac Tax, the calculated Cadillac Tax is allocated in proportion to the OPEB liabilities for relevant OPEB benefits.

Stabilization Fund A 0.4% load is applied on all City GASB75 obligations to reflect certain benefits paid for retirees directly from the Stabilization Fund, which is unchanged from the Fiscal Year 2018 OPEB valuation based on recent data. The load is not applicable to Component Units.

This amount is based on the historical five-year average allocation between active and retired participants in Fiscal Years 2015 through

2019 Stabilization Fund benefits provided by OLR. The allocation takes into consideration retirees on average are older and have costlier medical benefits than actives and separates out Welfare Fund contribution reimbursements from other Stabilization Fund benefits.

Welfare Fund contributions reimbursed by the Stabilization Fund are considered a part of Welfare Fund benefits and are not included in the determination of this load.

Implicit Rate Subsidy

These results reflect employer contributions for the City, HHC, and NYCHA that include certain expenditures that were initially nominally allocated to active costs rather than retiree costs.

The Implicit Rate Subsidy is the difference between the age-adjusted premiums approximating retiree claims costs and the actual cash premiums paid on behalf of retirees. The Implicit Rate Subsidy is assumed to be the additional cost for coverage of retirees that, in this case, had initially been allocated to active costs because the cash premiums do not vary by age of the covered individual.

The Implicit Rate Subsidy was estimated by the OA directly from the assumptions and data used in the OPEB valuations, reflecting the amounts paid for Basic Coverage and amounts paid to the Stabilization Fund directly as cash premium costs in lieu of the benchmark HIP premium.

Other OPEB Coverage

The valuation reflects an estimate for the cost of the implicit subsidy provided to terminated employees who elect COBRA.

The OA understands that medical benefits not provided under the Basic Coverage, such as prescription drug coverage, may be provided through optional riders. These optional riders may provide separately rated coverage with stand-alone premiums. Alternatively, prescription drug coverage may be available on an integrated basis with medical for the other HMOs, but in those situations, medical only coverage is offered if the Welfare Plan offers drug coverage.

The cost of riders is either fully paid by the employees or retirees who enroll in that benefit or is provided through various Welfare Funds. Thus, the City does not directly pay for any of the premiums of these separately rated riders. As such, any implicit subsidy in the price of these separately rated riders is paid by the actives that are assumed to

pay more than the cost of their own rider coverage⁵. Thus, this valuation does not include any implicit subsidy on these separately rated riders in this valuation.

It is the understanding of the OA that no other OPEB, such as life insurance or long-term care benefits, are directly subsidized by the City through its general account⁶. The City and the Component Units (except CUNY for certain retirees and ECF) generally provide most death and disability benefits through the NYCERS. Those benefits are measured as part of the obligations of the NYCERS and are not subject to GASB74 or GASB75.

Certain former New York State Court employees, who are covered by City payment to NYSHIP, are not included in the OPEB valuation. The cash cost for these benefits paid from the Plan during Fiscal Year 2019 was negligible.

HCR Repeal

The Affordable Care Act (ACA) continues to face uncertainty due to legal, regulatory, and legislative challenges. As of the writing of this Report, there has not been any action that has already been finalized that would be expected to have significant impact on the measured obligation.

Subsequent Events

In a letter to the Municipal Labor Committee (MLC) dated June 28, 2018 the Office of Labor Relations (OLR) confirmed a new health care agreement for Fiscal Years 2019 to 2021. The agreement stated that the MLC would generate cumulative healthcare savings of \$1.1 billion over these three years. The letter did not clarify how these savings would be achieved or how they would be spread across active and retiree groups. As details have not been communicated as of the close of Fiscal Year 2019, these changes are not reflected in this valuation.

⁵ See discussion in questions 4.117 and 4.118 of Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans other than Pension Plans of GASB Statements 74 and 75 on Other Postemployment Benefits, published by GASB. In particular, question 4.118 says "Only if the amounts expected to be paid by active employees exceed the expected claim costs, or the age-adjusted premiums approximating claim costs, on an ongoing basis can it be concluded that the active employees are subsidizing the inactive-plan member healthcare benefit. ..."

⁶ Such benefits may be funded through the Welfare Benefit Funds.

Educational Construction Fund

Basis for Assumptions The demographic assumptions and salary scale used for ECF are based on the report “Development of Recommended Actuarial Assumptions for Other Post Employment Benefit Plans Actuarial Valuations Participating Agency Version,” dated June 2019 for the valuation year beginning April 1, 2018, prepared by Aon Hewitt (2018 State Report)⁷. Since ECF employees and retirees participate in the New York State and Local Employees’ Retirement System (NYSLERS) and the New York State Health Insurance Program (NYSHIP), the Actuary adopted assumptions based on the recommendations of the 2018 State Report for this valuation. These assumptions reflect the revisions to the demographic assumptions (e.g. mortality, withdrawal, retirement, and disability rates) and salary scale from those used in the prior OPEB valuation.

Participation Future retirees are assumed to continue to participate in the health and dental insurance programs.

Dependents Based on the 2018 State Report, 60% of males and 35% of females are assumed to cover a spouse at retirement.

Female dependent spouses are assumed to be three years younger than their husbands. Male dependent spouses are assumed to be two years older than their wives.

Per Capita Claims Costs Based on the 2018 State Report, the costs were projected with trend to the fiscal year starting at the valuation date. This valuation relies on the costs developed for the State valuation, which were assumed to be suitable for this purpose. The age 65 rates are:

Plan	Annual Costs @ Age 65
Non-Medicare	\$ 20,454
Medicare (Reflecting EGWP)	\$ 4,125

⁷ <https://www.cs.ny.gov/GASB/2018-PA-Assumption-Report-Aon.pdf>

The premiums for health coverage are:

Empire Plan	Monthly Health Insurance Costs
Non-Medicare Single	\$ 1,065.03
Non-Medicare Family	\$ 2,464.70
Medicare Single	\$ 461.86
Medicare Family	\$ 1,258.31

65% of the Empire Plan (Medicare) premium is assumed to reflect the cost for prescription drug benefits in developing the trend applied to the Medicare premium.

The premiums for dental coverage are:

Tier	Monthly Dental Insurance Costs
Single	\$ 33.50
2-Person	\$ 65.00
Family	\$ 87.50

Age Related Morbidity

The per capita costs are adjusted for relative cost by age. These factors are a blend of the medical and prescription drug age-related morbidity factors set out in the 2018 State Report. A sample of factors used are:

Age	Factor	Age	Factor
40	0.379	70	1.185
45	0.446	75	1.326
50	0.540	80	1.411
55	0.666	85	1.484
60	0.827	90+	1.522
65	1.000		

Medicare Part B Premium Reimbursement

100% of Medicare participants are assumed to receive reimbursement since retirees do not have to request reimbursement.

Medicare Part D

NYSHIP is providing drug coverage for ECF Medicare retirees through an EGWP. For valuation purposes, only the net contribution amount is valued for the Welfare Arrangements. The Federal Subsidies and Pharmaceutical Manufacturers' brand discounts under the EGWP are reflected in the per capita costs for ECF.

CUNY

Basis for Assumptions

The assumptions used for CUNY TIAA for mortality, disability, and salary increases are the same as those used for TRS' Pension Actuarial Valuation.

The OPEB valuation also assumes:

- Terminated employees with the required number of years of service have no subsequent full-time employment at another college, university, or institution of post-secondary education.
- CUNY TIAA participants maintain any required TIAA account balances and annuity benefits.

Withdrawal and Retirement Rates

Based on TIAA experience.

Years of Service	Withdrawal
0	15.0%
1	12.0%
2	11.0%
3	10.0%
4	9.0%
5	7.0%
6	6.0%
7	6.0%
8	6.0%
9	4.0%
10	4.0%
11	3.0%
12	3.0%
13	2.0%
14-19	2.0%
20+	1.0%

Age	Retirement
55	2.0%
56	2.0%
57	2.0%
58	2.0%
59	2.0%
60	3.0%
61	3.0%
62	4.0%
63	5.0%
64	6.0%
65	10.0%
66	5.0%
67	5.0%
68	5.0%
69	10.0%
70	100.0%

SECTION VII - DEMOGRAPHIC INFORMATION

The OA performed tests for reasonability on the census data provided for this valuation. On the basis of these tests, the Actuary believes the data is sufficiently complete and appropriate for determining the OPEB obligations in total for the City, for the Plan, and for the Component Units presented in this valuation.

In general, the census data used in this valuation is based upon the census data used in the June 30, 2018 (Lag) pension actuarial valuations of the NYCERS to determine the Preliminary Fiscal Year 2020 employer contributions.

This census data was supplemented by information provided by the OLR related to eligible retirees and other eligible beneficiaries covered by the Program. The census data does not generally include employees who are not yet participants in the NYCERS.

In addition, census data was provided for the following groups not part of the NYCERS:

- Active employees of CUNY who participate in TIAA or the Cultural Institutions Retirement System.
- Retired employees of CUNY who participate in TIAA and have been participating in the New York City Health Benefits Program.
- Line-of-Duty Survivors who are currently receiving continued lifetime medical coverage and Medicare Part B Premium reimbursements.

Census data was not available for individuals on COBRA continuation, including those surviving spouses of POLICE, FIRE, Corrections, or Sanitation members who are entitled to similar lifetime COBRA continuation coverage, as this benefit is administered directly by the insurance carriers. These participants' obligation was estimated based on current census of POLICE, FIRE, Corrections, and Sanitation retirees.

The following tables set forth details of the census data used in this Report:

Plan Participation

Table VII-a: NYCERS

Pre-Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City*	15,045	4,050	668	779	20,542
Component Units:					
HHC	2,870	622	103	105	3,700
NYCHA	1,304	522	54	63	1,943
WFA	1	0	0	0	1
Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City*	37,879	9,262	2,733	2,989	52,863
Component Units:					
HHC	13,935	3,233	687	986	18,841
NYCHA	4,642	1,141	226	365	6,374
WFA	2	1	0	0	3

*The City headcounts include SCA retirees since the City is responsible for SCA's health insurance coverage.

Table VII-b: TRS

Pre-Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	9,221	1,091	120	936	11,368
Component Units:					
HHC	0	0	0	0	0
NYCHA	0	0	0	0	0
WFA	0	0	0	0	0
Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	59,433	4,177	1,497	3,194	68,301
Component Units:					
HHC	6	0	0	0	6
NYCHA	3	0	0	0	3
WFA	0	0	0	0	0

Table VII-c: BERS

Pre-Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City*	1,565	373	21	207	2,166
Component Units:					
HHC	1	0	0	0	1
NYCHA	5	0	0	0	5
WFA	0	0	0	0	0
Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City*	11,228	2,193	228	969	14,618
Component Units:					
HHC	1	0	0	0	1
NYCHA	14	1	1	1	17
WFA	0	0	0	1	1

*The City headcounts include SCA retirees since the City is responsible for SCA's health insurance coverage.

Table VII-d: POLICE

Pre-Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	25,105	2,369	1,357	1,291	30,122
Component Units:					
HHC	0	0	0	0	0
NYCHA	0	0	0	0	0
WFA	0	0	0	0	0
Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	15,608	1,755	1,303	507	19,173
Component Units:					
HHC	0	0	0	0	0
NYCHA	0	0	0	0	0
WFA	0	0	0	0	0

Table VII-e: FIRE

Pre-Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	5,884	573	488	118	7,063
Component Units:					
HHC	0	0	0	0	0
NYCHA	0	0	0	0	0
WFA	0	0	0	0	0
Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	7,290	1,010	655	177	9,132
Component Units:					
HHC	0	0	0	0	0
NYCHA	0	0	0	0	0
WFA	0	0	0	0	0

Table VII-f: TIAA

Pre-Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	16	3	0	0	19
Component Units:					
HHC	0	0	0	0	0
NYCHA	0	0	0	0	0
WFA	0	0	0	0	0
Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	756	51	46	0	853
Component Units:					
HHC	0	0	0	0	0
NYCHA	0	0	0	0	0
WFA	0	0	0	0	0

Table VII-g: LODW

Pre-Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	41	9	2	0	52
Component Units:					
HHC	0	0	0	0	0
NYCHA	0	0	0	0	0
WFA	0	0	0	0	0
Medicare Headcounts	GHI Indemnity	HIP HMO	Other HMO	Waived	Total
City	612	98	21	0	731
Component Units:					
HHC	0	0	0	0	0
NYCHA	0	0	0	0	0
WFA	0	0	0	0	0

Annual Welfare Fund Contributions

Table VII-h: NYCERS

UWF	Description	Count ¹	6/30/18 Rate ²	6/30/17 Rate ²	6/30/16 Rate ²
001	NYC MANAGEMENT WELFARE FUND	8,116	\$1,740	\$1,715	\$1,690
005	ALLIED BUILDNG INSPECTORS	356	1,740	1,715	1,690
010	ASST DEP WARDENS ASSC SBF	425	1,740	1,715	1,540
030	CORRECTION CAPTAINS ASSOC	1,883	1,590	1,565	1,540
035	CORRECT OFFICRS BEN ASSOC	9,096	1,740	1,715	1,690
040	NYS COURT OFFICERS ASSOC	1	830	830	830
045	CWA LOCAL 1182 SEC BEN FD	428	1,740	1,715	1,690
046	CWA L1181 SEC BEN FND RET	321	1,740	1,715	1,690
048	ADM FUND OF THE DEA PDCNY	6	1,573	1,548	1,523
049	ADM FUND OF THE DEA PDCNY	151	1,573	1,548	1,523
050	ADM FUND OF THE DEA PDCNY	104	1,573	1,548	1,523
055	ADMFD OF THE DEA PDCNY-DI	125	1,573	1,548	1,573
060	DISTRICT COUNCIL 37	36,479	1,940	1,915	1,690
061	DC 37 - (TAPD CIVILIANS)	5	1,940	1,715	1,690
066	ORG OF STAFF ANA-MEBA-FER	97	1,740	1,715	1,690
070	DOCTORS CNCL RET WELF FND	487	1,540	1,540	1,540
075	LOCAL 3 - ELEC INSPECTORS	29	1,740	1,715	1,690
080	NYC RET HLTH & WEL FD-FAD	162	1,740	1,715	1,690
081	UNKNOWN	1	1,740	1,715	1,690
100	NYC RET HLTH & WEL FD-LPN	622	1,740	1,715	1,690
105	OSA SUPV.EMG.MED.SVC.SPEC	31	1,740	1,715	1,690
106	OSA WELF FND-SCHOOL SEC/T	38	1,740	1,715	1,690
107	OSA WELF FUND -SAN CHIEFS	72	1,640	1,615	1,590
108	ORG OF STAFF ANALYSTS	2,379	1,740	1,715	1,690
109	LCL 14 MUN W F-CRANE OPER	33	1,740	1,715	1,690
110	L 1199 NHHSEU (PREV L144)	545	1,690	1,665	1,640
115	NYC RET HLTH &WEL FD-L306	14	1,740	1,715	1,690
120	LOCAL 333 INS FND NYC EES	192	1,740	1,715	1,690
130	TEAMSTERS L237 ADMIN FUND	43	2,220	2,195	2,170
131	UNKNOWN	52	1,940	1,915	1,690
135	RET CWA L1183 BOE H&W FND	125	1,853	1,828	1,803
140	1199 NHHSEU	389	1,740	1,715	1,690
155	CWA LOCAL 1180 ADMIN FUND	5,962	1,775	1,750	1,725
156	CWA LOCAL 1180 ADMIN FUND	1	1,775	1,750	1,725
160	NYC DEPY SHER ASS RET SBF	77	1,465	1,440	1,415
162	UFT WELFARE FUND	42	1,820	1,795	1,770
163	UFT WELFARE FUND	37	1,820	1,795	1,770

Table VII-h: NYCERS (continued)

UWF	Description	Count¹	6/30/18 Rate²	6/30/17 Rate²	6/30/16 Rate²
	COUNCIL OF SUPERVISORS AND				
164	ADMINISTRATORS	9	1,820	1,795	1,770
165	RET WELF FND AUTO SVC WKR	43	1,740	1,715	1,690
170	PBA (NYPD)	10	1,853	1,609	1,579
171	PBA (NYPD) (TA)	1,386	1,853	1,609	1,579
172	PBA (NYPD) (HA)	462	1,853	1,609	1,579
185	NYC RET HLTH&WEL FD-NYSNA	3,781	1,740	1,715	1,690
187	PAVERS & RDBULDERS INSPCT	32	1,740	1,715	1,690
188	LEEBA RETIREES WELF FUND	6	1,740	1,715	1,690
190	UNITED PROBATION OFFICERS	420	1,823	1,798	1,773
200	SANITATION OFF RET WEL FN	2,394	1,490	1,465	1,440
225	SOC NYPD LT BENEV ASSOCIA	2	1,665	1,640	1,615
226	SOC NYPD CAPT ENDOW ASSOC	8	1,665	1,640	1,615
228	SOC NYPD LT BENEV ASSO(T)	93	1,665	1,640	1,615
229	SOC NYPD CAPT END ASS (T)	27	1,665	1,640	1,615
230	SBA HLTH&WELF FUND/RET(T)	200	1,740	1,740	1,740
231	SOC NYPD LT BENEV ASSO(H)	66	1,665	1,640	1,615
232	SOC NYPD CAPT END ASSN(H)	35	1,665	1,640	1,615
233	SBA HLTH&WELF FUND/RET(H)	110	1,740	1,740	1,740
235	TEAMSTERS L237 ADMIN FUND	7,151	2,220	2,195	2,170
250	UNIF SANMEN'S ADM FUND	7,033	2,009	1,984	1,959
251	LCL 831 UNF SANIT WORKER	205	1,940	1,915	1,690
260	LCL 300 RETIREE WELF FUND	412	1,740	1,715	1,690
261	LEEBA RETIREES WELF FUND	8	1,740	1,715	1,690
275	PROFESSIONAL STAFF CONGRESS	206	1,965	1,940	1,915
276	PROFESSIONAL STAFF CONGRESS	3	1,965	1,940	1,915
	CIVILIAN, TRANSIT POLICE DEPT. NYC				
555	TRANSIT	21	1,740	1,715	1,690
556	UNKNOWN	7	1,940	1,915	1,690
605	NYSCCA SEC BEN FND RETIRE	0	930	930	930
700	LCL 237 RWF(L621 SUP MEC)	270	174	1,715	1,690
701	LCL 237 RWF(L621 SUP I W)	10	1,740	1,715	1,690
702	LOCAL 237 RWF(L621 DDMEM)	5	1,740	1,715	1,690
703	TEAMSTERS L237 ADMIN FUND	99	2,220	2,195	2,170
704	L1969(L806 BRDG PAINTERS)	31	1,740	1,715	1,690
705	L.40 361&417 JT UN SEC FD	46	1,640	1,615	1,540
706	LOCAL 3 -COMM ELECTRICIAN	55	1,640	1,615	1,590
709	L237RWF (L621 ADFM)	4	1,740	1,715	1,690
711	LCL 3 IBEW ELECTRCN WEST	2	1,740	1,715	1,690
712	LCL 3 IBEW ELCTRCN SUP HL	549	1,740	1,715	1,690
714	LCL 237 ELEV MECH RETIREE	294	1,940	1,915	1,890

Table VII-h: NYCERS (continued)

UWF	Description	Count¹	6/30/18 Rate²	6/30/17 Rate²	6/30/16 Rate²
715	TEAMSTERS L237 ADMN FUND	21	2,220	2,195	2,170
717	LOCAL1969 GLAZIERS	37	2,140	2,115	1,690
720	DC37 LOCKSMITH SUPV LKSMT	44	1,840	1,615	1,590
724	RET H&W FD L3 IBEW-SUP.ME	71	1,640	1,615	1,590
725	UNKNOWN	47	1,740	1,715	1,690
727	NYC RET HLTH & WEL FD-PL	443	1,740	1,715	1,690
728	LCL 1969 NYC PAINTERS	318	2,140	2,115	1,690
730	PAVERS RDBLDR DC PAVERS	3	1,440	1,415	1,390
731	TEAMSTERS L237 ADMIN FUND	27	2,220	2,195	2,170
732	TEAMSTERS L237 ADMIN FUND	205	2,195	2,195	2,170
736	RET.WF AUTO MECH-UPSTATE	26	1,740	1,715	1,690
738	RET WELF FND AUTO MECHNYC	879	1,740	1,715	1,690
739	RET WELF FUND-TRACT OPERS	6	1,740	1,715	1,690
741	RET WEL FND MOTOR GRA OPR	18	1,740	1,715	1,690
742	LCL 14 PILE DRIVING ENGR	3	1,715	1,690	1,690
743	DC 37 HIGHWAY REPAIRERS	331	1,940	1,915	1,690
744	DC 37 FURNIT MAINTAINER	1	1,740	1,715	1,690
745	DC37 CYLD PRESS OPER	18	1,740	1,715	1,690
746	LCL 300 HIGHWAY REPAIRERS	17	1,740	1,715	1,690
747	PAVERS RDBLDRS HWY REPAIR	14	1,740	1,715	1,690
748	LCL 14-RETIR. GAS RLR ENG	13	1,740	1,715	1,690
749	DC37SUPERVISOR HIGHWAY RE	89	1,840	1,615	1,590
750	LCL300 SUPV.HWY REPAIRER	8	1,640	1,615	1,590
751	PVRS + RDBLDRS DC SUP HR	5	1,640	1,615	1,590
753	DC37 COMPOSITOR (JOB)	10	1,940	1,715	1,690
754	RET WEL FUND CARRGE UPHOL	2	1,940	1,715	1,690
756	TEAMSTERS L237 ADMIN FUND	50	2,220	2,195	2,170
777	PATROLMEN'S BENEVOLENT ASSOCIATION (LINE-OF-DUTY SURVIVORS)	4	0	0	0
782	TEAMSTERS L237 ADMIN FUND	3	2,220	2,195	2,170
786	DC37 CITY LABORERS	447	1,740	1,715	1,690
787	DC37 CONSTRUCTION LABORER	281	1,940	1,915	1,690
804	TEAMSTERS L237 ADMIN FUND	1,052	2,220	2,195	2,170
808	LCL 30 OILER	207	1,740	1,715	1,690
812	DC37 RADIO REPAIR MECHANI	55	1,740	1,715	1,690
814	LCL 246 RWF RUBR TIRE REP	16	1,940	1,915	1,690
816	DC37 SEWAGE TRTMT WKRS	446	1,740	1,715	1,690
818	RET WEL FND SGN PTRS/LTRS	4	1,740	1,715	1,690
820	LCL 30 STAT ENG SR ST ENG	502	1,740	1,715	1,690
823	NYC DIST.COUNCIL OF CARPS	429	1,740	1,715	1,690
825	NYC DIST COUNCIL OF CARPS	3	1,740	1,715	1,690

Table VII-h: NYCERS (continued)

UWF	Description	Count¹	6/30/18 Rate²	6/30/17 Rate²	6/30/16 Rate²
826	LOCAL 3-SR STAT ENG ELEC	101	1,740	1,715	1,690
827	RET WEL FND SHEET MTL WKR	49	1,740	1,715	1,690
828	LOCAL 3 - STAT ENG ELECTR	221	1,740	1,715	1,690
832	DC 37 HI-PRESS PLANT TEND	112	1,740	1,715	1,690
837	LCL LDG 5 BLKSMTH HLP SUP	45	2,583	2,583	2,583
838	NYC DIST. COUNCIL OF CARP	29	1,740	1,715	1,690
839	LCL LDG 5 BOLRMKR HLP SUP	19	860	860	860
842	NYC MUNI STMFTR&HLP HW FD	79	1,740	1,715	1,690
843	LOCAL 15-GASOLINE RLR ENG	25	1,740	1,715	1,690
845	LCL 15 WELDERS FD	63	1,740	1,715	1,690
847	LCL 15 HIPRESS OPER.	2	1,065	1,040	1,015
848	LCL 15 TRACTOR OPER(SANI)	99	1,740	1,715	1,690
826	LOCAL 3-SR STAT ENG ELEC	101	1,740	1,715	1,690
827	RET WEL FND SHEET MTL WKR	49	1,740	1,715	1,690
828	LOCAL 3 - STAT ENG ELECTR	221	1,740	1,715	1,690
888		166	0	0	0
948	Either not entitled to Welfare Fund	1	0	0	0
950	Benefits or UWF contribution is not	11	0	0	0
960	funded by the City. Medicare Part B	13	0	0	0
999	reimbursement.	58	0	0	0
Blank		7,070	0	0	0
Total Count:		108,739			

¹ Data includes entire population provided by OLR and supplemented by the OA, including Component Units and other groups not attributable to the City for GASB75 purposes.

² Rates used as of June 30, 2016, June 30, 2017, and June 30, 2018 include any known one-time Welfare Fund payments paid during the Fiscal Year following the date of the rate. Also reflected are any known retroactive increases as of their effective date. Effective rates and information on one-time payments are based on information supplied by OLR. The rate for DC37 was used for UWFs without a reported rate. Rates for Professional Staff Congress came from its website. An additional \$100 was added to each amount as of 7/1/2017, assuming that any welfare funds who have not yet negotiated the increase will do so in the future.

Table VII-i: TRS

UWF	Description	Count ¹	6/30/18 Rate ²	6/30/17 Rate ²	6/30/16 Rate ²
001	NYC MANAGEMENT WELFARE FUND	179	\$1,740	\$1,715	\$1,690
035	CORRECT OFFICRS BEN ASSOC	1	1,740	1,715	1,690
045	CWA LOCAL 1182 SEC BEN FUND	1	1,740	1,715	1,690
055	ADMFD OF THE DEA PDCNY-DI	1	1,573	1,548	1,573
060	DISTRICT COUNCIL 37	709	1,940	1,915	1,690
108	ORG OF STAFF ANALYSTS	4	1,740	1,715	1,690
155	CWA LOCAL 1180 ADMIN FUND	22	1,775	1,750	1,725
160	NYC DEPY SHER ASS RET SBF	1	1,465	1,440	1,415
163	UFT	68,444	1,820	1,795	1,770
164	COUNCIL OF SUPERVISORS AND ADMINISTRATORS	7,397	1,820	1,795	1,770
185	NYC RET HLTH&WEL FD-NYSNA	1	1,740	1,715	1,690
200	SANITATION OFF RET WEL FN	1	1,490	1,465	1,440
235	TEAMSTERS L237 ADMIN FUND	10	2,220	2,195	2,170
275	PROFESSIONAL STAFF CONGRESS	2,161	1,965	1,940	1,915
276	PROFESSIONAL STAFF CONGRESS	17	1,965	1,940	1,915
277	SBA HLTH & WELF FND/RETIR	4	1,965	1,940	1,915
724	RET H&W FD L3 IBEW-SUP.ME	1	1,640	1,615	1,590
888	Either not entitled to Welfare Fund	18	0	0	0
999	Benefits or UWF contribution is not	25	0	0	0
Blank	funded by the City. Medicare Part B reimbursement.	2,323	0	0	0
Total Count:		81,320			

¹ Data includes entire population provided by OLR and supplemented by the OA, including Component Units and other groups not attributable to the City for GASB75 purposes.

² Rates used as of June 30, 2016, June 30, 2017, and June 30, 2018 include any known one-time Welfare Fund payments paid during the Fiscal Year following the date of the rate. Also reflected are any known retroactive increases as of their effective date. Effective rates and information on one-time payments are based on information supplied by OLR. The rate for DC37 was used for UWFs without a reported rate. Rates for Professional Staff Congress came from its website. An additional \$100 was added to each amount as of 7/1/2017, assuming that any welfare funds who have not yet negotiated the increase will do so in the future.

Table VII-j: BERS

UWF	Description	Count¹	6/30/18 Rate²	6/30/17 Rate²	6/30/16 Rate²
001	NYC MANAGEMENT WELFARE FUND	615	\$1,740	\$1,715	\$1,690
035	CORRECT OFFICRS BEN ASSOC	1	1,740	1,715	1,690
045	CWA LOCAL 1182 SEC BEN FUND	1	1,740	1,715	1,690
060	DISTRICT COUNCIL 37	12,531	1,940	1,915	1,690
106	OSA WELF FND-SCHOOL SEC/T	8	1,740	1,715	1,690
108	ORG OF STAFF ANALYSTS	19	1,740	1,715	1,690
115	NYC RET HLTH &WEL FD-L306	11	1,740	1,715	1,690
130	TEAMSTERS L237 ADMIN FUND	328	2,220	2,195	2,170
131	DISTRICT COUNCIL 37	578	1,940	1,915	1,690
135	RET CWA L1183 BOE H&W FND	2	1,853	1,828	1,803
155	CWA LOCAL 1180 ADMIN FUND	452	1,775	1,750	1,725
162	UFT WELFARE FUND	26	1,820	1,795	1,770
163	UFT WELFARE FUND	817	1,820	1,795	1,770
164	COUNCIL OF SUPERVISORS AND ADMINISTRATION	8	1,820	1,795	1,770
165	RET WELF FND AUTO SVC WKR	3	1,740	1,715	1,690
185	NYC RET HLTH&WEL FD-NYSNA	5	1,740	1,715	1,690
235	TEAMSTERS L237 ADMIN FUND	413	2,220	2,195	2,170
250	UNIF SANMEN'S ADM FUND	1	2,009	1,984	1,959
260	LCL 300 RETIREE WELF FUND	58	1,740	1,715	1,690
275	PROFESSIONAL STAFF CONGRESS	8	1,965	1,940	1,915
555	CIVILIAN, TRANSIT POLICE DEPT. NYC TRANSIT	1	1,740	1,715	1,690
700	LCL 237 RWF(L621 SUP MEC)	7	174	1,715	1,690
703	TEAMSTERS L237 ADMIN FUND	2	2,220	2,195	2,170
708	LOCAL 246, DEPT OF EDUCATION	3	1,940	1,915	1,690
712	LCL 3 IBEW ELCTRCN SUP HL	46	1,740	1,715	1,690
714	LCL 237 ELEV MECH RETIREE	3	1,940	1,915	1,890
717	LOCAL1969 GLAZIERS	12	2,140	2,115	1,690
720	DC37 LOCKSMITH SUPV LKSMT	5	1,840	1,615	1,590
724	RET H&W FD L3 IBEW-SUP.ME	25	1,640	1,615	1,590
725	UNKNOWN	1	1,740	1,715	1,690
727	NYC RET HLTH & WEL FD-PL	46	1,740	1,715	1,690
728	LCL 1969 NYC PAINTERS	24	2,140	2,115	1,690
731	TEAMSTERS L237 ADMIN FUND	7	2,220	2,195	2,170
732	TEAMSTERS L237 ADMIN FUND	10	2,195	2,195	2,170
738	RET WELF FND AUTO MECHNYC	30	1,740	1,715	1,690
740	RET WELF FND GEN MECHANIC	1	1,290	1,265	1,240
744	DC 37 FURNIT MAINTAINER	5	1,740	1,715	1,690
745	DC37 CYLD PRESS OPER	1	1,740	1,715	1,690
756	TEAMSTERS L237 ADMIN FUND	1	2,220	2,195	2,170

Table VII-j: BERS (continued)

UWF	Description	Count¹	6/30/18 Rate²	6/30/17 Rate²	6/30/16 Rate²
760	LOCAL 246, DEPT OF EDUCATION	7	1,740	1,715	1,690
786	DC37 CITY LABORERS	17	1,740	1,715	1,690
787	DC37 CONSTRUCTION LABORER	3	1,940	1,915	1,690
804	TEAMSTERS L237 ADMIN FUND	17	2,220	2,195	2,170
812	DC37 RADIO REPAIR MECHANI	6	1,740	1,715	1,690
820	LCL 30 STAT ENG SR ST ENG	7	1,740	1,715	1,690
823	NYC DIST.COUNCIL OF CARPS	101	1,740	1,715	1,690
826	LOCAL 3-SR STAT ENG ELEC	1	1,740	1,715	1,690
827	RET WEL FND SHEET MTL WKR	7	1,740	1,715	1,690
832	DC 37 HI-PRESS PLANT TEND	1	1,740	1,715	1,690
838	NYC DIST. COUNCIL OF CARP	17	1,740	1,715	1,690
839	LCL LDG 5 BOLRMKR HLP SUP	1	860	860	860
842	NYC MUNI STMFTR&HLP HW FD	30	1,740	1,715	1,690
845	LCL 15 WELDERS FD	2	1,740	1,715	1,690
888	Either not entitled to Welfare Fund	9	0	0	0
999	Benefits or UWF contribution is not	20	0	0	0
Blank	funded by the City. Medicare Part B reimbursement.	479	0	0	0
Total Count:		16,840			

¹ Data includes entire population provided by OLR and supplemented by the OA, including Component Units and other groups not attributable to the City for GASB75 purposes.

² Rates used as of June 30, 2016, June 30, 2017, and June 30, 2018 include any known one-time Welfare Fund payments paid during the Fiscal Year following the date of the rate. Also reflected are any known retroactive increases as of their effective date. Effective rates and information on one-time payments are based on information supplied by OLR. The rate for DC37 was used for UWFs without a reported rate. Rates for Professional Staff Congress came from its website. An additional \$100 was added to each amount as of 7/1/2017, assuming that any welfare funds who have not yet negotiated the increase will do so in the future.

Table VII-k: POLICE

UWF	Description	Count	6/30/18 Rate¹	6/30/17 Rate¹	6/30/16 Rate¹
001	NYC MANAGEMENT WELFARE FUND	116	\$1,740	\$1,715	\$1,690
035	CORRECT OFFICRS BEN ASSOC	1	1,740	1,715	1,690
048	ADM FUND OF THE DEA PDCNY	12,346	1,573	1,548	1,523
055	ADMFD OF THE DEA PDCNY-DI	1	1,573	1,548	1,573
163	UFT WELFARE FUND	2	1,820	1,795	1,770
164	COUNCIL OF SUPERVISORS AND ADMINISTRATION	1	1,820	1,795	1,770
170	PBA (NYPD)	23,095	1,853	1,609	1,579
225	SOC NYPD LT BENEV ASSOCIATION	3,841	1,665	1,640	1,615
226	SOC NYPD CAPT ENDOW ASSOCIATION	1,412	1,665	1,640	1,615
227	SBA HLTH & WELF FND/RETIR	7,592	1,740	1,740	1,740
777	PATROLEMEN'S BENEVOLENT ASSOCIATION (LINE-OF-DUTY SURVIVORS)	236	0	0	0
888		228	0	0	0
901		2	0	0	0
926		11	0	0	0
927	Either not entitled to Welfare Fund	53	0	0	0
930	benefits or UWF contribution is not	26	0	0	0
931	funded by the City. Medicare Part B	10	0	0	0
948	reimbursement.	108	0	0	0
949		1	0	0	0
999		1	0	0	0
Blank		205	0	0	0
Total Count:		49,295			

¹ Rates used as of June 30, 2016, June 30, 2017, and June 30, 2018 include any known one-time Welfare Fund payments paid during the Fiscal Year following the date of the rate. Also reflected are any known retroactive increases as of their effective date. Effective rates and information on one-time payments are based on information supplied by OLR. The rate for DC37 was used for UWFs without a reported rate. Rates for Professional Staff Congress came from its website. An additional \$100 was added to each amount as of 7/1/2017, assuming that any welfare funds who have not yet negotiated the increase will do so in the future.

Table VII-1: FIRE

UWF	Description	Count	6/30/18 Rate¹	6/30/17 Rate¹	6/30/16 Rate¹
001	NYC MANAGEMENT WELFARE FUND	86	\$1,740	\$1,715	\$1,690
060	DISTRICT COUNCIL 37	8	1,940	1,915	1,690
065	RET FIREFIGHTRS SBF-UN ME	97	1,760	1,735	1,710
163	UFT WELFARE FUND	5	1,820	1,795	1,770
170	PBA (NYPD)	2	1,853	1,609	1,579
205	RETIRED FIREFIGHTERS SBF	10,440	1,820	1,795	1,770
206	RET FIREFIGHTRS SBF-WIPER	10	1,670	1,645	1,620
240	UFOA LOCAL 854 RETIREES	4,790	1,695	1,670	1,645
888		168	0	0	0
901	Either not entitled to Welfare Fund benefits or UWF contribution is not funded by the City. Medicare Part B reimbursement.	1	0	0	0
905		343	0	0	0
940		195	0	0	0
941		1	0	0	0
999		1	0	0	0
Blank		48	0	0	0
Total Count:		16,195			

¹ Rates used as of June 30, 2016, June 30, 2017, and June 30, 2018 include any known one-time Welfare Fund payments paid during the Fiscal Year following the date of the rate. Also reflected are any known retroactive increases as of their effective date. Effective rates and information on one-time payments are based on information supplied by OLR. The rate for DC37 was used for UWFs without a reported rate. Rates for Professional Staff Congress came from its website. An additional \$100 was added to each amount as of 7/1/2017, assuming that any welfare funds who have not yet negotiated the increase will do so in the future.

SECTION VIII - SUMMARY OF KEY TERMS

Actuarial present value of projected benefit payments

Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

Actuarial valuation

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

Actuarial valuation date

The date as of which an actuarial valuation is performed.

Discount rate

The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which
 - a. the amount of the OPEB plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period, and
 - b. OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments
2. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Employer Group Waiver Plan (EGWP)

A group Medicare Part D prescription drug plan option that is offered to retirees who are entitled to prescription drug coverage as part of their OPEB plan.

Entry age actuarial cost method

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Total OPEB Liability for purposes of measurements under GASB74 and GASB75.

Healthcare cost trend rates

The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Income Related Monthly Adjustment Amount (IRMAA)

An additional premium amount for Medicare Part B and Medicare prescription drug coverage for higher income beneficiaries.

Net OPEB liability

The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust where OPEB assets are dedicated to providing OPEB to plan members and are protected from creditors of the employers.

Other postemployment benefits (OPEB)

Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

Projected benefit payments

All benefits (including refunds of employee contributions) estimated to be payable through the OPEB plan (including amounts to be paid by employers or non-employer contributing entities as the benefits come due) to current active and inactive employees as a result of their past service and their expected future service.

Service cost

The portions of the actuarial present value of projected benefit payments that are attributed to a valuation year.

Total OPEB liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.