

VILLAGE OF OAK PARK, ILLINOIS POSTRETIREMENT HEALTH PLAN

GASB 74/75 ACTUARIAL VALUATION
AS OF JANUARY 1, 2025



FOR THE DECEMBER 31, 2024
FINANCIAL STATEMENT REPORTING

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Actuarial GASB Disclosures Statements 74 and 75



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF OAK PARK, ILLINOIS POSTRETIREMENT HEALTH PLAN

Fiscal Year Ending: December 31, 2024

Actuarial Valuation Date: January 1, 2025

Measurement Date: December 31, 2024

Submitted by:

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March 25, 2025

LAUTERBACH & AMEN, LLP



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ACTUARIAL CERTIFICATION

This certification provides supplemental information as required by the Governmental Accounting Standards Board. The enclosed schedules were prepared by the undersigned to provide general information to assist in the preparation of the Annual Financial Report. The assumptions and methods used in the preparation of this disclosure meet the parameters set for the disclosures presented in the financial section as required by the Governmental Accounting Standards Board. Additional information is also provided solely to assist the auditors in preparation of the required footnote disclosures.

The results in this report are based on information and data submitted by the Village of Oak Park, Illinois. We did not prepare the Actuarial Valuations for the years prior to January 1, 2014. Those valuations were prepared by other Actuaries whose reports have been furnished to us, and our disclosures are based upon those reports. An audit of the information was not performed, but high-level reviews were performed for general reasonableness as appropriate based on the purpose of the valuation. The accuracy of the results is dependent upon the precision and completeness of the underlying information. The results of the Actuarial Valuation and these supplemental disclosures rely on the information provided.

The valuation results summarized involve actuarial calculations that require assumptions about future events. The Village of Oak Park, Illinois selected certain assumptions, while others were the result of guidance and/or judgment. We believe that the assumptions used in the valuation are reasonable and appropriate for the purposes for which they have been used.

In preparing the results, our Actuaries used commercially available software (ProVal) developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing Actuarial Valuations. Our Actuaries coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any material weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. The undersigned consultants of Lauterbach & Amen, LLP, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Certification. There is no relationship between the Village of Oak Park, Illinois and Lauterbach & Amen, LLP that impairs our objectivity.

Respectfully Submitted,

LAUTERBACH & AMEN, LLP

Todd A. Schroeder, ASA, FCA, EA, MAAA

David Murciano, ASA, FCA, EA, MAAA



MANAGEMENT SUMMARY

Comments and Analysis



COMMENTS AND ANALYSIS

The following paragraphs are intended to describe the changes in Total OPEB Liability that occurred between the Village's last Measurement Date of December 31, 2023 and the current Measurement Date of December 31, 2024.

For the prior Measurement Date, the Employer elected to determine the Total OPEB Liability under limited procedures as allowed under GASB Statement Number 75. A full valuation was not run. Changes in the market discount rates were reflected but full census and premium information was not collected and processed. Changes that are reflected in Total OPEB Liability year over year may be reflective of Member population updates or claims/premium experience over the course of two years.

Expected Increase in Total OPEB Liability

Each year the Total OPEB Liability is expected to increase with interest and the accrual of additional service by active plan Members. The increases are offset by decreases in liability due to benefit payments. The expected Total OPEB Liability increase for the current year was approximately \$679,000.

In addition to the expected increase in Total OPEB Liability, additional changes in Total OPEB Liability occurred between the prior valuation and the current year. Below are the key components of those changes.

Demographic Experience

The current valuation census contains 59 retirees, 8 of whom are PSEBA pensioners. The previous valuation census contained 72 retirees, 7 of whom were PSEBA pensioners. The current valuation census contains 329 active employees, 27 of whom are waiving coverage. The previous valuation census contained 321 total actives, 34 of whom were waiving coverage.

Net medical costs on an employer basis came in higher than expected.

Total demographic experience resulted in a net increase in the Total OPEB Liability in the current year of approximately \$4,401,000. This loss is primarily due two new retirees covered under the provisions of PSEBA.

Plan Changes

There have been no changes to the plan provisions.



COMMENTS AND ANALYSIS – CONTINUED

Discount Rate

The Discount Rate was increased from 3.26% for the Fiscal Year-Ended December 31, 2023 to 4.08% to better reflect the current high-quality fixed income environment. The underlying index used is the Bond Buyer 20-Bond G.O. Index. The rate has been updated to the current Fiscal Year-End based on changes in market conditions as reflected in the index. The rate selected is as of December 26, 2024, and is the most recent rate available prior to the Measurement Date. The change was made to reflect our understanding of the requirements for reporting under GASB Statement 75. See the *Actuarial Assumption Information* section of this report for further details.

Assumption Changes

We performed a comprehensive study of Police & Firefighters' Pension Funds in the State of Illinois. The Actuary for the Illinois Municipal Retirement Fund performed an actuarial experience study of IMRF experience dated January 4, 2024. The actuarial assumptions were changed in the current year to the tables shown in the *Statement of Significant Assumptions* section of this report. The assumptions impacted include:

- Inflation Rate (CPI-U)
- Retirement Rates
- Termination Rates
- Disability Rates
- Mortality Rates
- Mortality Improvement Rates

We have revised the expected increases in medical costs assumption to the rates as shown in the *Statement of Significant Actuarial Assumptions* section of this report. In addition, the discount rate was updated as noted above.

The changes in the assumptions were made to better reflect the future anticipated experience in the plan. The changes in assumptions resulted in a net decrease in the Total OPEB Liability in the current year of approximately \$353,000.



POSTRETIREMENT PLAN NET POSITION

Statement of OPEB Plan Net Position
Statement of Changes in OPEB Trust and OPEB Plan Net Position
Statement of OPEB Plan Benefit Payments and Contributions



STATEMENT OF OPEB PLAN NET POSITION

	<u>12/31/2023</u>	<u>12/31/2024</u>
Assets		
Cash and Cash Equivalents	\$ -	\$ -
Total Cash	-	-
Receivables:		
Due from Village	-	-
Investment Income - Accrued Interest	-	-
Other	-	-
Total Receivables	-	-
Investments:		
Common Stock	-	-
Total Investments	-	-
Total Assets	-	-
Liabilities		
Payables:		
Expenses Due/Unpaid	-	-
Other	-	-
Total Liabilities	-	-
Net Position Restricted for Postretirement Plan	<u>\$ -</u>	<u>\$ -</u>

The Total OPEB Liability is an unfunded obligation. The Employer does not have a trust dedicated exclusively to the payment of OPEB benefits.



STATEMENT OF CHANGES IN OPEB TRUST AND OPEB PLAN NET POSITION

	<u>12/31/2024</u> <u>OPEB Trust</u>	<u>12/31/2024</u> <u>OPEB Plan</u>
Additions		
Contributions		
Employer	\$ -	\$ 475,382
Member	-	-
Other	-	-
Total Contributions	<u>-</u>	<u>475,382</u>
Investment Income		
Net Appreciation in Fair Value of Investments	-	-
Interest and Dividends	-	-
Less Investment Expense	-	-
Net Investment Income	<u>-</u>	<u>-</u>
Total Additions	<u>-</u>	<u>475,382</u>
Deductions		
Benefit Payments	-	475,382
Administrative Expense	-	-
Other	-	-
Total Deductions	<u>-</u>	<u>475,382</u>
Net Increase in Net Position	<u>-</u>	<u>-</u>
Net Position Restricted for Postretirement Plan		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>

The Total OPEB Liability is an unfunded obligation. The Employer does not have a trust dedicated exclusively to the payment of OPEB benefits.



STATEMENT OF OPEB PLAN BENEFIT PAYMENTS AND CONTRIBUTIONS

	<u>12/31/2024</u>
Employer Contributions	
OPEB Trust Contributions	\$ -
Contributions from Other Village Resources*	<u>475,382</u>
Total OPEB Plan Contributions	<u><u>\$ 475,382</u></u>
Employer Benefit Payments	
Benefit Payments from Trust	\$ -
Payments from Other Village Resources*	<u>475,382</u>
Total OPEB Plan Benefit Payments	<u><u>\$ 475,382</u></u>

A portion of the Employer Contributions and Benefit Payments is based on the cost sharing provisions. In addition, a portion is related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

*Contributions from Other Village Resources and Benefit Payments from Other Village Resources refers to contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Of the benefit payments from Other Village Resources, \$147,779 are explicit benefit payments due to the cost sharing provisions for Retirees and the PSEBA pensioners. The remaining \$327,603 are implicit benefit payments due to the presence of retirees in the determination of the blended retiree/active premiums.



ACTUARIAL OPEB LIABILITY INFORMATION

Statement of Total OPEB Liability
Expected Benefit Payments
Statement of Changes in Total OPEB Liability
Statement of Changes in Net OPEB Liability
Deferred Outflows and Inflows of Resources
Deferred Outflows and Inflows of Resources – Details
OPEB Expense Development



STATEMENT OF TOTAL OPEB LIABILITY

	<u>12/31/2023</u>	<u>12/31/2024</u>
Total Active Employees	\$ 6,301,720	\$ 7,146,430
Inactive Employees Currently Receiving Benefit Payments	7,953,501	11,836,055
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	-	-
Total Inactive Employees	<u>7,953,501</u>	<u>11,836,055</u>
Total OPEB Liability	<u>\$ 14,255,221</u>	<u>\$ 18,982,485</u>

The Total OPEB Liability shown is dependent on several factors such as Plan Provisions and assumptions used in the report. In addition, the calculation of the Total OPEB Liability may be dependent on the OPEB Plan Net Position shown in the *Statement of OPEB Trust and OPEB Plan Net Position* section of this report. Changes in the OPEB Plan Net Position due to any factor, including adjustment on final audit, could change the Total OPEB Liability. The dependence of the Total OPEB Liability on the Net Position is due to the role of the Net Position (and projected Net Position) on the determination of the discount rate used for the Total OPEB Liability.

The Total OPEB Liability has been determined for GASB 74/75 reporting purposes only. The resulting Total OPEB Liability is intended to be used in the financial statement reporting of the postretirement plan and/or the Employer. The resulting liability is not intended to be a representation of the postretirement plan liability for other purposes, including but not limited to determination of cash funding requirements and recommendations, if applicable.



EXPECTED BENEFIT PAYMENTS

Subsequent to the Measurement Date, the following amounts are expected to be paid out in benefits in upcoming years:

Year Ended December 31:	
2025	\$ 580,343
2026	640,141
2027	712,147
2028	770,341
2029	846,256

The table above represents the expected benefit payments for the next 5 years under the OPEB Plan. Benefit payments in an OPEB plan do not necessarily imply the existence of an OPEB trust. The payments include obligations that come from other employer resources. Benefit payments may include direct payments made by the employer for health coverage for the retiree group. Benefit payments may also reflect implicit payments made by the employer that are based on the existence of retirees on employer medical coverage, that are not directly linked to retiree premiums or stipends.



STATEMENT OF CHANGES IN TOTAL OPEB LIABILITY

Total OPEB Liability	12/31/2024
Service Cost	\$ 697,808
Interest	456,971
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	4,401,014
Changes in Assumptions	(353,147)
Benefit Payments*	(475,382)
Net Change in Total OPEB Liability	4,727,264
Total OPEB Liability - Beginning	14,255,221
Total OPEB Liability - Ending (a)	<u>\$ 18,982,485</u>
 OPEB Plan Net Position - Ending (b)	 <u>\$ -</u>
 Employer's Net OPEB Liability/(Asset) - Ending (a) - (b)	 <u>\$ 18,982,485</u>
 OPEB Plan Net Position as a Percentage of the Total OPEB Liability	 0.00%
 Covered-Employee Payroll	 \$ 34,098,214
Employer's Net OPEB Liability as a Percentage of Employee Payroll	55.67%

*See the benefit breakdown in the *Statement of OPEB Plan Benefit Payments and Contributions* section of this report.

The OPEB Plan Net Position was detailed in the prior section of this report. The Employer's Net OPEB Liability is the excess of the Total OPEB Liability over the OPEB Plan Net Position. The changes in the Net OPEB Liability related to changes in assumptions are due to changes detailed in the *Management Summary* section of this report.

Total OPEB Liability may be dependent on the Net Position of the postretirement plan. Any changes in Net Position, including adjustments on final audit, can have an impact on Net OPEB Liability that extends beyond the dollar-for-dollar change in Net Position.

Covered-Employee Payroll has been estimated based on Total Covered Payroll for the postretirement plan Members during the 2022 Fiscal Year.



STATEMENT OF CHANGES IN NET OPEB LIABILITY

The table below illustrates the change in the Net OPEB Liability from the prior Measurement Date to the current Measurement Date. Under Statement 75, the difference between the Net OPEB Liability from the prior Measurement Date to the current Measurement Date should be recognized as an expense, unless permitted to be recognized as a Deferred Outflow or Inflow of Resources.

	Increase (Decrease)		
	Total OPEB Liability (a)	OPEB Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balances Beginning at 1/1/2024	<u>\$ 14,255,221</u>	<u>\$ -</u>	<u>\$ 14,255,221</u>
Changes for the year:			
Service Cost	697,808	-	697,808
Interest	456,971	-	456,971
Actuarial Experience	4,401,014	-	4,401,014
Assumptions Changes	(353,147)	-	(353,147)
Plan Changes	-	-	-
Contributions - Employer	-	475,382	(475,382)
Contributions - Employee	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments from the Plan	(475,382)	(475,382)	-
Administrative Expense	-	-	-
Net Changes	<u>4,727,264</u>	<u>-</u>	<u>4,727,264</u>
Balances Ending at 12/31/2024	<u><u>\$ 18,982,485</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,982,485</u></u>

The changes in Total OPEB Liability above are described on the prior page. The OPEB Plan Net Position was detailed in the prior section of this report. The Employer's Net OPEB Liability is the excess of the Total OPEB Liability over the OPEB Plan Net Position.



DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The table below shows the cumulative amounts to be shown as Deferred Outflows and Inflows of Resources. Changes in Total OPEB Liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB Expense over the expected remaining service life of all employees (active and retired) in the postretirement plan. Differences in projected and actual earnings over the measurement period are recognized over a 5-year period. Amounts not yet recognized are summarized below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,691,348	\$ 1,549,150
Changes of Assumptions	1,906,546	2,306,436
Net Difference Between Projected and Actual Earnings on Postretirement Plan Investments	-	-
Total Deferred to Be Recognized in Future Expense	<u>\$ 6,597,894</u>	<u>\$ 3,855,586</u>
Contributions Subsequent to the Measurement Date*	\$ -	\$ -
Total	<u>\$ 6,597,894</u>	<u>\$ 3,855,586</u>

*Contributions subsequent to the Measurement Date may be recognized as a reduction to the Net OPEB Liability. The amount is not known as of the date of this report. Subsequent to the Measurement Date, the following amounts will be recognized in OPEB Expense in the upcoming years:

Year Ended December 31:	
2025	\$ 402,697
2026	411,417
2027	480,412
2028	121,367
2029	121,367
Thereafter	1,205,048



DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - DETAILS

The table below shows the annual detail amounts that have been summarized on the prior page. Under Statement 75, the level of detail shown on the prior page is sufficient for financial statement reporting. The detail shown below is primarily for tracking purposes.

OPEB Expense Source	Date Established	Initial Period	Initial Balance	Remaining Period	12/31/2024 Expense Recognized	12/31/2024 Deferred Balance
Change in Assumptions Gain	12/31/2024	11.04	\$ (353,147)	11.04	\$ (31,988)	\$ (321,159)
Actuarial Loss	12/31/2024	11.04	4,401,014	11.04	398,643	4,002,371
Change in Assumptions Loss	12/31/2023	10.42	870,978	9.42	83,588	703,802
Change in Assumptions Gain	12/31/2022	10.42	(1,964,876)	8.42	(188,568)	(1,399,172)
Actuarial Gain	12/31/2022	10.42	(2,175,493)	8.42	(208,781)	(1,549,150)
Change in Assumptions Gain	12/31/2021	11.16	(587,529)	8.16	(52,646)	(376,945)
Change in Assumptions Loss	12/31/2020	11.21	114,014	7.21	10,171	63,159
Actuarial Loss	12/31/2020	11.21	1,243,717	7.21	110,948	688,977
Change in Assumptions Loss	12/31/2019	8.92	3,481,205	3.92	390,270	1,139,585
Change in Assumptions Gain	12/31/2018	8.92	\$ (971,740)	2.92	\$ (108,940)	\$ (209,160)
Total			\$ 4,058,143		\$ 402,697	\$ 2,742,308

Each detail item in the chart above was established as of the Fiscal Year-End shown and the full amount deferred has been determined as of that time. Any events that occur in subsequent Fiscal Years do not have an impact on the prior Fiscal Year. The bases are established independently each year.



OPEB EXPENSE DEVELOPMENT

The table below displays the OPEB Expense development for the current year. The OPEB Expense includes items that change the Net OPEB Liability from one year to the next, netted out for amounts that are deferred under GASB pronouncement, plus any amounts that are being recognized that were deferred previously.

See below for development of the OPEB Expense:

	<u>12/31/2024</u>
OPEB Expense/(Income) Under GASB 75	
Service Cost	\$ 697,808
Interest	456,971
Plan Changes	-
Contributions - Employee	-
Contributions - Other	-
Expected Investment Income	-
Administrative Expense	-
Other Changes	-
Initial OPEB Expense/(Income)	<u>1,154,779</u>
Recognition of Outflow/(Inflow) of Resources due to Liabilities	402,697
Recognition of Outflow/(Inflow) of Resources due to Assets	-
Total OPEB Expense/(Income)	<u><u>\$ 1,557,476</u></u>



ACTUARIAL ASSUMPTION INFORMATION

Statement of Significant Actuarial Assumptions
Assumption Changes
Expected Return on OPEB Plan Investments
Municipal Bond Rate
Discount Rate
Inflation Rate
Development of Starting Claims Costs
Assessment and Use of Actuarial Models
Sensitivity of the Discount Rate
Sensitivity of the Healthcare Cost Trend Rates



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS

Assumptions (Economic)

Discount Rate Used for the Total OPEB Liability

Beginning of Year	3.26%
End of Year	4.08%

Long-Term Expected Rate of Return on Plan Assets N/A

High Quality 20 Year Tax-Exempt G.O. Bond Rate

Beginning of Year	3.26%
End of Year	4.08%

Total Payroll Increases 3.00%

Claims and Premiums See Accompanying Tables

Healthcare Cost Trend Rates See Accompanying Tables

Retiree Contribution Rates Same as Healthcare Cost Trend Rates

Blended Premium Rates See accompanying table for premiums charged for coverage.

Annual Blended Premiums				
	Under Age 65		Age 65 & Over	
	<u>Retiree</u>	<u>Spouse</u>	<u>Retiree</u>	<u>Spouse</u>
PPO	\$13,060	\$12,278	\$10,448	\$10,329
PPO HDHP	\$11,327	\$10,649	\$11,327	\$10,649
HMO IL	\$10,273	\$9,777	\$8,218	\$8,223
HMO BA	\$9,474	\$8,928	\$7,580	\$7,510



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS – CONTINUED

Healthcare Cost Trend Rates

The first-year trend rate is based on known information. The initial trend rate is based on the 2025 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range. (Paragraph 57a of GASB 74)

Plan	First-Year Trend	Initial Trend	Ultimate Trend	Amount of Trend Decrease	Years Between Trend Decreases	Year Ultimate Trend Reached
PPO	2.50%	7.58%	5.00%	0.32%	1	2034
PPO HDHP	2.50%	7.93%	5.00%	0.37%	1	2034
HMO IL	2.50%	7.49%	5.00%	0.31%	1	2034
HMO BA	2.50%	7.49%	5.00%	0.31%	1	2034

Claims

See accompanying tables for the age 64 projected claims costs and the age-grading factors used to calculate claims for all ages:

Projected Claims Costs (Age 64)				
	Retiree		Spouse	
	Male	Female	Male	Female
PPO	\$28,126	\$25,448	\$28,126	\$25,448
PPO HDHP	\$24,392	\$22,071	\$24,392	\$22,071
HMO IL	\$22,123	\$20,017	\$22,123	\$20,017
HMO BA	\$20,403	\$18,461	\$20,403	\$18,461

Claims Age-Adjustment Factors (Adjusted From Age 64)				
	Retiree		Spouse	
Age	Male	Female	Male	Female
50	0.5632	0.7151	0.5632	0.7151
55	0.7620	0.8153	0.7620	0.8153
60	1.0000	1.0000	1.0000	1.0000
64	1.0000	1.0000	1.0000	1.0000
65	0.3545	0.3130	0.3545	0.3130
70	0.4077	0.3599	0.4077	0.3599
75	0.4690	0.4138	0.4690	0.4138
80	0.4690	0.4138	0.4690	0.4138
85	0.4690	0.4138	0.4690	0.4138
90	0.4690	0.4138	0.4690	0.4138



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS – CONTINUED

Assumptions (Demographic)

Election at Retirement Coverage election at retirement is assumed at the following rates:

All Groups	40%
-------------------	------------

If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage.

Spousal Election Of those employees assumed to elect coverage in retirement, 50% are assumed to elect spousal coverage. Female spouses are assumed to be 3 years younger than male spouses.

Plan Participation It is assumed that the employees will participate in plans according to the distribution shown below:

PPO	60%
PPO HDHP	0%
HMO IL	25%
HMO BA	15%

Retiree Lapse Rates Retirees receiving medical coverage are expected to lapse all coverages at age 65 at the following rates:

Non-PSEBA	50%
PSEBA	0%



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS – CONTINUED

A comprehensive list of the 2024 L&A Assumption Study Rates are available upon request.

Retirement Rates

IMRF

Based on Rates from IMRF Experience Study Report dated January 4, 2024

Police

100% of L&A Assumption Study Cap Age 65 for Police 2024. Sample Tier 1 Rates are as Follows:

Age	Rate	Age	Rate
50	0.220	53	0.200
51	0.200	54	0.200
52	0.200	55	0.200

Fire

100% of L&A Assumption Study Cap Age 65 for Firefighters 2024. Sample Tier 1 Rates are as Follows:

Age	Rate	Age	Rate
50	0.120	53	0.100
51	0.100	54	0.150
52	0.100	55	0.200

Termination Rates

IMRF	Based on Rates from IMRF Experience Study Report dated January 4, 2024			
Police	100% of L&A Assumption Study for Police 2024. Sample Rates for Employees with 5 or more Years of Service are as follows:			
	Age	Rate	Age	Rate
	25	0.060	40	0.023
	30	0.045	45	0.020
	35	0.030	50	0.020



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS – CONTINUED

Termination Rates (Continued)

Fire 100% of L&A Assumption Study for Firefighters 2024. Sample Rates for Employees with 5 or more Years of Service are as follows:

Age	Rate	Age	Rate
25	0.040	40	0.013
30	0.030	45	0.010
35	0.020	50	0.010

Disability Rates

IMRF Based on Rates from IMRF Experience Study Report dated January 4, 2024

Police 100% of L&A Assumption Study for Police 2024. Sample Rates are as Follows:

Age	Rate	Age	Rate
25	0.0000	40	0.0040
30	0.0005	45	0.0064
35	0.0018	50	0.0064

Fire 100% of L&A Assumption Study for Firefighters 2024. Sample Rates are as Follows:

Age	Rate	Age	Rate
25	0.0000	40	0.0065
30	0.0006	45	0.0065
35	0.0012	50	0.0120



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS – CONTINUED

Mortality Rates

IMRF PubG-2010(B) Improved Generationally using MP-2021 Improvement Rates, weighted per IMRF Experience Study Report dated January 4, 2024

Police Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Retiree Mortality follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Spouse Mortality follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS – CONTINUED

Mortality Rates (Continued)

Fire

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Retiree Mortality follows the L&A Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Spouse Mortality follows the L&A Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.

All mortality rates are adjusted for retirement status. IMRF spouses use the same mortality tables as retirees.

55% of active Police and Fire Participants who become disabled are assumed to be eligible for PSEBA benefits.



ASSUMPTION CHANGES

We performed a comprehensive study of Police & Firefighters' Pension Funds in the State of Illinois. The Actuary for the Illinois Municipal Retirement Fund performed an actuarial experience study of IMRF experience dated January 4, 2024. The actuarial assumptions were changed in the current year to the tables shown in the *Statement of Significant Assumptions* section of this report. The assumptions impacted include:

- Inflation Rate (CPI-U)
- Retirement Rates
- Termination Rates
- Disability Rates
- Mortality Rates
- Mortality Improvement Rates

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.26% to 4.08% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.

Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.26% to 4.08%. See the *Assumptions (Economic)* section for more details.

EXPECTED RETURN ON OPEB PLAN INVESTMENTS

There is currently no expectation for future returns on OPEB plan assets since the OPEB obligation is an unfunded obligation. The Employer does not have a trust dedicated exclusively to the payment of OPEB benefits.



MUNICIPAL BOND RATE

The Municipal Bond Rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of year rate shown earlier in the *Statement of Significant Assumptions* section of this report is the 3.26% rate, and the end of year rate shown is the 4.08% rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

DISCOUNT RATE

The discount rate used in the determination of the Total OPEB Liability is based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the Municipal Bond Rate. If the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Village, then only the Municipal Bond Rate is used in determining the Total OPEB Liability.

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future Net Position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected Net Position, the expected rate of return on plan investments is used to determine the portion of the Net OPEB Liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected Net Position, the Municipal Bond Rate is used to determine the portion of the Net OPEB Liability associated with those payments.

Projected benefit payments are determined during the valuation process based on the assumptions. More details on the assumptions are in the *Statement of Significant Assumptions* section of this report. The expected contributions are based on the Funding Policy of the plan. The Funding Policy is discussed in more detail in a later section.

INFLATION RATE

The Long-Term Inflation Expectation used is 2.50%, which is an underlying component of the discount rate and assumed health care trend rates.



DEVELOPMENT OF STARTING CLAIMS COSTS

Starting costs for the Village's Plan were developed based on the blended premiums charged for coverage. The insurance carrier charges actives and retirees the same premium rates. According to GASB, when an Employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees. As such, premiums were estimated for under-65 retirees and their spouses as if they were rated on a stand-alone basis. The results were disaggregated in such a way that the weighted average of the age costs of the Village's Plan current population would tie directly back to the estimated premium for under-65 retirees and their spouses. We have also made an adjustment to the age costs for those who are Medicare eligible to reflect the impact of the Village's Plan respective coordination with Medicare.

The medical cost increase represents the combination of the inflation in the price of health care services, changes in utilization (other than age-related changes), technological advances in medical care, and changes in the health status of plan participants. No adjustment has been made to the expected medical trend for the impact of COVID-19. An analysis of this matter is beyond the scope of this valuation. The future impact may result in material changes in claims beyond the date of this valuation. Information about the future cost impact of this disease is thin. Some of the variables include projected inflation rates due to localized experience, the amount of postponed and avoided medical care services, the amount and timing of the catch-up of deferred care, the impact of COVID-19 on other conditions such as stress and depression, impacts on general economic conditions, and other factors.



ASSESSMENT AND USE OF ACTUARIAL MODELS

Actuarial Valuations rely upon the use of actuarial modeling software to predict the occurrence of future events, which include specific demographic and financial potential outcomes. Actuarial assumptions are established to provide a guideline to use for such modeling.

- The model used in this Actuarial Valuation is intended to determine the Total OPEB Liability to assist in the preparation of the Annual Comprehensive Financial Report. The actuarial assumptions used were developed with this goal in mind.
- There are no known material limitations or inconsistencies among the actuarial assumptions or methods.
- The output from the model is reasonable based on the individual actuarial assumptions and based on the actuarial assumptions in the aggregate.
- The actuarial software used to calculate plan liabilities has been purchased from an outside vendor. We have performed thorough testing of the software, including review of sample participants, to ensure the intended purpose of the model, the operation of the model, sensitivities and dependencies, and strengths and limitations of the model are sufficient for this purpose.
- Census data and financial information have been provided by client professionals, financial advisors, and/or auditors, who are known to be experts in their respective fields. We rely on the fact that the information provided by these experts has been given for the intended purpose of this Actuarial Valuation.



SENSITIVITY OF THE DISCOUNT RATE

The Net OPEB Liability has been determined using the end of year discount rate listed in the *Statement of Significant Assumptions* section. Below is a table illustrating the sensitivity of the Net OPEB Liability to the discount rate assumption.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Employer's Net OPEB Liability/(Asset)	\$22,079,091	\$18,982,485	\$16,534,237

The sensitivity of the Net OPEB Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the Net Position to the Total OPEB Liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

SENSITIVITY OF THE HEALTHCARE COST TREND RATES

Below is a table illustrating the sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rates assumption.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Employer's Net OPEB Liability/(Asset)	\$16,151,462	\$18,982,485	\$22,619,329

Please refer to the *Assumptions (Economic)* section for full list of assumed trend rates.



PARTICIPANT DATA

Participant Demographic Data
Expected Future Working Lifetime



PARTICIPANT DEMOGRAPHIC DATA

The chart below summarizes the employee count of plan Members:

Measurement Date	12/31/2023	12/31/2024
Total Active Employees	321	329
Inactive Employees Currently Receiving Benefit Payments	72	59
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0	0
Total	393	388

Participant count is shown as of the Fiscal Year-End date. The data is assumed to be a reasonable representation of data as of the Measurement Date and may have been collected on or before the Fiscal Year-End date.

The above total active employee counts include 27 participants who have waived medical coverage. If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage.

EXPECTED FUTURE WORKING LIFETIME

The chart below summarizes the expected future working lifetime of plan Members:

Measurement Date	12/31/2023	12/31/2024
Average Future Working Career (In Years)		
Active Plan Members	12.76	13.02
Inactive Plan Members	0.00	0.00
Total	10.42	11.04

The expected future working lifetime is measured as of the Actuarial Valuation Date and is based on the demographic assumptions used in the preparation of this report.



FUNDING POLICY

Components of the Actuarially Determined Contribution
Formal Funding Policy
Informal Funding Policy



COMPONENTS OF THE ACTUARIALLY DETERMINED CONTRIBUTION

The Actuarially Determined Contribution (“ADC”) includes the determination of the Normal Cost contribution for active plan Members, as well as a provision for the payment of Unfunded Liability.

Unfunded Liability is the excess of the Total OPEB Liability over the postretirement plan’s Net Position.

For the Village of Oak Park, Illinois, there is no determination of an ADC and Normal Cost, as the Total OPEB Liability is currently an unfunded obligation. The Employer does not have a trust dedicated exclusively to the payment of OPEB benefits.

FORMAL FUNDING POLICY

There is no Formal Funding Policy that exists for the postretirement plan at this time, as the Total OPEB Liability is currently an unfunded obligation.

INFORMAL FUNDING POLICY

There is no Informal Funding Policy determined for GASB reporting purposes, as the Total OPEB Liability is currently an unfunded obligation.



SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net OPEB Liability
Schedule of Total OPEB Liability and Related Ratios
Schedule of Contributions
Notes to Schedule of Contributions



SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total OPEB Liability										
Service Cost	\$ 697,808	\$ 606,561	\$ 965,401	\$ 955,955	\$ 359,351	\$ 274,256	\$ 310,931			
Interest	456,971	465,769	325,560	329,985	382,720	423,149	382,924			
Changes of Benefit Terms	-	-	-	-	-	-	-			
Differences Between Expected and Actual Experience	4,401,014	-	(2,175,493)	-	1,243,717	-	-			
Change in Assumptions	(353,147)	870,978	(1,964,876)	(587,529)	114,014	3,481,205	(971,740)			
Benefit Payments	(475,382)	(417,549)	(450,087)	(469,517)	(535,242)	(525,829)	(527,624)			
Net Change in Total OPEB Liability	\$ 4,727,264	\$ 1,525,759	\$ (3,299,495)	\$ 228,894	\$ 1,564,560	\$ 3,652,781	\$ (805,509)			
Total OPEB Liability - Beginning	14,255,221	12,729,462	16,028,957	15,800,063	14,235,503	10,582,722	11,388,231			
Total OPEB Liability - Ending (a)	\$ 18,982,485	\$ 14,255,221	\$ 12,729,462	\$ 16,028,957	\$ 15,800,063	\$ 14,235,503	\$ 10,582,722			
OPEB Plan Net Position										
Contributions - Employer	\$ 475,382	\$ 417,549	\$ 450,087	\$ 469,517	\$ 535,242	\$ 525,829	\$ 527,624			
Contributions - Members	-	-	-	-	-	-	-			
Contributions - Other	-	-	-	-	-	-	-			
Net Investment Income	-	-	-	-	-	-	-			
Benefit Payments	(475,382)	(417,549)	(450,087)	(469,517)	(535,242)	(525,829)	(527,624)			
Administrative Expense	-	-	-	-	-	-	-			
Net Change in OPEB Plan Net Position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
OPEB Plan Net Position - Beginning	-	-	-	-	-	-	-			
OPEB Plan Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Employer's Net OPEB Liability/(Asset) - Ending (a) - (b)	\$ 18,982,485	\$ 14,255,221	\$ 12,729,462	\$ 16,028,957	\$ 15,800,063	\$ 14,235,503	\$ 10,582,722			

The current year information was developed in the completion of this report.



SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total OPEB Liability - Ending (a)	<u>\$ 18,982,485</u>	<u>\$ 14,255,221</u>	<u>\$ 12,729,462</u>	<u>\$ 16,028,957</u>	<u>\$ 15,800,063</u>	<u>\$ 14,235,503</u>	<u>\$ 10,582,722</u>			
OPEB Plan Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
Employer's Net OPEB Liability/(Asset) - Ending (a) - (b)	<u>\$ 18,982,485</u>	<u>\$ 14,255,221</u>	<u>\$ 12,729,462</u>	<u>\$ 16,028,957</u>	<u>\$ 15,800,063</u>	<u>\$ 14,235,503</u>	<u>\$ 10,582,722</u>			
OPEB Plan Net Position as a Percentage of the										
Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Covered-Employee Payroll	\$34,098,214	\$ 33,105,062	\$ 32,140,837	\$ 32,866,559	\$ 30,909,290	\$ 30,060,657	\$ 27,683,116			
Employer's Net OPEB Liability as a Percentage of										
Covered-Employee Payroll	55.67%	43.06%	39.61%	48.77%	51.12%	47.36%	38.23%			

Covered-Employee Payroll has been estimated based on Total Covered Payroll for the postretirement plan Members during the 2022 Fiscal Year.



SCHEDULE OF CONTRIBUTIONS

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Contributions in Relation to the Actuarially Determined Contribution	-	-	-	-	-	-	-			
Contribution Deficiency (excess)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>			
Covered-Employee Payroll	<u>\$34,098,214</u>	<u>\$33,105,062</u>	<u>\$32,140,837</u>	<u>\$32,866,559</u>	<u>\$30,909,290</u>	<u>\$30,060,657</u>	<u>\$27,683,116</u>			
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			

NOTES TO SCHEDULE OF CONTRIBUTIONS

There is no ADC or Employer Contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB Liability. However, the Village did make contributions from other Village resources in the current year in the amount of \$475,382.



GASB METHODS AND PROCEDURES

GASB Methods and Procedures



GASB METHODS AND PROCEDURES

	Statement 74	Statement 75
	<u>OPEB Plan Financials</u>	<u>Employer Financials</u>
Fiscal Year End for Reporting	December 31, 2024	December 31, 2024
Measurement Date	December 31, 2024	December 31, 2024
Actuarial Valuation Date	January 1, 2025	January 1, 2025
Data Date	January 1, 2025	January 1, 2025
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

Methodology Used in the Determination of Deferred Inflows and Outflows of Resources

Amortization Method	Straight Line	Straight Line
Amortization Period		
Actuarial Experience	11.04 Years	11.04 Years
Changes in Assumptions	11.04 Years	11.04 Years
Asset Experience	5.00 Years	5.00 Years

As noted in the table above, the Actuarial Funding Method used in the determination of the Total OPEB Liability is the Entry Age Normal Cost method (level percent of pay). The method allocates Normal Cost contributions by employee over the working career of the employee as a level percent of their pay.

The Total OPEB Liability for the current Fiscal Year has been developed based on the Actuarial Valuation Date shown above, and adjusted to the Measurement Date shown above, based on procedures that conform to generally accepted actuarial principles and practices.



GASB METHODS AND PROCEDURES – CONTINUED

We calculated the Total OPEB Liability and Service Cost under the Entry Age Normal funding method as required under GASB 75. We calculated the Present Value of Benefits for each participant at each potential retirement age, factoring in probabilities of survival thereafter. We used the appropriate group tables to determine a probability that active members retire at each age to determine the Present Value of Benefits. We adjusted this using the Present Value of Future Salaries at Entry Age, factoring in interest, salary, and probability of remaining active from entry age to current age, to obtain Normal Cost. We then calculated the Present Value of Future Normal Costs and subtracted this from the Present Value of Benefits to obtain Total OPEB Liability. This methodology is in accordance with GASB Statement 74/75.



PLAN PROVISIONS

Summary of Eligibility and Coverage



SUMMARY OF ELIGIBILITY AND COVERAGE

The plan sponsor has reviewed and agreed to the below eligibility and coverage provisions.

Eligibility Provisions

Tier I IMRF Full-Time Village Employees age 55 with at least 8 years of service are covered
Tier II IMRF Full-Time Village Employees age 62 with at least 10 years of service are covered

Tier I Full-Time Firefighters, at least 50 years old with at least 20 years of service are covered
Tier II Full-Time Firefighters, at least 55 years old with at least 10 years of service are covered

Tier I Full-Time Police Officers, at least 50 years old with at least 20 years of service are covered
Tier II Full-Time Police Officers, at least 55 years old with at least 10 years of service are covered

Medical Coverage Provisions

Plans Offered

HMO BA
HMO IL
PPO
PPO HDHP

Retirees (Pre-65/Post-65):

Policy:

The Retiree may remain on insurance in retirement subject to COBRA provisions.

Practice:

While the stated Policy benefits for Retirees are indicated above, it has been the discretion of the Village to administer greater benefits as detailed below:

The Retiree is responsible for 100% of premium costs, including eligible Spouse/Dependent coverage, with the Village paying no portion of the premium.

Spousal or Eligible Dependent coverage ends should Retiree coverage end.

Note: There are some prior surviving spouses who were permitted to remain on insurance not subject to COBRA provisions. This is not the current practice.

Coverage is secondary to Medicare once eligible.

PSEBA (Pre-65/Post-65):

The Village will pay the full premium for public safety officers, their spouses, and their dependents as defined by 820 ILCS 320 (Public Safety Employee Benefits Act).

Coverage is secondary to Medicare once eligible.



SUMMARY OF ELIGIBILITY AND COVERAGE - CONTINUED

Dental, Vision and Life Coverage Provisions

Plans Offered

Delta Dental High

Delta Dental Low #1

Vision

Coverage Provisions (includes PSEBA):

Policy:

The Retiree may not continue dental or vision in retirement.

Practice:

While the stated Policy benefits for Retirees are indicated above, it has been the discretion of the Village to administer greater benefits as detailed below:

The Retiree is responsible for 100% of premium costs, including eligible Spouse/Dependent coverage, with the Village paying no portion of the premium.

Spousal or Eligible Dependent coverage ends should Retiree coverage end.

Note: There are some prior surviving spouses who were permitted to remain on insurance not subject to COBRA provisions. This is not the current practice.



GLOSSARY OF TERMS

GASB 74/75 Terminology



GASB 74/75 TERMINOLOGY

Covered-Employee Payroll – The payroll of employees that are provided with OPEB through the OPEB plan.

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.

Implicit Subsidy – The difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would have been applicable to those retirees if that benefit was acquired for them as a separate group.

Net OPEB Liability (“NOL”) – The excess of the Total OPEB Liability over the Market Value of Assets.

OPEB Expense – OPEB Expense arising from certain changes in the collective Net OPEB Liability or collective Total OPEB Liability.

OPEB Fiduciary Net Position (“Net Position”) – The value of cash, investments, other assets and property belonging to an OPEB Trust dedicated to paying OPEB benefits.

OPEB Trust – A system other than a pension or retirement system which manages OPEB assets. Contributions to an OPEB Trust should be irrevocable in order to obtain the most favorable accounting treatment.

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.

Service Cost – The present value of future benefits earned by employees during the current Fiscal Year. It is that portion of the actuarial present value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.



Total OPEB Liability (“TOL”) – The actuarial present value of future benefits based on employees’ service rendered to the Measurement Date using the selected Actuarial Cost Method. It is that portion of the actuarial present value of plan benefits and expenses allocated to prior years of employment.

Retirees & Dependents – Former employees who have satisfied the age and service requirement and are currently receiving postretirement healthcare benefits.

Actives Fully Eligible – Active employees who have satisfied the age and service requirement for postretirement healthcare benefits.

Actives Not Fully Eligible – Active employees who have not yet satisfied the age and service requirement for postretirement healthcare benefits.