TOWN OF NEEDHAM

POST EMPLOYMENT BENEFITS ANALYSIS

July 1, 2011

A Xerox Company

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SECTION I - OVERVIEW

The Town of Needham has engaged Buck Consultants to prepare an actuarial valuation of their post-retirement benefits program as of June 30, 2011. The Town provided employee data and premium information, as well as financial information about the operation of the plan.

Based on the foregoing, 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.

The purposes of the valuation are to analyze the current funded position of the Town's post-retirement benefits program, determine the level of contributions necessary to assure sound funding and provide reporting and disclosure information for financial statements, governmental agencies and other interested parties. This valuation report contains information required by the Government Accounting Standards Board's Statements Nos. 43 and 45, respectively entitled "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" and "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

Liabilities have been determined based on an 8.0% discount rate, which assumes that benefits will continue to be pre-funded and with assets invested in a manner that would yield an expected return of 8.0%, which implicitly assumes a relatively high proportion of equity investments. The city has established a trust and started to build a balance.

In addition, the actuarial assumptions for mortality and healthcare trend were modified for this valuation.

Section II provides a summary of the principal valuation results. Section VI provides a projection of funding amounts.

If all the assumptions of the July 1, 2009 report had been met, we would have expected the Actuarial Accrued Liability to increase from approximately $48.9 million to $52.0 million by July 1, 2011. The difference between the expected Actuarial Accrued Liability and the actual Actuarial Accrued Liability of $59.1 million is shown in the table below (in millions):

Expected AAL @ 7/1/2011		$52.0
New data	$4.6	
Favorable claims experience	(2.1)	
Switch to Rate Saver plans	(1.4)	
New trend Assumption	(0.3)	
New mortality table assumption	2.9	
New participation assumption	2.4	
Reflect Healthcare Reform (Cadillac Tax)	0.1	
Other	0.9	
Actual AAL @ 7/1/2011		$59.1

The valuation summarized in this report was prepared under the supervision of Daniel Sherman. The results of this valuation were reviewed by Robin Simon, who is available to answer questions on the analysis. Both Daniel Sherman and Robin Simon are Members of the American Academy of Actuaries and have met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully Submitted,

BUCK CONSULTANTS, LLC

December 8, 2011

Robin B Simon, FSA, MAAA, EA — Date

Principal and Consulting Actuary

SECTION II – REQUIRED INFORMATION

		June 30, 2011	June 30, 2009	Difference
a)	Actuarial valuation date - fiscal year ending	June 30, 2011	June 30, 2009	Difference
b)	Actuarial Value of Assets	$ 6,423,760	$ 5,008,484	$ 1,415,276
c)	Actuarial Accrued Liability			
	Active participants	$ 23,601,479	$ 18,751,346	$ 4,850,133
	Retired participants	35,520,843	30,136,781	5,384,062
	Total AAL	$ 59,122,322	$ 48,888,127	$ 10,234,195
d)	Unfunded Actuarial Liability "UAL" [c - b]	$ 52,698,562	$ 43,879,643	$ 8,818,919
e)	Funded ratio [b / c]	10.9%	10.2%	0.6%
f)	Annual covered payroll	60,859,276	61,582,295	-723,019
g)	UAL as percental of covered payroll	86.6%	71.3%	
h)	Normal Cost for fiscal year	$ 1,471,541	$ 1,233,079	$ 238,462
i)	Amortization of UAL for fiscal year	$ 2,834,794 *	$ 2,265,092	$ 569,702
j)	Interest to end of fiscal year	$ 0	$ 0	$
k)	Annual Required Contribution "ARC" for fiscal year [h + i + j]	$ 4,306,335 **	$ 3,498,171	$ 808,164

* 28-year amortization, increasing 4.5% per year for fiscal year 2012

** For comparison purposes only. Actual ARC for FY '11 and '12 based on projected appropriations per 2009 report.

SECTION III - MEDICAL PREMIUMS

Annual Premiums effective July 1, 2011

Health benefits are available to employees and retirees through a number of plans offered through the West Suburban Health Group. The following are the most popular.

	Non-Rate Saver			Rate Saver		
Non-Medicare Plans:	Town	Member	Total	Town	Member	Total
Harvard Pilgrim EPO						
Individual	$6,334	$1,946	$8,280	$5,379	$1,653	$7,032
Family	$14,887	$6,689	$21,576	$12,660	$5,688	$18,348
Tufts EPO						
Individual	$6,535	$2,225	$8,760	$5,550	$1,890	$7,440
Family	$14,623	$8,297	$22,920	$12,426	$7,050	$19,476
Network Blue						
Individual	$6,535	$2,249	$8,784	$5,384	$1,852	$7,236
Family	$15,547	$8,009	$23,556	$12,830	$6,610	$19,440

Medicare Plans:	Town	Member	Total
MEDEX	$2,592	$2,592	$5,184
Tufts 65	$3,182	$1,498	$4,680
Managed Blue for Seniors	$3,493	$1,644	$5,137

Medicare plans are individual policies requiring Part A and B.

SECTION IV – REQUIRED SUPPLEMENTARY INFORMATION

Number of Employees	**RTS**	**SEWER**	**WATER**	**FIRE**	**POLICE**	**OTHER**	**TOTAL**
Active	8	11	14	66	58	859	1,016
Retired (medical & life)	4	11	9	65	46	589	724
Retired (life only)	-	-	-	-	-	64	64
Total	12	22	23	131	104	1,512	1,804
Accrued Liability @ 8%							
Active	170,586	378,658	311,235	3,664,135	2,199,272	16,877,593	23,601,479
Retired	117,870	697,458	613,553	4,069,524	3,663,101	26,359,337	35,520,843
Total	288,456	1,076,116	924,788	7,733,659	5,862,373	43,236,930	59,122,322
Assets	31,341	116,922	100,480	840,278	636,959	4,697,780	6,423,760
Unfunded Accrued Liability (UAL)	257,115	959,194	824,308	6,893,381	5,225,414	38,539,150	52,698,562
FY 2013 Annual Required Contribution @ 8%							
Normal Cost	16,535	23,319	33,271	113,973	116,299	1,234,363	1,537,760
Amortization of UAL	14,569	54,353	46,709	390,609	296,095	2,183,792	2,986,127
Total	31,104	77,672	79,980	504,582	412,394	3,418,155	4,523,887

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b) - (a) Unfunded AAL (UAL)	(a) / (b) Funded Ratio	Covered Payroll	[(b)-(a)]/(c) UAL as Percentage of Covered Payroll
June 30, 2005	2,131,044	43,172,705	41,041,661	4.9%	51,915,780	79.1%
June 30, 2007	3,075,317	46,672,308	43,596,991	6.6%	59,616,565	73.1%
June 30, 2009	5,008,484	48,888,127	43,879,643	10.2%	61,582,295	71.3%
June 30, 2011	6,423,760	59,122,322	52,698,562	10.9%	60,859,276	86.6%

Development of OPEB Cost and Net OPEB Obligation (NOO)

Year Ending June 30	(a) Annual Required Contribution	(b) Interest on NOO	(c) Amortization of NOO	(d) Annual OPEB Cost (a)+(b)-(c)	(e) Actual Contribution	(f) Change in NOO (d)-(e)	(g) NOO Balance
2009	3,102,311	0	0	3,102,311	3,102,311	0	0
2010	3,446,556	0	0	3,446,556	3,446,556	0	0
2011	3,626,375	0	0	3,626,375	3,626,375	0	0
2012	3,906,275	0	0	3,906,275	3,906,275	0	0

SECTION V – SCHEDULE OF EMPLOYER CONTRIBUTIONS

The Government Accounting Standards Board's Statement No. 45 "Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions" outlines various requirements of a funding schedule that will amortize the unfunded actuarial liability and cover normal costs. Amortization of the unfunded actuarial liability is to be based on a schedule that extends no longer than 30 years. The contribution towards the amortization of the unfunded actuarial liability may be made in level payments or in payments increasing at the same rate as salary increases.

In the amortization schedule shown on the following page, the amortization of the unfunded accrued liability is assumed to increase annually by 4.5%. The amortization amounts assume that amortization will be on a closed basis. The normal cost is expected to increase at the same rate as the assumed health care trend rate. The contributions were computed assuming that the contribution is paid on July 1, at the beginning of the fiscal year.

Paragraph 12 of GASB 45 stipulates that valuations must be performed at least biennially. The following projections are intended only to illustrate long-term implications of Prefunding versus Pay-as-You-Go.

SECTION V – SCHEDULE OF EMPLOYER CONTRIBUTIONS

8% DISCOUNT RATE

Fiscal Year Ending In	Normal Cost	Amortization of UAL	Total Contribution
2012	1,427,444	2,478,831	3,906,275
2013	1,537,760	2,986,127	4,523,887
2014	1,606,959	3,120,503	4,727,462
2015	1,679,272	3,260,926	4,940,198
2016	1,754,839	3,407,668	5,162,507
2017	1,833,807	3,561,013	5,394,820
2018	1,916,328	3,721,259	5,637,587
2019	2,002,563	3,888,716	5,891,279
2020	2,092,678	4,063,708	6,156,386
2021	2,186,849	4,246,575	6,433,424
2022	2,285,257	4,437,671	6,722,928
2023	2,388,094	4,637,366	7,025,460
2024	2,495,558	4,846,047	7,341,605
2025	2,607,858	5,064,119	7,671,977
2026	2,725,212	5,292,004	8,017,216
2027	2,847,847	5,530,144	8,377,991
2028	2,976,000	5,779,000	8,755,000
2029	3,109,920	6,039,055	9,148,975
2030	3,249,866	6,310,812	9,560,678
2031	3,396,110	6,594,799	9,990,909
2032	3,548,935	6,891,565	10,440,500
2033	3,708,637	7,201,685	10,910,322
2034	3,875,526	7,525,761	11,401,287
2035	4,049,925	7,864,420	11,914,345
2036	4,232,172	8,218,319	12,450,491
2037	4,422,620	8,588,143	13,010,763
2038	4,621,638	8,974,609	13,596,247
2039	4,829,612	9,378,466	14,208,078
2040	5,046,945	-	5,046,945
2041	5,274,058	-	5,274,058
2042	5,511,391	-	5,511,391

FY 2012 contribution rate based on 2009 valuation.

SCHEDULE A - ACTUARIAL ASSUMPTIONS AND METHODS

TOWN OF NEEDHAM, ALL GROUPS

Interest 8.00% per year, net of investment expenses, pre-funding in a trust invested under the prudent man rules.

Medical Care Trend:

Year	7/1/2011 Trend Rate	7/1/2009 Trend Rate
2011	7.0%	6.0%
2012	6.5%	5.5%
2013	6.0%	5.0%
2014	5.5%	5.0%
2015	5.0%	5.0%
2016 & after	4.5%	5.0%

Actuarial Cost Method: Projected Unit Credit with benefits attributed to full eligibility of the earlier of age 55 and 10 or 20 years of service.

Actuarial Value of Assets: Market Value.

***Amortization period*:** 30-year level percent of pay assuming 4.5% increasing, closed basis. The remaining period for FY12 is 28 years.

Valuation date: This valuation is prepared as of June 30, 2011 in order to calculate the Annual Required Contribution amount for use for the fiscal year ending June 30, 2013.

***Participation*:** 70% of school future retirees and 85% of town future retirees are assumed to participate in the retiree medical plan. In the previous valuation, a 70% assumption was used for both groups.

Marital status: 60% of employees are assumed to have a covered spouse at retirement. Wives are assumed to be three years younger than their husbands.

SCHEDULE A - ACTUARIAL ASSUMPTIONS AND METHODS

TOWN OF NEEDHAM, ALL GROUPS

Plan election: Current retirees are valued as a blend of current plans for both pre- and post-65.

All future retirees who are currently in a rate saver plan are assumed to stay in a rate saver plan. And 90% of future retirees who are currently in a non-rate saver plan are assumed to switch to a rate saver plan by retirement. At age 65, all future retirees are assumed to switch to a Medicare-eligible plan.

Age-based Morbidity: Per capita costs are based on provided premiums adjusted to reflect expected cost increases related to age. The increase in the net incurred claims was assumed to be:

Age	Annual Increase Retiree
49 and below	2.6%
50-54	3.2%
55-59	3.4%
60-64	3.7%
65-69	3.2%
70-74	2.4%
75-79	1.8%
80 and over	0.0%

Medical Plan Costs: Sample estimated per capita incurred claim costs for 2011-2012 are shown below:

	Age 65 Gross	Member Coshare	Spouse Coshare	Widow Coshare
Medicare	$ 3,603	$ 2,006	$ 1,861	$ 4,742
Rate Saver	$ 11,739	$ 2,479	$ 3,556	$ 7,615
Non-Rate Saver	$ 13,655	$ 2,796	$ 4,200	$ 8,858

SCHEDULE A - ACTUARIAL ASSUMPTIONS AND METHODS

GROUPS 1 AND 2 (NON-TEACHERS)

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, disability, death and service retirement are as follows:

		Service Retirement	
Age	**Disability**	**Male**	**Female**
25	.02%		
30	.03		
35	.06		
40	.10		
45	.15		
50	.19	1.0%	1.5%
55	.24	2.0	5.5
60	.28	12.0	5.0
62	.30	30.0	15.0
65	.30	40.0	15.0
69		30.0	20.0

Years of Service	Rates of Withdrawal
0	15.0%
1	12.0
2	10.0
3	9.0
4	8.0
5	7.6
10	5.4
15	3.3
20	2.0
25	1.0
30+	0.0

Mortality: The RP-2000 Combined Healthy Table. For the period after disability retirement, the RP-2000 Combined Healthy Table set forward 2 years is used. Both the healthy and disabled mortality tables were projected to 2021 using scale AA. This is a change from the 2009 valuation where no mortality improvement projections were used.

SCHEDULE A - ACTUARIAL ASSUMPTIONS AND METHODS

GROUPS 1 AND 2 (TEACHERS)

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, disability, death and service retirement are as follows:

Age	Disability
25	.02%
30	.03
35	.06
40	.10
45	.15
50	.19
55	.24
60	.28
62	.30
65	.30
69	

Years of Service	Rates of Withdrawal
0	15.0%
1	12.0
2	10.0
3	9.0
4	8.0
5	7.6
10	5.4
15	3.3
20	2.0
25	1.0
30+	0.0

	Male Service Retirement		Female Service Retirement	
Age	**<20**	**20+**	**<20**	**20+**
50	0.00	0.01	0.00	0.01
55	0.02	0.03	0.02	0.04
60	0.12	0.20	0.12	0.16
61	0.15	0.30	0.15	0.20
62	0.18	0.35	0.18	0.25
63	0.15	0.35	0.15	0.25
64	0.25	0.30	0.25	0.30
65	0.40	0.50	0.40	0.40
66	0.40	0.30	0.40	0.30
67	0.40	0.30	0.40	0.25
68	0.40	0.30	0.40	0.35
69	0.40	0.40	0.40	0.35
70	1.00	1.00	1.00	1.00

Teachers electing the increased benefit under Chapter 114 of the Acts of 2000 were assumed to have higher rates of retirement from ages 54 to 62 if their service was greater than 30 years. These rates are the same for males and females. The rate at age 54 is 0.035. The rate increases to 0.06 at age 55, 0.18 at age 56, and 0.30 at age 57. The rate for ages 58, 59, and 62 is 0.40. The rate for ages 60 and 61 is 0.35.

Mortality: The RP-2000 Combined Healthy Table. For the period after disability retirement, the RP-2000 Combined Healthy Table set forward 2 years is used. Both the healthy and disabled mortality tables were projected to 2021 using scale AA. This is a change from the 2009 valuation where no mortality improvement projections were used.

SCHEDULE A - ACTUARIAL ASSUMPTIONS AND METHODS

GROUP 4 (POLICE AND FIRE)

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of disability, service retirement, and withdrawal are as follows:

Age	Disability	Service Retirements
25	0.20%	
30	0.30	
35	0.30	
40	0.30	
45	1.00	1.0%
50	1.25	2.0
55	1.20	15.0
60	0.85	20.0
62	0.75	25.0
65	0.00	100.0
69		

Years of Service	Rates of Withdrawal
0	1.5%
1	1.5
2	1.5
3	1.5
4	1.5
5	1.5
6	1.5
7	1.5
8	1.5
9	1.5
10	1.5
11+	0.0

Mortality: The RP-2000 Combined Healthy Table. For the period after disability retirement, the RP-2000 Combined Healthy Table set forward 2 years is used. Both the healthy and disabled mortality tables were projected to 2021 using scale AA. This is a change from the 2009 valuation where no mortality improvement projections were used.

SCHEDULE B - SUMMARY OF PROGRAM PROVISIONS

Retirement Medical Insurance:	Retired employees pay a variable portion of their post-retirement medical costs, which varies by plan as shown in the table in Section III. Starting in 2009, Needham offers two versions of many plans, a traditional version and a rate saver version, with higher employee cost sharing required. The traditional version of the plans are generally closed to new enrollment.
Spousal Coverage:	Current and future retirees may elect to include their spouses as part of their post-retirement benefits. But widows pay the full premium and thus only receive the implicit subsidy.
Section 18 Coverage:	The Town has elected to adopt Section 18 under Chapter 32B of the General Laws of Massachusetts, which requires that an employee or retiree must participate in the Medicare program as the primary payer once one reaches age 65 and is Medicare eligible. The valuation assumes that current retirees who are over age 65 and not covered by Medicare will retain that status.
Retirement Eligibility:	Age 55 with 10 years of service, or 20 years of service.
Ordinary Disability Eligibility:	Age 55 with 10 years of service, or 20 years of service.
Life Insurance:	Retirees are provided with $2,000 face value life insurance, with 50% of the premium covered by the Town.

SCHEDULE C – CONSIDERATION OF HEALTH CARE REFORM

Summary of Effects of Selected Provisions

Early Retiree Reinsurance Program – Effective 6/1/2010:
The Town of Needham has not participated in the Early Retiree Reinsurance Program.

Removal of Lifetime Maximum: This does not apply since the current medical plans have no lifetime maximums.

Medicare Advantage Plans - Effective 1/1/2011: The law provides for reductions to the amounts that would be provided to Medicare Advantage plans starting in 2011. We have not assumed that this has a significant impact on the plan, since only a portion of the retiree population elect Medicare Advantage plans.

Expansion of Child Coverage to Age 26: Cost of expansion of coverage to adult children is assumed to reflected in the premiums provided.

Medicare Part D Subsidy - Shrinking Medicare Prescription Drug "Donut Hole"- Starting 1/1/2011: RDS payments are not reflected as on ongoing offsetting item in GASB 45 valuations, and so no impact is reflected. Further, we have not assumed any reduction future participation as changes in the Part D design enhancements are phased in since Needham offers significant subsidy to Medicare retirees.

Excise Tax on High-Cost Employer Health Plans (aka Cadillac Tax) - Effective 1/1/2018: There is considerable uncertainty about how the tax would be applied, and considerable latitude in grouping of participants for tax purposes. We have estimated a small impact based on average premium rates before age adjusting and a 3.0% assumed CPI. We included the estimated tax in the liabilities. The liability and normal cost attributable to the Cadillac tax are $100,000 and $10,000 respectively.

Other: We have not identified any other specific provision of health care reform that would be expected to have a significant impact on the measured obligation. As additional guidance on the legislation is issued, we will continue to monitor any potential impacts.

SCHEDULE D - GLOSSARY OF TERMS

Actuarial accrued liability
That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of OPEB benefits and expenses which is not provided for by future Normal Costs and therefore is the value of benefits already earned.

Actuarial assumptions
Assumptions as to the occurrence of future events affecting OPEB costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided OPEB benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.

Actuarial cost method
A procedure for determining the Actuarial Present Value of OPEB benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Actuarial experience gain or loss
A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

Amortization (of unfunded actuarial accrued liability)
That portion of the OPEB plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability or the Unfunded Frozen Actuarial Accrued Liability.

Annual OPEB cost
An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

Annual required contributions of the employer (ARC)
The employer's periodic expense to a defined benefit OPEB plan, calculated in accordance with the parameters. It is the value of the cash contributions for a funded plan and the value of the expense entry in the profit and loss section of the financial statements.

Closed amortization period (closed basis)
A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period initially is thirty years on a closed basis, twenty-nine years remain after the first year, twenty-eight years after the second year, and so forth. In contrast, an open amortization period (open basis) is one that begins again or is recalculated at each actuarial valuation date. Within a maximum number of years specified by law or policy (for example, thirty years), the period may increase, decrease, or remain stable.

Covered payroll
Annual compensation paid to active employees covered by an OPEB plan. If employees also are covered by a pension plan, the covered payroll should include all elements included in compensation on which contributions to the pension plan are based. For example, if pension contributions are calculated on base pay including overtime, covered payroll includes overtime compensation.

Defined benefit OPEB plan
An OPEB plan having terms that specify the benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

Funded ratio
The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

SCHEDULE D - GLOSSARY OF TERMS

Funding policy
The program for the amounts and timing of contributions to be made by plan members, employer(s), and other contributing entities (for example, state government contributions to a local government plan) to provide the benefits specified by an OPEB plan.

Healthcare cost trend rate
The rate 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.

Investment return assumption (discount rate)
The rate used to adjust a series of future payments to reflect the time value of money.

Level dollar amortization method
The amount to be amortized is divided into equal dollar amounts to be paid over a given number of years; part of each payment is interest and part is principal (similar to a mortgage payment on a building). Because payroll can be expected to increase as a result of inflation, level dollar payments generally represent a decreasing percentage of payroll; in dollars adjusted for inflation, the payments can be expected to decrease over time.

Level percentage of projected payroll amortization method
Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

Net OPEB obligation
The cumulative difference since the effective date of this Statement between annual OPEB cost and the employer’s contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt. It will be included as a balance sheet entry on the financial statements.

Normal cost
That portion of the Actuarial Present Value of OPEB benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method. It is the value of benefits to be accrued in the valuation year by active employees.

OPEB-related debt
All long-term liabilities of an employer to an OPEB plan, the payment of which is not included in the annual required contributions of a sole or agent employer (ARC) or the actuarially determined required contributions of a cost-sharing employer. Payments generally are made in accordance with installment contracts that usually include interest. Examples include contractually deferred contributions and amounts assessed to an employer upon joining a multiple-employer plan.

Other postemployment benefits
Postemployment benefits other than pension benefits. Other postemployment benefits (OPEB) include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

Pay-as-you-go
A method of financing an OPEB plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

Required supplementary information (RSI)
Schedules, statistical data, and other information that are an essential part of financial reporting and should be presented with, but are not part of, the basic financial statements of a governmental entity.