

Town of Longmeadow

*Actuarial Valuation and Review of Other Postemployment
Benefits (OPEB) as of December 31, 2009
In Accordance with GASB Statements Number 43 and 45*

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January 25, 2011

*Mr. Paul A. Pasterczyk
Finance Director
20 Williams Street
Town Hall
Longmeadow, MA 01106*

Dear Mr. Pasterczyk:


We are pleased to submit this report on our actuarial valuation of postemployment welfare benefits as of December 31, 2009 under GASB Statements Number 43 and 45. It establishes the liabilities of the postemployment welfare benefit plan in accordance with GASB Statements Number 43 and 45 for the fiscal year beginning July 1, 2009 and summarizes the actuarial data.

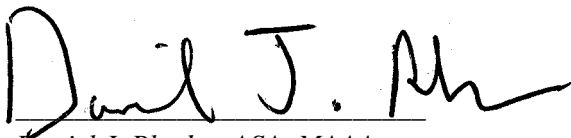
This report is based on information received from the Town of Longmeadow. The actuarial projections were based on the assumptions and methods described in Exhibit II and on the plan of benefits as summarized in Exhibit III.

We look forward to discussing this material with you at your convenience.

Sincerely,

THE SEGAL COMPANY

By: 
Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary


Daniel J. Rhodes, ASA, MAAA
Consulting Actuary

SECTION 1

INTRODUCTION

Purpose	1
Highlights of the Valuation	1
Accounting Requirements	3

SECTION 2

VALUATION RESULTS

Summary of Valuation Results	6
Projection of ARC	7
Actuarial Certification	12

SECTION 3

VALUATION DETAILS

CHART 1	
Required Supplementary	
Information – Schedule of	
Employer Contributions	13
CHART 2	
Required Supplementary	
Information – Schedule of	
Funding Progress	14
CHART 315	
Required Supplementary	
Information – Net OPEB	
Obligation/(Asset)	
(NOI/NOA)	15
CHART 4	
Required Supplementary	
Information	16

SECTION 4

SUPPORTING INFORMATION

EXHIBIT I	
Summary of Participant	
Data	17
EXHIBIT II	
Actuarial Assumptions and	
Actuarial Cost Method.....	18
EXHIBIT III	
Summary of Plan	29

SECTION 1: Introduction for the Town of Longmeadow December 31, 2009 Measurement under GASB

PURPOSE

This report presents the results of our actuarial valuation of the Town of Longmeadow (the “Employer”) postemployment welfare benefit plan as of December 31, 2009. The results are in accordance with the Governmental Accounting Standards, which prescribe an accrual methodology for accumulating the value of other postemployment benefits (OPEB) over participants’ active working lifetimes. The accounting standard supplements cash accounting, under which the expense for postemployment benefits is equal to benefit and administrative costs paid on behalf of retirees and their dependents (*i.e.*, a pay-as-you-go basis).

HIGHLIGHTS OF THE VALUATION

During the fiscal year ending June 30, 2010, we project the Town will pay benefits (net of retiree contributions) on behalf of retired employees of about \$1,345,000. This amount is less than the annual “cost” (the “Annual Required Contribution”, or ARC) under the new accounting rules of approximately \$2,519,000.

The GASB statements provide the method for selecting the investment return assumption (discount rate). If the benefits are funded, the discount rate should be based on the estimated long-term investment yield on the investments expected to be used to finance the payment of benefits. If financing is on a pay-as-you-go basis, the discount rate should be based on the expected yield on the assets of the employer.

Because the benefits are not being funded, we have used a 4.5% discount rate (referred to as the pay-as-you-go interest rate). For illustrative purposes, we have also shown what the obligations would be on a fully funded basis, assuming an interest rate of 8.25%.

The GASB statements allow the use of one of six funding methods to determine the actuarial liabilities. We have used the projected unit credit cost method.

To determine the amortization payment on the unfunded actuarial accrued liability (UAAL), an amortization period and amortization method must be selected. We have used a 30-year open amortization of the UAAL (the maximum permitted by the GASB statements), with payments increasing at 4.0% year. The GASB statements allow for either an open or closed amortization period. In open amortization, the period is reset to the initial value every year and the UAAL is reamortized, while under a closed amortization, the remaining period decreases and the UAAL is eventually “paid off.”

If the benefits are funded in the future, assets set aside to fund OPEB liabilities would have to be held in a trust or equivalent arrangement, through which assets are accumulated and benefits are paid as they come due. Employer contributions to the trust will be irrevocable, trust assets will be dedicated to providing benefits to retirees and their spouses in accordance with the terms of the plan, and trust assets will be legally protected from creditors of the employer.

Employer decisions regarding plan design, cost sharing between the Employer and its retirees, actuarial cost method, amortization techniques, and integration with Medicare are just some of the decisions that affect the magnitude of OPEB obligations. We are available to assist you with any investigation of such options you may wish to undertake.

The Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 creates a temporary reinsurance program for eligible health care coverage for pre-Medicare retirees

SECTION 1: Introduction for the Town of Longmeadow December 31, 2009 Measurement under GASB

over age 55. The program will reimburse the plan sponsor for 80% of the retiree claims between \$15,000 and \$90,000. Due to the short nature of this program, the limited financing, and uncertainty of qualifying and receiving payment (the program will be on a first come first served basis until financing runs out), we have not reflected the value of this program in the valuation.

KEY VALUATION RESULTS

- The **unfunded actuarial accrued liability (UAAL)** as of June 30, 2010 is \$40,677,000. Going forward, net unfunded plan obligations will be expected to change due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total actuarial accrued liability, less expected benefit payments and contributions. Future valuations will analyze the difference between actual and expected unfunded actuarial accrued liabilities.
- The **Annual Required Contribution (ARC)** for fiscal year 2011 is \$2,519,000. The ARC is expected to remain relatively level as a percentage of payroll due to the open amortization period.

Plan obligations of \$40,677,000 as of December 31, 2009 represent a decrease of \$4,273,000 from the obligations of \$44,950,000 as shown in the December 31, 2007 valuation.

Plan obligations had been expected to increase \$3,210,000 due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total obligation, less expected benefit payments. The actual decrease was due to the net effect of the following:

- An **actuarial experience gain** decreased obligations by \$5,706,000. This was the net result of a drop in the

active count due to the privatization of certain school departments as well as retirees over the age of 65 switching to Medicare coverage (as a result of adopting Section 18).

- **Valuation assumption changes** decreased obligations by \$1,777,000. This was the net result of (1) a decrease in obligations due to the valuation year per capita health costs not increasing as much as projected, (2) a decrease in obligations due to a change in the assumption for retirees electing a non-Medicare plan at age 65 from 75% to 90% (as a result of adopting Section 18), partially offset by an increase in obligations due to (3) increasing the trend on medical and prescription drug costs, and (4) paying the Part B penalty for 16 retirees and spouses. The complete set of assumptions is shown in Exhibit II.

SECTION 1: Introduction for the Town of Longmeadow December 31, 2009 Measurement under GASB

ACCOUNTING REQUIREMENTS

The Governmental Accounting Standards Board (GASB) issued Statement Number 43 -- *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement Number 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Under these statements, all state and local governmental entities that provide other post employment benefits (OPEB) are required to report the cost of these benefits on their financial statements.

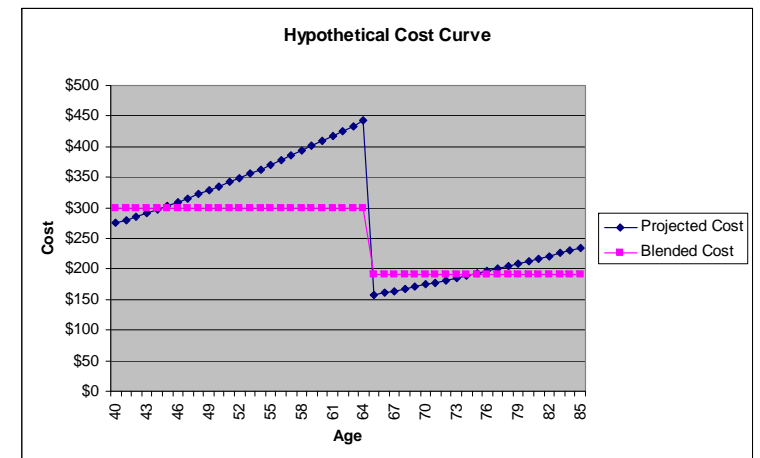
The statements cover postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. These benefits, referred to as OPEB, are typically financed on a pay-as-you-go basis. The new standard introduces an accrual-basis accounting requirement; thereby recognizing the employer cost of postemployment benefits over an employee’s career. The standards also introduce a consistent accounting requirement for both pension and non-pension benefits.

The total cost of providing postemployment benefits is projected, taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions. This amount is then discounted to determine the actuarial present value of the total projected benefits (APB). The actuarial accrued liability (AAL) is the portion of the present value of the total projected benefits allocated to years of employment prior to the measurement date. The unfunded actuarial accrued liability (UAAL) is the difference between the AAL and actuarial value of assets in the Plan.

Once the UAAL is determined, the Annual Required Contribution (ARC) is determined as the normal cost (the APB allocated to the current year of service) and the amortization of the UAAL. This ARC is compared to actual contributions made and any difference is reported as the net OPEB obligation (NOO). In addition, required supplementary information (RSI) must be reported, including historical information about the UAAL and the progress in funding the Plan.

The benefits valued in this report are limited to those described in Exhibit III of Section 4.

The following graph illustrates why a significant accounting obligation may exist even though the retiree contributes most or all of the blended premium cost of the plan. The average cost for retirees is likely to exceed the average cost for the whole group, leading to an implicit subsidy for these retirees. The accounting standard requires the employer to identify and account for this implicit subsidy as well as any explicit subsidies the employer may provide.

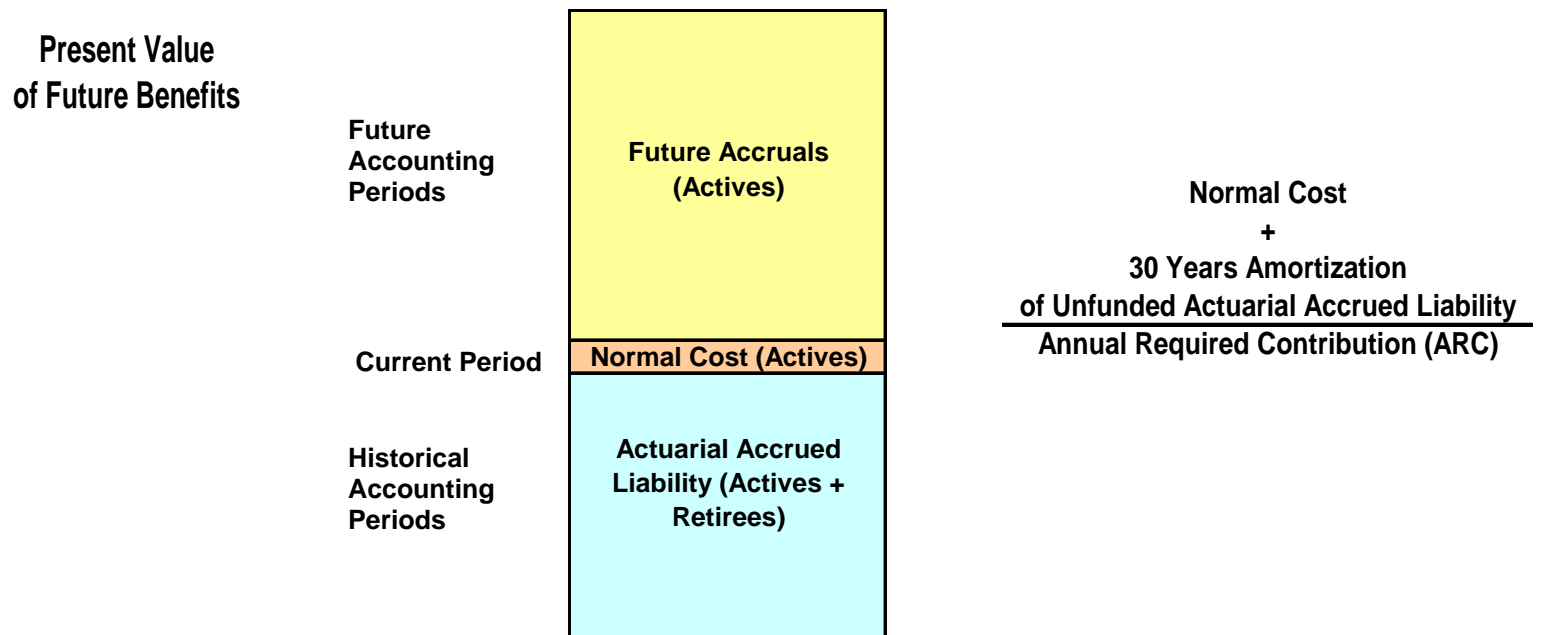


SECTION 1: Introduction for the Town of Longmeadow December 31, 2009 Measurement under GASB

This graph shows how the actuarial present value of the total projected benefits (APB) is broken down and allocated to various accounting periods.

The exact breakdown depends on the actuarial cost method and amortization methods selected by the employer.

GASB 43/45 Measurement



$$\text{Net OPEB Obligation} = \text{ARC}_1 + \text{ARC}_2 + \text{ARC}_3 + \dots - \text{Contribution}_1 - \text{Contribution}_2 - \text{Contribution}_3 - \dots$$

SECTION 1: Introduction for the Town of Longmeadow December 31, 2009 Measurement under GASB

Actuarial computations under GASB statements are for purposes of fulfilling certain welfare plan accounting requirements. The calculations shown in this report have been made on a basis consistent with our understanding of GASB. Determinations for purposes other than meeting the financial accounting requirements of GASB may differ significantly from the results reported here.

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective, and the methods and assumptions use techniques designed to reduce short term volatility in accrued liabilities and the actuarial value of assets, if any.

The calculation of an accounting obligation does not, in and of itself, imply that there is any legal liability to provide the benefits valued, nor is there any implication that the Employer is required to implement a funding policy to satisfy the projected expense.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

SECTION 2: Valuation Results for the Town of Longmeadow December 31, 2009 Measurement under GASB

SUMMARY OF VALUATION RESULTS

ALL DEPARTMENTS

The key results and significant assumptions for the current year are shown on a funded basis and a pay-as-you-go basis.

	Funded (8.25% interest rate)	Pay-as-you-go (4.5% interest rate)
Actuarial Accrued Liability by Participant Category		
1. Current retirees, beneficiaries and dependents	\$14,644,486	\$20,589,851
2. Current active employees	<u>10,309,000</u>	<u>20,087,453</u>
3. Total as of December 31, 2009: (1) + (2)	\$24,953,486	\$40,677,304
4. Actuarial value of assets as of December 31, 2009	<u>0</u>	<u>0</u>
5. Unfunded actuarial accrued liability (UAAL) as of December 31, 2009: (3) - (4)	\$24,953,486	\$40,677,304
Annual Required Contribution for Fiscal Year Ending June 30, 2010		
6. Normal cost as of December 31, 2009	\$440,195	\$1,066,702
7. 30-year amortization (increasing at 4.0% per year) of the unfunded actuarial accrued liability (UAAL) as of December 31, 2009	<u>1,401,011</u>	<u>1,452,311</u>
8. Total Annual Required Contribution (ARC): (6) + (7)	\$1,841,206	\$2,519,013
9. Projected net benefit payments for fiscal year ending June 30, 2010	1,344,602	1,344,602

Note: Assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Longmeadow December 31, 2009 Measurement under GASB

PROJECTION OF ARC

30 Years Open (4.5% discount rate)

Fiscal Year Ended June 30	(1) Projected Benefit Payments	(2) Normal Cost	(3) Amortization of UAAL	(4) ARC	(5) Additional Funding (4) - (1)	(6) Assets at End of Year	(7) AAL at End of Year	(8) UAAL at End of Year (7) - (6)
2011	\$1,344,602	\$1,066,702	\$1,452,311	\$2,519,013	\$0	\$0	\$41,298,389	\$41,298,389
2012	1,482,711	1,120,037	1,507,296	2,627,333	-	-	42,786,072	42,786,072
2013	1,614,366	1,176,039	1,561,593	2,737,632	-	-	44,263,365	44,263,365
2014	1,710,162	1,234,841	1,615,511	2,850,352	-	-	45,769,319	45,769,319
2015	1,806,556	1,296,583	1,670,475	2,967,058	-	-	47,307,617	47,307,617
2016	1,912,230	1,361,412	1,726,619	3,088,031	-	-	48,873,385	48,873,385
2017	2,012,033	1,429,483	1,783,766	3,213,249	-	-	50,477,174	50,477,174
2018	2,097,994	1,500,957	1,842,301	3,343,258	-	-	52,138,324	52,138,324
2019	2,173,465	1,576,005	1,902,929	3,478,934	-	-	53,873,794	53,873,794
2020	2,273,895	1,654,805	1,966,270	3,621,075	-	-	55,665,248	55,665,248
2021	2,392,391	1,737,545	2,031,654	3,769,199	-	-	57,500,767	57,500,767
2022	2,512,011	1,824,422	2,098,646	3,923,068	-	-	59,385,413	59,385,413
2023	2,637,611	1,915,644	2,167,431	4,083,075	-	-	61,319,723	61,319,723
2024	2,769,492	2,011,426	2,238,029	4,249,455	-	-	63,304,176	63,304,176
2025	2,907,966	2,111,997	2,310,457	4,422,454	-	-	65,339,183	65,339,183
2026	3,053,365	2,217,597	2,384,730	4,602,327	-	-	67,425,080	67,425,080
2027	3,206,033	2,328,477	2,460,861	4,789,338	-	-	69,562,125	69,562,125
2028	3,366,334	2,444,901	2,538,858	4,983,759	-	-	71,750,483	71,750,483
2029	3,534,651	2,567,146	2,618,728	5,185,874	-	-	73,990,219	73,990,219
2030	3,711,384	2,695,503	2,700,473	5,395,976	-	-	76,281,293	76,281,293
2031	3,896,953	2,830,278	2,784,092	5,614,370	-	-	78,623,540	78,623,540
2032	4,091,800	2,971,792	2,869,579	5,841,371	-	-	81,016,668	81,016,668
2033	4,296,391	3,120,381	2,956,922	6,077,303	-	-	83,460,240	83,460,240
2034	4,511,210	3,276,401	3,046,107	6,322,508	-	-	85,953,663	85,953,663
2035	4,736,771	3,440,221	3,137,111	6,577,332	-	-	88,496,177	88,496,177
2036	4,973,609	3,612,232	3,229,907	6,842,139	-	-	91,086,834	91,086,834
2037	5,222,290	3,792,843	3,324,460	7,117,303	-	-	93,724,486	93,724,486
2038	5,483,404	3,982,485	3,420,728	7,403,213	-	-	96,407,770	96,407,770
2039	5,757,574	4,181,610	3,518,662	7,700,272	-	-	99,135,086	99,135,086
2040	6,045,453	4,390,690	3,618,203	8,008,893	-	-	101,904,580	101,904,580

Notes: Assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Longmeadow December 31, 2009 Measurement under GASB

FUNDING SCHEDULE

30 Years Closed (8.25% discount rate)

Fiscal Year Ended June 30	(1) Projected Benefit Payments	(2) Normal Cost	(3) Amortization of UAAL	(4) Total Funding Requirement	(5) Additional Funding (4) - (1)	(6) Assets at End of Year	(7) AAL at End of Year	(8) UAAL at End of Year (7) - (6)
2011	\$1,344,602	\$440,195	\$1,401,011	\$1,841,206	\$496,605	\$516,684	\$25,021,446	\$24,504,763
2012	1,482,711	462,205	1,457,051	1,919,256	436,545	1,013,505	26,023,948	25,010,442
2013	1,614,366	485,315	1,515,333	2,000,648	386,282	1,499,020	26,996,222	25,497,202
2014	1,710,162	509,581	1,575,946	2,085,527	375,365	2,013,232	27,974,287	25,961,056
2015	1,806,556	535,060	1,638,984	2,174,044	367,488	2,561,670	28,959,260	26,397,590
2016	1,912,230	561,813	1,704,543	2,266,356	354,126	3,141,451	29,943,381	26,801,929
2017	2,012,033	589,903	1,772,725	2,362,628	350,595	3,765,392	30,934,080	27,168,688
2018	2,097,994	619,399	1,843,634	2,463,033	365,039	4,455,835	31,947,763	27,491,928
2019	2,173,465	650,368	1,917,379	2,567,747	394,283	5,233,667	32,998,775	27,765,108
2020	2,273,895	682,887	1,994,074	2,676,961	403,066	6,084,807	34,065,837	27,981,030
2021	2,392,391	717,031	2,073,837	2,790,868	398,477	7,001,392	35,133,170	28,131,777
2022	2,512,011	752,883	2,156,790	2,909,673	397,662	7,992,748	36,201,402	28,208,654
2023	2,637,611	790,527	2,243,062	3,033,589	395,978	9,064,138	37,266,251	28,202,113
2024	2,769,492	830,053	2,332,784	3,162,837	393,346	10,221,179	38,322,862	28,101,683
2025	2,907,966	871,556	2,426,095	3,297,651	389,685	11,469,867	39,365,751	27,895,884
2026	3,053,365	915,134	2,523,139	3,438,273	384,908	12,816,603	40,388,740	27,572,138
2027	3,206,033	960,890	2,624,065	3,584,955	378,923	14,268,216	41,384,892	27,116,676
2028	3,366,334	1,008,935	2,729,028	3,737,963	371,629	15,831,998	42,346,431	26,514,433
2029	3,534,651	1,059,382	2,838,189	3,897,571	362,920	17,515,731	43,264,660	25,748,929
2030	3,711,384	1,112,351	2,951,717	4,064,068	352,684	19,327,723	44,129,876	24,802,153
2031	3,896,953	1,167,968	3,069,786	4,237,754	340,802	21,276,842	44,931,267	23,654,425
2032	4,091,800	1,226,367	3,192,577	4,418,944	327,143	23,372,552	45,656,805	22,284,254
2033	4,296,391	1,287,685	3,320,280	4,607,965	311,575	25,624,959	46,293,137	20,668,177
2034	4,511,210	1,352,069	3,453,091	4,805,160	293,950	28,044,854	46,825,448	18,780,593
2035	4,736,771	1,419,673	3,591,215	5,010,888	274,117	30,643,755	47,237,331	16,593,575
2036	4,973,609	1,490,657	3,734,864	5,225,521	251,911	33,433,962	47,510,633	14,076,671
2037	5,222,290	1,565,189	3,884,259	5,449,448	227,159	36,428,607	47,625,294	11,196,687
2038	5,483,404	1,643,449	4,039,629	5,683,078	199,674	39,641,714	47,559,166	7,917,452
2039	5,757,574	1,725,621	4,201,214	5,926,835	169,261	43,088,261	47,287,822	4,199,561
2040	6,045,453	1,811,902	4,369,263	6,181,165	135,712	46,784,242	46,784,242	-

Notes: Assumes payment in the middle of the fiscal year.

SECTION 2: Valuation Results for the Town of Longmeadow December 31, 2009 Measurement under GASB

Actuarial Accrued Liability (AAL) and Annual Required Contribution – Pay-As-You-Go (4.5%)				
	All Other	Building Maintenance	Day Care	Highway
Actuarial Accrued Liability by Participant Category				
1. Current retirees, beneficiaries and dependents	\$3,064,728	\$363,542	\$157,384	\$546,389
2. Current active employees	<u>4,732,539</u>	<u>342,300</u>	<u>141,983</u>	<u>798,971</u>
3. Total as of December 31, 2009: (1) + (2)	\$7,797,267	\$705,842	\$299,367	\$1,345,360
4. Actuarial value of assets as of December 31, 2009	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5. Unfunded actuarial accrued liability (UAAL) as of December 31, 2009: (3) - (4)	\$7,797,267	\$705,842	\$299,367	\$1,345,360
Annual Required Contribution for Fiscal Year Ending June 30, 2010				
6. Normal cost as of December 31, 2009	\$196,213	\$29,018	\$22,715	\$28,680
7. 30-year amortization (increasing at 4.0% per year) of the unfunded actuarial accrued liability (UAAL) as of December 31, 2009	<u>278,388</u>	<u>25,201</u>	<u>10,688</u>	<u>48,034</u>
8. Total Annual Required Contribution (ARC): (6) + (7)	\$474,601	\$54,219	\$33,403	\$76,714
9. Projected net benefit payments for fiscal year ending June 30, 2010	200,362	15,296	12,932	41,083

*Note: Assumes payment in the middle of the fiscal year.
Includes prorated liabilities for individuals working for more than one group.*

SECTION 2: Valuation Results for the Town of Longmeadow December 31, 2009 Measurement under GASB

Actuarial Accrued Liability (AAL) and Annual Required Contribution – Pay-As-You-Go (4.5%)				
	Ambulance	Grounds	Recycling	School Non-Teacher
Actuarial Accrued Liability by Participant Category				
1. Current retirees, beneficiaries and dependents	\$0	\$0	\$0	\$3,579,943
2. Current active employees	<u>342,664</u>	<u>112,200</u>	<u>21,115</u>	<u>4,498,811</u>
3. Total as of December 31, 2009: (1) + (2)	\$342,664	\$112,200	\$21,115	\$8,078,754
4. Actuarial value of assets as of December 31, 2009	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5. Unfunded actuarial accrued liability (UAAL) as of December 31, 2009: (3) - (4)	\$342,664	\$112,200	\$21,115	\$8,078,754
Annual Required Contribution for Fiscal Year Ending June 30, 2010				
6. Normal cost as of December 31, 2009	\$19,503	\$11,902	\$4,079	\$256,879
7. 30-year amortization (increasing at 4.0% per year) of the unfunded actuarial accrued liability (UAAL) as of December 31, 2009	<u>12,234</u>	<u>4,006</u>	<u>754</u>	<u>288,438</u>
8. Total Annual Required Contribution (ARC): (6) + (7)	\$31,737	\$15,908	\$4,833	\$545,317
9. Projected net benefit payments for fiscal year ending June 30, 2010	90	7	7	247,442

*Note: Assumes payment in the middle of the fiscal year.
Includes prorated liabilities for individuals working for more than one group.*

SECTION 2: Valuation Results for the Town of Longmeadow December 31, 2009 Measurement under GASB

Actuarial Accrued Liability (AAL) and Annual Required Contribution – Pay-As-You-Go (4.5%)				
	School Teacher	Water	Sewer	Total
Actuarial Accrued Liability by Participant Category				
1. Current retirees, beneficiaries and dependents	\$12,534,971	\$171,447	\$171,447	\$20,589,851
2. Current active employees	8,480,190	<u>374,847</u>	<u>241,833</u>	<u>20,087,453</u>
3. Total as of December 31, 2009: (1) + (2)	\$21,015,161	\$546,294	\$413,280	\$40,677,304
4. Actuarial value of assets as of December 31, 2009	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5. Unfunded actuarial accrued liability (UAAL) as of December 31, 2009: (3) - (4)	\$21,015,161	\$546,294	\$413,280	\$40,677,304
Annual Required Contribution for Fiscal Year Ending June 30, 2010				
6. Normal cost as of December 31, 2009	\$482,669	\$7,522	\$7,522	\$1,066,702
7. 30-year amortization (increasing at 4.0% per year) of the unfunded actuarial accrued liability (UAAL) as of December 31, 2009	<u>750,309</u>	<u>19,504</u>	<u>14,755</u>	<u>1,452,311</u>
8. Total Annual Required Contribution (ARC): (6) + (7)	\$1,232,978	\$27,026	\$22,277	\$2,519,013
9. Projected net benefit payments for fiscal year ending June 30, 2010	803,005	12,245	12,133	1,344,602

*Note: Assumes payment in the middle of the fiscal year.
Includes prorated liabilities for individuals working for more than one group.*

January 25, 2011

ACTUARIAL CERTIFICATION

This is to certify that The Segal Company has conducted an actuarial valuation of certain benefit obligations of the Town of Longmeadow other postemployment benefit programs as of December 31, 2009, in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Number 43 and 45 for the determination of the liability for postemployment benefits other than pensions.

The actuarial valuation is based on the plan of benefits verified by the Town and on participant, premium data provided by the Town or from vendors employed by the Town.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security at termination or adequacy of funding an ongoing plan.

To the best of our knowledge, this report is complete and accurate and in our opinion presents the information necessary to comply with GASB Statements Number 43 and 45 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries, and other professional actuarial organizations and collectively meet their "General Qualification Standards for Statements of Actuarial Opinion" to render the actuarial opinion contained herein.



Kathleen A. Riley, FSA, MAAA
Senior Vice President and Actuary



Howard Atkinson, Jr., ASA, MAAA, FCA
Vice President and Health Actuary

SECTION 3: Valuation Details for the Town of Longmeadow December 31, 2009 Measurement under GASB

CHART 1

Required Supplementary Information – Schedule of Employer Contributions

Fiscal Year Ended June 30,	Annual OPEB Cost	Actual Contributions	Percentage Contributed
2009	\$2,797,825	\$1,528,134	54.6%
2010	2,529,808	1,344,602	53.2%
2011	2,648,205	1,482,711	56.0%

Note: 2011 information assumes there will be no plan changes that need to be reflected.

SECTION 3: Valuation Details for the Town of Longmeadow December 31, 2009 Measurement under GASB

This schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CHART 2
Required Supplementary Information – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
12/31/2007	\$0	\$44,949,997	\$44,949,997	0.00%	\$30,335,248	148.18%
12/31/2009	0	40,677,304	40,677,304	0.00%	-	-

Notes: Enter covered payroll for fiscal year 2010.

SECTION 3: Valuation Details for the Town of Longmeadow December 31, 2009 Measurement under GASB

CHART 3

Required Supplementary Information – Net OPEB Obligation/(Asset) (NOO/NOA)

Fiscal Year Ended June 30,	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost (a) + (b) + (c) (d)	Actual Contribution Amount (e)	Net Increase in NOO (d) - (e) (f)	NOO as of Following Date (g)
2009	\$2,797,825	\$0	\$0	\$2,797,825	\$1,528,134	\$1,269,691	\$1,269,691
2010	2,519,013	57,136	(46,341)	2,529,808	1,344,602	1,185,206	2,454,897
2011	2,627,333	110,470	(89,598)	2,648,205	1,482,711	1,165,494	3,620,391

Note: 2011 information assumes there will be no plan changes that need to be reflected.

SECTION 3: Valuation Details for the Town of Longmeadow December 31, 2009 Measurement under GASB

CHART 4

Required Supplementary Information

Valuation date	December 31, 2009
Actuarial cost method	Projected Unit Credit
Amortization method	Payments increasing at 4.0%
Remaining amortization period	30 years open
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	4.5%, pay-as-you-go scenario
Inflation rate	4.0%
Medical/drug cost trend rate	9.0% decreasing by 0.75% for 5 years and by 0.25% for 1 year to an ultimate level of 5.0% per year
Plan membership:	
Current retirees, beneficiaries, and dependents	412
Current active members	<u>322</u>
Total	734

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

This exhibit summarizes the participant data used for the current valuation.

EXHIBIT I

Summary of Participant Data

	<u>January 1, 2010</u>	<u>January 1, 2008</u>
Active employees covered for medical benefits		
Number of employees		
Male	114	130
Female	<u>208</u>	<u>234</u>
Total	322	364
Average age	48.1	47.9
Average service	11.7	11.6
Retired employees, spouses and beneficiaries covered for medical benefits		
Number of individuals	412	375
Average age	72.0	71.9
Retired employees with life insurance coverage		
Number of individuals	158	157
Average age	75.4	74.5

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

EXHIBIT II

Actuarial Assumptions and Actuarial Cost Method

Data: Detailed census data, premium rates, and summary plan descriptions for postemployment welfare benefits were provided by the Town of Longmeadow.

Actuarial Cost Method: Projected Unit Credit

Per Capita Cost Development: Per capita costs were based on the fully-insured premium rates effective July 1, 2010 (January 1, 2010 for certain Medicare Advantage plans). Premiums were combined by taking a weighted average based on the number of participants in each plan, and were then trended to the midpoint of the valuation year at assumed trend rates. For plans that are not community rated, actuarial factors were applied to the weighted premium to estimate individual retiree and spouse costs by age and by gender.

Measurement Date: December 31, 2009

Discount Rate: 8.25% prefunding and 4.5% pay-as-you-go

Mortality Rates:

<i>Pre-Retirement (Non-Teachers)</i>	RP-2000 Healthy Employee Mortality Table
<i>Healthy (Non-Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table
<i>Disabled (Non-Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table set forward 2 years
<i>Pre-Retirement (Teachers)</i>	RP-2000 Healthy Employee Mortality Table projected 10 years with Scale AA
<i>Healthy (Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table projected 10 years with Scale AA
<i>Disabled (Teachers)</i>	RP-2000 Healthy Annuitant Mortality Table set forward 3 years for males

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Termination Rates before Retirement:	Groups 1 and 2 (excluding Teachers) - Rate (%)			
	Age	Mortality		Disability
		Male	Female	
	20	0.03	0.02	0.01
	25	0.04	0.02	0.02
	30	0.04	0.03	0.03
	35	0.08	0.05	0.06
	40	0.11	0.07	0.10
	45	0.15	0.11	0.15
	50	0.21	0.17	0.19
	55	0.30	0.25	0.24
	60	0.49	0.39	0.28

Note: 55% of the rates shown represent accidental disability and death.

	Group 4 – Rate (%)			
	Age	Mortality		Disability
		Male	Female	
	20	0.03	0.02	0.10
	25	0.04	0.02	0.20
	30	0.04	0.03	0.30
	35	0.08	0.05	0.30
	40	0.11	0.07	0.30
	45	0.15	0.11	1.00
	50	0.21	0.17	1.25
	55	0.30	0.25	1.20
	60	0.49	0.39	0.85

Note: 90% of the rates shown represent accidental disability and death.

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Age	Teachers - Rate (%)		Disability
	Mortality		
	Male	Female	
20	0.03	0.02	0.00
25	0.03	0.02	0.01
30	0.04	0.02	0.01
35	0.07	0.04	0.01
40	0.10	0.06	0.01
45	0.13	0.10	0.03
50	0.18	0.14	0.05
55	0.25	0.23	0.08
60	0.42	0.37	0.10

*Notes: 35% of the disability rates shown rates represent accidental disability.
55% of the death rates shown represent accidental death.*

Withdrawal Rates:

Years of Service	Rate per year (%)		Group 4
	Groups 1 and 2	Years of Service	
0	15.0	0 – 10	1.5
1	12.0	11+	0.0
2	10.0		
3	9.0		
4	8.0		
5	7.6		
6	7.5		
7	6.7		
8	6.3		

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Years of Service	Groups 1 and 2
9	5.9
10	5.4
11	5.0
12	4.6
13	4.1
14	3.7
15	3.3
16 – 20	2.0
21 – 29	1.0
30+	0.0

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Teachers – Withdrawal Rate (%)

Age	0 – 4 Years of Service		5 – 9 Years of Service		10+ Years of Service	
	Male	Female	Male	Female	Male	Female
20	12.0	10.0	4.5	9.0	1.0	5.0
30	11.4	12.0	4.5	9.0	1.0	5.0
40	9.7	11.0	5.4	6.5	1.7	2.9
50	10.0	8.2	4.8	4.2	2.2	2.1

Previous assumption:

Teachers – Withdrawal Rate (%)

Age	0 Years of Service		5 Years of Service		10+ Years of Service	
	Male	Female	Male	Female	Male	Female
20	9.0	6.0	4.0	9.0	1.0	4.0
30	10.8	11.6	4.3	9.0	1.0	4.0
40	9.3	11.4	4.9	7.0	1.5	3.1
50	5.9	6.8	4.2	4.5	1.9	1.9

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Retirement Rates:

Age	Rate per year (%)		Group 4
	Group 1 (excluding Teachers)		
	Male	Female	
45 - 49	--	--	1.0
50 - 51	1.0	1.5	2.0
52	1.0	2.0	2.0
53	1.0	2.5	5.0
54	2.0	2.5	7.5
55	2.0	5.5	15.0
56 - 57	2.5	6.5	10.0
58	5.0	6.5	10.0
59	6.5	6.5	15.0
60	12.0	5.0	20.0
61	20.0	13.0	20.0
62	30.0	15.0	25.0
63	25.0	12.5	25.0
64	22.0	18.0	30.0
65	40.0	15.0	100.0
66 - 67	25.0	20.0	--
68	30.0	25.0	--
69	30.0	20.0	--
70	100.0	100.0	--

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Age	Teachers - Rate (%)					
	Years of Service					
	Less than 20		20 – 29		30 or more	
	Male	Female	Male	Female	Male	Female
50 – 53	0.0	0.0	1.0	1.5	2.0	2.0
54	0.0	0.0	1.0	1.5	2.0	2.0
55	3.0	2.0	3.0	3.0	6.0	6.0
56	8.0	2.0	5.0	3.0	20.0	15.0
57	15.0	8.0	8.0	7.0	35.0	30.0
58	15.0	10.0	10.0	7.0	50.0	35.0
59	20.0	15.0	20.0	11.0	50.0	35.0
60	15.0	20.0	20.0	16.0	50.0	35.0
61	30.0	20.0	25.0	20.0	50.0	35.0
62	20.0	25.0	30.0	30.0	40.0	40.0
63	30.0	24.0	30.0	30.0	40.0	30.0
64	40.0	20.0	30.0	30.0	40.0	35.0
65	40.0	30.0	40.0	30.0	50.0	35.0
66	40.0	30.0	30.0	30.0	50.0	35.0
67	40.0	30.0	30.0	30.0	50.0	30.0
68	40.0	30.0	30.0	30.0	50.0	30.0
69	40.0	30.0	30.0	30.0	50.0	30.0
70	100.0	100.0	100.0	100.0	100.0	100.0

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Previous assumption:

Age	Teachers - Rate (%)				
	Years of Service				
	Less than 20	20 – 29		30 or more	
		Male	Female	Male	Female
50 – 53	0.0	1.0	1.0	1.0	1.0
54	0.0	2.0	1.0	3.5	3.5
55	2.0	3.0	4.0	6.0	6.0
56	4.0	3.0	4.0	18.0	18.0
57	7.0	5.0	5.0	30.0	30.0
58	8.0	7.0	7.0	40.0	40.0
59	9.0	10.0	11.0	40.0	40.0
60	12.0	20.0	16.0	35.0	35.0
61	15.0	30.0	20.0	35.0	35.0
62	18.0	35.0	25.0	40.0	40.0
63	15.0	35.0	25.0	35.0	25.0
64	25.0	30.0	30.0	30.0	30.0
65	40.0	50.0	40.0	50.0	40.0
66	40.0	30.0	30.0	30.0	30.0
67	40.0	30.0	25.0	30.0	25.0
68	40.0	30.0	35.0	30.0	35.0
69	40.0	40.0	35.0	40.0	35.0
70	100.0	100.0	100.0	100.0	100.0

Dependents:

Demographic data was available for spouses of current retirees. For future retirees, husbands were assumed to be three years older than their wives and 60% were assumed to have an eligible spouse who also opts for health coverage at that time.

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Per Capita Health Costs:

Calendar 2010 medical and prescription drug claims costs are shown in the table below for retirees and for spouses at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Age	Non-Medicare Plans				Medicare Supplement			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
45	\$5,559	\$6,974	\$3,448	\$5,205	N/A	N/A	N/A	N/A
50	6,598	7,515	4,609	6,034	N/A	N/A	N/A	N/A
55	7,836	8,090	6,167	6,985	N/A	N/A	N/A	N/A
60	9,306	8,720	8,256	8,101	N/A	N/A	N/A	N/A
65	11,052	9,394	11,052	9,394	\$4,301	\$3,656	\$4,301	\$3,656
70	12,809	10,124	12,809	10,124	4,985	3,940	4,985	3,940
75	13,804	10,897	13,804	10,897	5,372	4,241	5,372	4,241
80	14,865	11,748	14,865	11,748	5,785	4,572	5,785	4,572

Medicare Advantage Plans: \$3,821

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Health Care Cost Trend Rates:

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are “net” and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that must be applied to that year’s cost to yield the next year’s projected cost.

Year Ending December 31	Medical/Drug
2010	9.00
2011	8.25
2012	7.50
2013	6.75
2014	6.00
2015	5.25
2016 and later	5.00

Retiree Contribution Increase Rate: Retiree contributions are expected to increase with medical trend.

Participation and Coverage Election: 100% of active employees with coverage are assumed to elect retiree coverage.

100% of retirees over age 65 are assumed to remain in their current medical plan for life.

For future retirees hired prior to 1986 and current retirees under age 65, 75% are assumed to be eligible for Medicare and are assumed to enroll in a Medicare Supplement plan upon reaching age 65, 15% are assumed to be eligible for Medicare and are assumed to enroll in a Medicare Advantage plan upon reaching age 65, and 10% are assumed to be ineligible for Medicare and remain enrolled in a non-Medicare plan. (Previously, 65%, 10% and 25%, respectively.)

For future retirees hired in 1986 or later, 85% are assumed to enroll in a Medicare Supplement plan upon reaching age 65 and 15% are assumed to enroll in a Medicare Advantage plan.

60% of future retirees with medical coverage are assumed to have life insurance coverage.

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Plan Design:	Development of plan liabilities was based on the substantive plan of benefits in effect as described in Exhibit III.
Administrative Expenses:	Administrative expenses were assumed to be included in the fully insured premium rates.
Annual Maximum Benefits:	No increase in the annual maximum benefit levels was assumed.
Lifetime Maximum Benefits:	No information was available regarding accumulations toward lifetime maximum benefits and no such accumulations were assumed.
Missing Participant Data:	A missing census item for a given participant was assumed to equal the average value of that item over all other participants of the same status for whom the item is known.
Assumption Changes Since Prior Valuation:	<p>Per capita costs were updated to reflect current experience.</p> <p>The coverage elections were updated, changing from 65% enrollment in a Medicare Supplement plan and 25% enrollment in a non-Medicare plan to 75% and 10%, respectively.</p> <p>The turnover and retirement rates for teachers was revised to match the rates used in the Massachusetts State Teachers Retirement System Actuarial Valuation as of January 1, 2010.</p> <p>The medical and prescription drug trend assumption was revised to reflect current experience and future expectations.</p>

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

EXHIBIT III

Summary of Plan

This exhibit summarizes the major benefit provisions as included in the valuation. To the best of our knowledge, the summary represents the substantive plans as of the measurement date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Eligibility: Retired and receiving a pension from the Hampden County Regional Retirement System or the Massachusetts Teachers Retirement System.

Group 1 (including Teachers):

- Retirees with at least 10 years of creditable service are eligible at age 55;
- Retirees with at least 20 years of creditable service are eligible at any age.

Group 4:

- Retirees with at least 10 years of creditable service are eligible at age 45;
- Retirees with at least 20 years of creditable service are eligible at any age.

Disability: Accidental (job-related) Disability has no age or service requirement. Ordinary Disability requires 10 years of creditable service.

Pre-Retirement Death: Surviving spouse is eligible.

Post-Retirement Death: Surviving spouse is eligible.

Benefit Types: The Town participates in the Scantic Valley Regional Health Trust. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Health New England and Tufts Health Plan. The Town of Longmeadow also pays 50% of the retiree life insurance premium and pays the Part B penalty for 16 retirees and spouses. (Dental coverage is offered but it is 100% retiree paid and therefore has no impact on this valuation.)

Duration of Coverage: Lifetime.

Dependent Benefits: Medical and prescription drugs.

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Dependent Coverage: Benefits are payable to a spouse for their lifetime, regardless of when the retiree dies. Surviving spouses pay 100% of the premium.

MGL Chapter 32B, Section 18: Adopted effective July 1, 2008.

Retiree Contributions: Premium rates and retiree contributions as of July 1, 2010 are summarized below:

	Subscribers		Total	Retirees 65 and over*	Monthly Premium (eff. 7/1/2010)	Town cost	Retiree cost	Surviving Spouse Cost
	Active	Retiree						
<u>Non-Medicare Actives and Retirees</u>								
HNE HMO								
Individual	60	18	78	6	\$493.00	\$246.50	\$246.50	\$493.00
Family	96	12	108	1	\$1,226.00	\$613.00	\$613.00	\$1,226.00
BCBS Network Blue of NE								
Individual	60	20	80	2	\$521.00	\$260.50	\$260.50	\$521.00
Family	94	16	110	2	\$1,362.00	\$681.00	\$681.00	\$1,362.00
Tufts HMO								
Individual	4	4	8	0	\$693.95	\$346.98	\$346.98	\$693.95
Family	7	0	7	0	\$1,734.62	\$867.31	\$867.31	\$1,734.62
Blue Care Elect PPO								
Individual	0	9	9	5	\$1,426.00	\$713.00	\$713.00	\$1,426.00
Family	1	1	2	0	\$3,469.00	\$1,734.50	\$1,734.50	\$3,469.00
<u>Non-Medicare Total</u>	322	80	402	16				

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

	Subscribers			Monthly Premium (eff. 7/1/2010)	Town cost	Retiree cost	Surviving Spouse Cost
	Active	Retiree	Total				
<u>Medicare Supplement Plans</u>							
Medex 3	N/A	88	88	\$404.00	\$202.00	\$202.00	\$404.00
Tufts Medicare Complement	N/A	27	27	\$372.00	\$186.00	\$186.00	\$372.00
HNE Medwrap Plan	N/A	28	28	\$427.00	\$213.50	\$213.50	\$427.00
Managed Blue For Seniors	N/A	17	17	\$413.76	\$206.88	\$206.88	\$413.76
<u>Medicare Advantage Plans</u>							
Medicare HMO Blue**	N/A	26	26	\$345.53	\$172.77	\$172.77	\$345.53
Tufts Medicare Preferred	N/A	6	6	\$207.00	\$103.50	\$103.50	\$207.00
<u>Medicare Total</u>			192				
<u>Retiree Total***</u>			272				

* 16 of 208 over-65 retirees are in a non-Medicare plan

** Premiums effective January 1, 2010

*** In addition, there are 140 spouses and surviving spouses of retirees covered under an individual or family policy.

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Benefit Descriptions:

HNE HMO	
Medical	
<i>Annual deductible</i>	None
<i>Coinsurance</i>	100%
<i>Physicians Office Visit</i>	\$10
<i>Emergency Room</i>	\$50 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	None
Prescription Drugs	
<i>Retail Copay</i>	\$10 generic/\$20 formulary brand/\$35 non-formulary brand
<i>Mail Copay</i>	\$20 generic/\$40 formulary brand/\$105 non-formulary brand
BCBS Network Blue of NE	
Medical	
<i>Annual deductible</i>	None
<i>Coinsurance</i>	100%
<i>Physicians Office Visit Copay</i>	\$10
<i>Emergency Room Copay</i>	\$50 (waived if admitted)
<i>Maximum Out-Of-Pocket Expense</i>	None
Prescription Drugs	
<i>Retail Copay</i>	\$10 generic/\$20 formulary brand/\$35 non-formulary brand
<i>Mail Copay</i>	\$20 generic/\$40 formulary brand/\$70 non-formulary brand

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Tufts HMO	
Medical	
<i>Annual deductible</i>	None
<i>Coinsurance</i>	100%
<i>Physicians Office Visit Copay</i>	\$10
<i>Emergency Room Copay</i>	\$50
<i>Maximum Out-Of-Pocket Expense</i>	None
Prescription Drugs	
<i>Retail Copay</i>	\$10 generic/\$20 formulary brand/\$35 non-formulary brand
<i>Mail Copay</i>	\$20 generic/\$40 formulary brand/\$70 non-formulary brand

Blue Care Elect PPO	In-Network	Out-of-Network
Medical		
<i>Annual deductible</i>	None	\$250 individual/\$500 family
<i>Coinsurance</i>	100%	80%
<i>Physicians Office Visit Copay</i>	\$15	Coinsurance & deductible
<i>Emergency Room Copay</i>	\$50 (waived if admitted)	\$50 (waived if admitted)
<i>Coinsurance Maximum</i>	None	\$1,000 individual/\$2,000 family
Prescription Drugs		
<i>Retail Copay</i>	\$10 generic/\$20 formulary brand/\$35 non-formulary brand	
<i>Mail Copay</i>	\$20 generic/\$40 formulary brand/\$70 non-formulary brand	

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Medex 3	
Medical	
<i>Hospital Inpatient</i>	Covered in full
<i>Outpatient and Physician Services</i>	Covered in full
<i>Emergency Room</i>	Covered in full
Prescription Drugs	
<i>Retail Copay</i>	After \$50 deductible, 0% generic/20% brand
<i>Mail Copay</i>	\$2 generic/\$15 brand
Tufts Medicare Complement	
Medical	
<i>Hospital Inpatient</i>	Covered in full
<i>Outpatient and Physician Services</i>	\$10 copay per visit
<i>Emergency Room</i>	\$50 copay per visit (waived if admitted)
Prescription Drugs	
<i>Retail Copay</i>	\$8 generic/\$20 formulary brand/\$35 non-formulary brand
<i>Mail Copay</i>	\$16 generic/\$40 formulary brand/\$70 non-formulary brand

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

HNE Medwrap	
Medical	
<i>Hospital Inpatient</i>	Covered in full
<i>Outpatient and Physician Services</i>	\$10 copay per visit
<i>Emergency Room</i>	\$50 copay per visit (waived if admitted)
Prescription Drugs	
<i>Retail Copay</i>	\$10 generic/\$20 formulary brand/\$35 non-formulary brand
<i>Mail Copay</i>	\$20 generic/\$40 formulary brand/\$105 non-formulary brand
BCBS Managed Blue for Seniors	
Medical	
<i>Hospital Inpatient</i>	Covered in full
<i>Outpatient and Physician Services</i>	\$10 copay per visit
<i>Emergency Room</i>	\$50 copay per visit (waived if admitted)
Prescription Drugs	
<i>Retail Copay (60-day supply)</i>	25% generic/50% formulary brand/75% non-formulary brand
<i>Mail Copay</i>	\$5 generic/\$30 formulary brand/\$50 non-formulary brand

SECTION 4: Supporting Information for the Town of Longmeadow December 31, 2009 Measurement under GASB

Medicare HMO Blue	
Medical	
<i>Hospital Inpatient</i>	\$100 copay per day (up to \$500 per calendar year)
<i>Outpatient and Physician Services</i>	\$10 copay per visit (\$20 for specialists)
<i>Emergency Room</i>	\$50 copay per visit (waived if admitted)
Prescription Drugs	
<i>Retail Copay</i>	\$10 generic/\$25 formulary brand/\$45 non-formulary brand
<i>Mail Copay</i>	\$20 generic/\$50 formulary brand/\$90 non-formulary brand
Tufts Medicare Preferred HMO	
Medical	
<i>Hospital Inpatient</i>	Annual deductible of \$200
<i>Outpatient and Physician Services</i>	\$10 copay per visit (\$15 for specialists)
<i>Emergency Room</i>	\$50 copay per visit (waived if admitted)
Prescription Drugs	
<i>Retail Copay</i>	\$10 generic/\$25 formulary brand/\$50 non-formulary brand
<i>Mail Copay</i>	\$20 generic/\$50 formulary brand/\$100 non-formulary brand

Retiree Life: \$2,000

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