

Report on the First Annual Actuarial Valuation  
Of Other Postemployment Benefits  
Provided under the New York City Health Benefits Program

Prepared as of June 30, 2005 in Accordance with  
Governmental Accounting Standards Board  
Statements No. 43 and 45

For Fiscal Year Ended June 30, 2006

New York City Office of the Actuary

Robert C. North, Jr.  
Chief Actuary

October 11, 2006



## OFFICE OF THE ACTUARY

75 PARK PLACE • 9<sup>TH</sup> FLOOR  
NEW YORK, NY 10007  
(212) 442-5775 • FAX: (212) 442-5777

**ROBERT C. NORTH, JR.**  
CHIEF ACTUARY

October 11, 2006

Honorable William C. Thompson, Jr.  
Comptroller  
The City of New York  
Municipal Building, Room 530  
One Centre Street  
New York, NY 10007

Re: GASB 43/45 Actuarial Valuation Report

Dear Comptroller Thompson:

This Report presents the results of the June 30, 2005 actuarial valuations of the Other Postemployment Benefits ("OPEB") provided under the New York City Health Benefits Program (the "Plan" or the "Program"). These results form the basis for financial reporting under Governmental Accounting Standards Board ("GASB") Statement No. 43 ("GASB43") for the New York City Retiree Health Benefits Trust for Fiscal Year 2006 (i.e., July 1, 2005 to June 30, 2006). These results also form the basis for accounting and financial reporting under GASB Statement No. 45 ("GASB45") for Fiscal Year 2006 for the City of New York (the "City") and certain related non-City entities ("Component Units").

The results shown herein are based upon:

- The Office of the Actuary's ("OA") interpretation of GASB43 and GASB45,
- The OA's understanding of the benefits provided to eligible retirees and beneficiaries,

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- Data used in the June 30, 2005 actuarial valuations of the New York City Retirement Systems ("NYCRS")<sup>1</sup> and supplemental data provided to the OA by the New York City Office of Labor Relations ("OLR"),
- Health insurance premium rates and welfare fund contribution amounts for Fiscal Year 2006 provided to the OA by OLR,
- Certain Actuarial Assumptions<sup>2</sup> used in the June 30, 2005 actuarial valuations of the NYCRS that were adopted by the Boards of Trustees during Fiscal Year 2006,
- Additional OPEB-specific Actuarial Assumptions as outlined in Section V of this Report,
- An Actuarial Cost Method as outlined in Section V of this Report,
- Asset information provided by the Office of Management and Budget ("OMB") for City entities and by the administrative offices of the Component Units.

The actuarial information presented herein that is to be used for accounting and financial reporting purposes is being presented in a manner believed to be consistent with the requirements of GASB43 and GASB45.

All costs, obligations and actuarial present values were determined in accordance with generally accepted actuarial principles and procedures. This Report is intended to present the OPEB obligations of the New York City Health Benefits Program as of the valuation date. An Actuarial Certification is included in Section VIII.

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<sup>1</sup> New York City Employees' Retirement System ("NYCERS")  
New York City Teachers' Retirement System ("TRS")  
New York City Board of Education Retirement System ("BERS")  
New York City Police Pension Fund ("POLICE")  
New York City Fire Pension Fund ("FIRE")

<sup>2</sup> Details provided in Reports noted in Section V - Summary of Actuarial Assumptions and Methods.

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The Table of Contents, which immediately follows, outlines in more detail the contents of this Report.

Respectfully submitted,



Robert C. North, Jr.  
Chief Actuary

cc: OA  
P.B. Birnbaum  
J.A. Flood  
J.R. Gibney  
B.K. Ho  
B.S. Kheel  
J.A. Petrovic  
S.H. Rumley  
G.L. Zelikovsky

BUCK  
P.B. Ford  
T.L. Roever  
R.B. Simon  
C.L. Wolkoff

OMB  
A.G. Dowling  
S. Klein  
B.C. Larson  
M.M. Levine  
M. Page

Auditors  
D. Desire - UHY  
G. Friedrich - D&T  
D. Jones - D&T  
C. Leung - GT  
C. Stanley - KPM  
S. Weissman - PwC

Component Units  
L.R. Glantz - WFA  
J. Hayes - OTB  
J. Hepburn - SCA  
C. Kostik - HDC  
G. Marino - HHC  
J. Pagelson - HSG  
J. Rosillo - ECF

Comptroller  
E.T. Moran  
M.N. Spitzer  
M. Tavares

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**Report on the First Annual Actuarial Valuation  
Of Other Postemployment Benefits  
Provided under the New York City Health Benefits Program**

**Prepared as of June 30, 2005 in Accordance with  
Governmental Accounting Standards Board  
Statements No. 43 and 45**

**For Fiscal Year Ended June 30, 2006**

**SECTION I - EXECUTIVE SUMMARY**

1. This actuarial report was prepared as of June 30, 2005 and presents the results of actuarial valuations of the Other Postemployment Benefits ("OPEB") provided by the City of New York (the "City") and certain related entities ("Component Units") to eligible retirees and beneficiaries through the New York City Health Benefits Program (the "Plan" or the "Program").

The purpose of these valuations is to measure the funded status of the Plan and to determine the Annual Required Contribution ("ARC") for certain entities for Fiscal Year 2006 (i.e., July 1, 2005 to June 30, 2006) in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 43 ("GASB43") and GASB Statement No. 45 ("GASB45").

2. Presented in the following table are the principal results of the June 30, 2005 OPEB actuarial valuations:

Summary of the Results of the OPEB Actuarial Valuations As of June 30, 2005 (\$ Millions)			
Item	City	Component Units	Total
Total Actuarial Present Value of Projected Benefits (TPV)	\$91,916.0	\$7,250.8	\$99,166.8
Actuarial Accrued Liability (AAL)	\$50,523.0	\$3,478.2	\$54,001.2
Actuarial Asset Value	\$ 0.0	\$ 0.0	\$ 0.0
Unfunded Actuarial Accrued Liability (UAAL) (Transition Liability)	\$50,523.0	\$3,478.2	\$54,001.2
Fiscal Year 2006 Annual Required Contribution (ARC)	\$55,665.9	\$3,938.5	\$59,604.4

3. During 2004 GASB issued two new standards. GASB43, which defines financial reporting requirements for OPEB plans, was issued in April 2004.

GASB45, which defines accounting and financial reporting requirements for employers who sponsor OPEB arrangements, was issued in June 2004.

The following table presents the required implementation dates for GASB43 and GASB45:

Required Implementation Dates for GASB43 and GASB45		
Annual Revenue for First Fiscal Year Ending after June 15, 1999	Effective in Fiscal Year Beginning After December 15	
	GASB43	GASB45
\$100 million or more	2005	2006
\$10-\$100 million	2006	2007
Less than \$10 million	2007	2008

Although compliance with GASB43 and GASB45 is not yet required, the City has decided on earlier implementation (i.e., for Fiscal Year 2006). This early implementation and its attendant, compressed time frames required the Office of the Actuary ("OA") to use estimating techniques or to rely on available data to meet legally-imposed deadlines for financial statement filing. Future GASB43 and GASB45 results are expected to reflect refinements to the data and to reduce the use of estimations.

4. Section II of this Report provides a summary of the census data used to prepare the June 30, 2005 actuarial valuations.

5. Section III of this Report provides an overview of the assets used to prepare the June 30, 2005 actuarial valuations and used in the determination of the Fiscal Year 2006 Net OPEB Obligations ("NOO").
6. Section IV of this Report summarizes the OPEB provisions used in the June 30, 2005 actuarial valuations.
7. Section V of this Report summarizes the actuarial assumptions and methods used in the June 30, 2005 actuarial valuations.
8. Section VI of this Report presents the results of the actuarial valuation and the development of the Annual Required Contribution ("ARC") in accordance with GASB43 for the New York City Retiree Health Benefits Trust ("NYCRHBT").
9. Section VII of this Report presents the results of the actuarial valuations and the development of the ARC in accordance with GASB45 for the City and certain Component Units.

10. Section VIII of this Report presents the Actuarial Certification. The Certification is signed by the Chief Actuary of the New York City Office of the Actuary (the "Actuary") who serves as the Actuary for the New York City Retirement Systems ("NYCRS"). The Actuarial Certification is also signed by (1) the Division Head of the OA Valuation Services Division ("VSD") and (2) the Chief Actuary, Health and Welfare, for Buck Consultants, LLC ("Buck").

This Report and the information contained herein were prepared by the staff of the VSD under the direction of its Division Head with assistance from and in coordination with the staff of Buck. Buck also served as consultant and advisor to the OA, developed the OPEB valuation programming and reviewed the results and the contents of this Report.

11. Appendix A of this Report presents a Statement of Net Assets and a Statement of Changes in Net Assets for the New York City Retiree Health Benefits Trust.

12. Appendix B of this Report presents detailed census data information.

13. Appendix C of this Report presents detailed results, including Required Supplementary Information ("RSI"), of the June 30, 2005 actuarial valuations for the City and certain Component Units.
  
14. Appendix D of this Report presents information on the actuarial assumptions and methods used in the OPEB actuarial valuation for the New York City Educational Construction Fund ("ECF"), including excerpts from an August 7, 2006 report entitled "Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuations - Participating Agency Version" that has been used as a basis for those actuarial assumptions.
  
15. Appendix E of this Report acknowledges those who assisted in the development of these results and the production of this Report.

**SECTION II - SUMMARY OF CENSUS DATA**

In general, the census data used in the June 30, 2005 OPEB actuarial valuations is based upon the census data used in the June 30, 2005 actuarial valuations of the New York City Retirement Systems ("NYCRS")<sup>1</sup>.

This census data was supplemented by information provided to the OA by the New York City Office of Labor Relations ("OLR") relating to eligible retirees and other eligible beneficiaries covered by the Program. The census data does not generally include employees who are not yet participants in the NYCRS.

The Office of the Actuary ("OA") performed tests on this census data for reasonability and on the basis of these tests believe the data is sufficiently complete and appropriate for determining the OPEB obligations in total for the City and for the New York City Retiree Health Benefits Trust ("NYCRHBT").

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<sup>1</sup> New York City Employees' Retirement System ("NYCERS")  
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New York City Police Pension Fund ("POLICE")  
New York City Fire Pension Fund ("FIRE")

However, it was also discovered that the retiree data does not always accurately incorporate Component Unit codes. In this case, for certain Component Units, it appears that some retirees were identified and valued as City retirees.

Consequently, the results presented in this Report for the Component Units should be reviewed with full recognition of the limitations of the census data and resulting actuarial calculations.

For future OPEB actuarial valuations, additional data will be collected and utilized to improve the identification of retirees by organization.

The census data is broken into the following major classifications:

- Actives (in payroll status as of the valuation date).
- Actives/Inactives (generally not yet separated from service but off payroll as of the valuation date).
- Deferred Vesteds and Deferred Retirees (separated from service, eligible for a benefit but not yet in receipt).
- Retirees and other Eligible Beneficiaries (in receipt).

Attached in Appendix B are the following tables that set forth the census data used in this Report:

- Tables 1a-1e            Plan Participation
- Tables 2a-2e           Welfare Fund Contributions
- Table 3                Summary of Data

Except for the Educational Construction Fund ("ECF"), all of the census data for the Component Units is included in the NYCRS census data. The majority of those participants in the Component Units who are included in the NYCRS census data are found in NYCERS.

Census data for ECF was supplied separately and directly by staff at ECF.

The following table presents a summary of the census data used in the OPEB actuarial valuations:

Summary of Census Data used in the OPEB Actuarial Valuations*			
Group	City	Component Units	Total
Actives	267,101	42,640	309,741
Actives/Inactives	47,503	140	47,643
Deferreds	9,897	1,762	11,659
Retirees	<u>176,848</u>	<u>18,843</u>	<u>195,691</u>
Total	501,349	63,385	564,734

\*Detailed census data is presented in Appendix B.

**SECTION III - ASSETS**

The New York City Retiree Health Benefits Trust ("NYCRHBT") was legally established on June 12, 2006 and first funded as of June 21, 2006. The Trust was established to fund OPEB provided under the New York City Health Benefits Program for the exclusive benefit of retirees and their eligible beneficiaries for whom the City is directly obligated.

Wells Fargo Bank, N.A. is the Trustee and Custodian. The City represents the Grantor of the Trust.

A summary of the Net Assets Available for Benefits of the NYCRBHT is set forth in the following table.

New York City Retiree Health Benefits Trust Net Assets Available for Benefits* (\$Millions)		
Item	June 30	
	2005	2006
Assets	\$ 0	\$1,001.4
Liabilities	<u>0</u>	<u>0.1</u>
Net Assets	\$ 0	\$1,001.3
*Source - Draft NYCRHBT Financial Statements supplied by OMB.		

Appendix A includes two tables showing the detailed financial position of the NYCRHBT as of June 30, 2006.

None of the Component Units have separately identified OPEB assets as of June 30, 2005 or June 30, 2006.

**SECTION IV - SUMMARY OF OPEB PLAN PROVISIONS**

Following is a summary of the City-provided Other Postemployment Benefits available to eligible retirees and other eligible beneficiaries covered under the Program. The OA believes these provisions form the "Substantive Plan" as defined in Paragraph 13.a(1) of GASB45 and that the Substantive Plan is derived from the Administrative Code of the City of New York ("ACNY"), the New York City Health Benefits Program Summary Plan Description, meetings with City officials and a review of historical information.

Note: The actuarial valuation results presented in this Report show the value of OPEB currently in effect and do not represent an obligation of the City or its related parties to continue, modify or eliminate OPEB in the future.

ACNY Section 12-126 defines OPEB payable to City retirees and eligible beneficiaries/dependents to include:

- Health Insurance.
- Medicare Part B Reimbursement.

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

**Covered Benefits**

The City and certain Component Units provide OPEB through the New York City Health Benefits Program (the "Program"). The City and certain Component Units contribute to various welfare funds, generally negotiated with and administered by various labor organizations. The City and certain Component Units also reimburse Medicare Part B premiums paid by eligible retirees and other eligible beneficiaries.

It is the understanding of the OA that no other OPEB, such as life insurance or long-term care benefits, are directly subsidized by the City. The City and the Component Units (except ECF) generally provide certain death and disability benefits through the NYCRS. Those benefits are measured as part of the obligations of the NYCRS and are not subject to GASB43 or GASB45.

Therefore, the actuarial valuations presented herein reflect only retiree health insurances, welfare fund contributions and Medicare Part B premium reimbursements.

Note: The OPEB provisions applicable to ECF retirees were provided by ECF staff.

**Eligibility for OPEB**

Retirees:

- At least 10 years of credited service as a member of NYCERS (five years of credited service if an employee on or before December 27, 2001 and no service requirement for disability retirements) plus,
- Receives a pension check from a NYCERS (or is eligible for certain Deferred Retirement benefits). Payability date varies by System and group.

Terminated Vested Members:

- Eligible for OPEB the same as retirees once in receipt of a pension benefit if the other eligibility rules for retirees are satisfied.

Members Eligible for Certain Deferred Retirement Benefits:

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

Members Terminated for Other than Immediate Retirement:

- Members who do not have retiree medical coverage under the retiree medical provisions are eligible to continue coverage under COBRA continuation provisions. The ability to continue coverage is generally limited to certain maximum periods (generally either to the end of 18 or 36 months).

Surviving Spouses and Other Dependents:

- Dependent coverage is terminated when a retiree dies, except in the following situations:
  - (i) Lifetime coverage is provided to the surviving spouse or domestic partner and coverage to age 19 (or 23 if full-time student) for children of uniformed members of the Police or Fire Departments who died in the Line-of-Duty.
  - (ii) Effective November 13, 2001, other surviving spouses of retired uniformed members of the Police and Fire Departments may elect to continue coverage for life by paying 102% of stated premium.

**Basic Coverage**

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

Basic Coverage includes hospital and physician coverage and excludes coverage for prescription drugs. GHI/EBCBS Senior Care coordinates with Medicare Part A and Part B. HIP HMO for Medicare-eligible retiree participants is a Medical Advantage Plan under Medicare Part C.

- Basic Coverage under other plans may require additional retiree contributions.
- Other plans available to non-Medicare-eligible retirees for Fiscal Year 2006 include Aetna HMO, Aetna QPOS, Cigna HealthCare, DC 37 Med-Team, Empire EPO, Empire HMO, GHI-CBP, GHI HMO, HIP Prime HMO, Health Net HMO, HIP Prime POS, MetroPlus Health Plan and Vytra Health Plans.

- Other plans available to Medicare-eligible retirees for Fiscal Year 2006 include Medicare supplemental plans, such as DC 37 Med-Team Senior Care, Empire Medicare-Related Coverage, as well as various Medicare Advantage and Medicare Cost HMOs.
- Retirees of the Component Units herein, except for ECF, have the same coverage as City retirees. It is the understanding of the OA that ECF retirees are generally covered by the New York State Health Insurance Plan ("NYSHIP").
- Retirees may waive Basic Coverage. It is the understanding of the OA that most of those who waive Basic Coverage are dependents of other active or retired employees. The City and the Component Units do not provide both subscriber and dependent coverage for the same individual.

**Other OPEB Coverage**

- The OA understands that the City and certain Component Units currently provide a Mental Health/Substance Abuse ("MH/SA") rider for non-Medicare-eligible HIP HMO retirees, through the mechanism of the Stabilization Fund discussed later in this Section.

Otherwise, the OA understands that medical benefits not provided under the Basic Coverage, such as prescription drug coverage, may be provided through optional riders. These optional riders are either fully paid by the retirees or are provided through various welfare funds.

**Health Care Benefits Cost Sharing Arrangement**

Based on current practice (the Substantive Plan), the City and certain Component Units pay the full cost of coverage for non-Medicare-eligible retirees who participate in HIP HMO or GHI/EBCBS. The City and certain Component Units also pay the full cost of coverage for Medicare-eligible retirees who participate in HIP HMO or GHI/EBCBS Senior Care. The costs of those benchmark plans are reflected in the actuarial valuations herein by using age-adjusted premium amounts. Claims data were not available to the OÄ.

For a retiree who elects other basic medical coverage, the retiree is required to contribute any amount by which the selected arrangement's premium exceeds the HIP HMO or GHI/EBCBS cost benchmarks. The actuarial valuations herein reflect the benchmark premiums without age adjustment for retirees who elect other options. Detailed information on actual premium rates, financial arrangements and retiree contribution rates were not provided for other options.

**Welfare Funds**

The City and certain Component Units pay annual per capita contributions to the various welfare funds that cover retirees for various health care benefits not provided through the Basic Coverage. Welfare fund benefits may include (but are not limited to) prescription drug coverage, vision and dental coverage, sometimes with dollar limits. The welfare funds are generally separate legal entities, often administered by various labor organizations. The welfare funds' per capita contributions apply to retirees only without any additional funds for covered dependents. The contributions are generally made on behalf of individuals who retired since 1971.

The City and certain Component Units also sponsor a management welfare fund, which, for purposes of this Report, is being treated the same as other welfare funds.

The per capita contribution amounts change periodically based on negotiated contract provisions. It is the understanding of the OA that the benefits provided from the welfare funds are changed from time to time so that costs to the funds do not exceed available assets and income. For purposes of this Report this understanding was not verified at source but was confirmed in telephone conversations with OLR.

The OA is not aware of any actuarial valuations performed by the individual welfare funds for purposes of measurements under GASB43. Thus, the OA has not considered the impact of any such calculations on the analyses herein.

**Medicare Part B Premium Reimbursement**

The City and certain Component Units reimburse the Medicare Part B premium for all Medicare-eligible retirees and eligible covered dependents. Reimbursement is done on a calendar year basis.

With respect to the City, it is the understanding of the OA that reimbursement amounts for a calendar year have historically been reflected in the City's accounts for the fiscal year in which that calendar year ended. Thus, the City's accounts for the fiscal year ending June 30, 2005 reflected reimbursements for Medicare Part B premiums paid through December 31, 2004. The actuarial valuations herein project Medicare Part B premium reimbursements for premiums to be paid starting July 1, 2005. Thus, this Report does not reflect any obligation for Medicare Part B premiums incurred for the period from January 1, 2005 through June 30, 2005.

It should also be noted that the Medicare Part B premiums for retirees of certain Component Units (i.e., HHC, OTB, SCA, WFA) are considered obligations of the City and have been included in the City results rather than as obligations of those particular Component Units.

ACNY Section 126.b.1 states that: "...the City will pay the amount set forth [in Social Security Act Section] 1839(a)... provided...that such amount shall not exceed the sum of thirty-eight dollars and seventy cents per month effective January first, two thousand and provided further that each year thereafter, the City shall reimburse covered employees in an amount equal to one hundred percent of the Medicare Part B premium rate applicable to that year."

Starting in 2007 the Medicare Part B premium for high-income individuals will increase. The current Part B premium represents 25% of expected costs. In the future, the following will apply:

2007 Adjusted Gross Income*		Percentage of Cost Paid		
Single	Joint Return	2007	2008	2009 and after
<\$80,000	<\$160,000	25.00%	25.00%	25%
\$80,000-\$99,999	\$160,000-\$999,999	28.30%	31.70%	35%
\$100,000-\$149,999	\$200,000-\$299,999	33.25%	41.75%	50%
\$150,000-\$199,999	\$300,000-\$399,999	38.20%	51.80%	65%
\$200,000 +	\$400,000 +	43.15%	61.85%	80%
Percentage phase in		33%	67%	100%

\*Dollar amounts of income are indexed to CPI and apply to modified Adjusted Gross Income for the second preceding Calendar Year.

Income used for 2007 will be 2005 adjusted gross income from income tax, plus non-taxed interest income (e.g., municipal bond interest). A more recent year (e.g., 2006) may be used at the retiree request, if there has been an event such as death of a spouse, divorce, marriage or other life change that would substantially lower the income. The U.S. Treasury Department will provide income to the Center for Medicare & Medicaid Services ("CMS") electronically.

The Congressional Budget Office has estimated that 3% of beneficiaries nationwide will pay greater Medicare Part B premiums in 2007 and 6% of beneficiaries will pay greater premiums in 2013.

For purposes of the OPEB actuarial valuations as of June 30, 2005, it has been assumed that no Medicare Part B beneficiaries would be impacted by the greater premiums beginning 2007.

**Stabilization Fund**

The City maintains and annually contributes to the Health Insurance Stabilization Reserve Fund (the "Stabilization Fund"). The Stabilization Fund has been used for various purposes in the past. The Fund has been used to pay short-term amounts due to premium rates under GHI/EBCBS being greater than HIP HMO premium rates until such time as the benefits provided under those arrangements were adjusted to bring the financing into balance. The Stabilization Fund is currently being used to provide a Mental Health/Substance Abuse rider to non-Medicare-eligible HIP HMO participants. Other benefits that the OA understands may be supported by payments from the Fund include welfare fund type benefits to certain surviving spouses and additions to the annual welfare fund contribution amounts.

The City's current annual contribution of \$35 million to the Stabilization Fund provides benefits to both active and retired participants. The amount is a contribution cap on benefits provided under the Fund. However, under GASB43 and GASB45, contribution caps are not generally reflected in the Substantive Plan unless currently reducing benefits provided. Thus, the calculations presented herein reflect an estimate of the current level of benefits provided by the Stabilization Fund to retirees. The estimate consists of two elements: a specific measure of the MH/SA rider and an overall load to reflect the remaining share of retiree Stabilization Funds.<sup>2</sup>

### **Benefit Employee Groupings**

The City subsidizes only some of the OPEB described herein for various groups of NYCERS retirees. The table on the next page shows, by group within each NYCERS, which benefits are assumed provided by the City for purposes of this actuarial valuation. For example, the actuarial valuation includes no OPEB obligation for employees or retirees identified as Transit Authority.

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<sup>2</sup> When the actuarial valuations were prepared, the OA incorrectly believed that the MH/SA rider was being provided for HIP HMO and GHI/EBCBS non-Medicare-eligible retirees, and reflected the rider for both groups. In reality, the rider is only being provided to HIP HMO retirees. Had this been known, the overall load for other Stabilization Fund benefits would have been greater, with no significant impact on the overall results of the actuarial valuations.

New York City Retirement Systems  
Components of Other Postemployment Benefits  
Paid By New York City

System	Group	Health Insurance	Welfare Fund*	Medicare Part B
NYCERS	Custodial Engineer	Yes	Yes	Yes
	CUNY - Senior Colleges	Yes	Yes	Yes
	CUNY - Community Colleges	Yes	Yes	Yes
	Correction Department	Yes	Yes	Yes
	CP Engineers	No	No	No
	Courts (State)#	Yes	Yes	Yes
	DA Investigators	Yes	Yes	Yes
	<b>Housing Development Corp</b>	No	No	No
	<b>Health and Hospitals Corp</b>	No	No	Yes
	<b>Housing Authority</b>	No	No	No
	<b>Off-Track Betting Corp</b>	No	No	Yes
	Regular	Yes	Yes	Yes
	Sanitation	Yes	Yes	Yes
	REMIC	Yes	Yes	Yes
	<b>School Construction Authority</b>	No	No	Yes
	State Housing	Yes	Yes	Yes
	Triboro Bridge	No	No	No
	Transit Authority	No	No	No
	<b>Water Finance Authority</b>	No	No	Yes
	TRS	Department of Education	Yes	Yes
CUNY - Senior Colleges		Yes	Yes	Yes
CUNY - Community Colleges		Yes	Yes	Yes
Charter Schools		Yes	Yes	Yes
BERS	Department of Education	Yes	Yes	Yes
	Charter Schools	Yes	Yes	Yes
	<b>School Construction Authority</b>	No	No	Yes
	CUNY - Senior Colleges	Yes	Yes	Yes
	CUNY - Community Colleges	Yes	Yes	Yes
	Custodial Engineer	Yes	Yes	Yes
	CP Engineers	Yes	Yes	Yes
	<b>Health and Hospitals Corp</b>	No	No	Yes
<b>Housing Authority</b>	No	No	No	
Transit Authority	Yes	Yes	Yes	
POLICE		Yes	Yes	Yes
FIRE		Yes	Yes	Yes

\* Welfare Fund coverage not available to pre-1/1/1971 retirees. L-O-D death beneficiary coverage provided through Stabilization Fund.

# Grandfathered Exceptions.

This actuarial valuation includes separate calculations for certain Component Units who provide benefits not financed by the City.

For example, the Component Unit obligation shown for the New York City Housing Authority ("HSG") includes all OPEB (i.e., health insurance, welfare fund contributions and Medicare Part B reimbursement) measured for HSG employees and retirees.

On the other hand, for example, the Component Unit obligation shown for the New York City Health and Hospitals Corporation ("HHC") includes the obligation for health insurance and welfare fund contributions only, while the City's obligation includes the Medicare Part B reimbursement for HHC retirees.

**SECTION V - SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

**Actuarial Assumptions**

The actuarial assumptions used in the June 30, 2005 OPEB actuarial valuations are classified as those used in the NYCERS valuations and those specific to the OPEB valuations.

**NYCERS Valuations**

The actuarial assumptions used to value the NYCERS are provided in the following five reports (the "GOLD BOOKS"):

- Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Employees' Retirement System dated August 29, 2005.
- Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Teachers' Retirement System dated August 31, 2005.

- Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Board of Education Retirement System dated August 31, 2005.
- Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Police Pension Fund dated August 24, 2005.
- Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Fire Pension Fund dated August 31, 2005.

The demographic assumptions requiring Board approval were adopted by each NYCERS Board of Trustees during Fiscal Year 2006. Those actuarial assumptions and methods that required New York State legislation were enacted, effective for Fiscal Year 2006 and later, as Chapter 152 of the Laws of 2006 ("Chapter 152/06").

Note: The OPEB actuarial valuations herein incorporate only the use of the demographic and salary increase assumptions set forth in the GOLD BOOKS. The other actuarial assumptions and methods used in the OPEB actuarial valuations are set forth in this Report.

Also Note: The actuarial assumptions used for the actuarial valuation of ECF are set forth in Appendix D.

OPEB Valuations

The OPEB-specific actuarial assumptions used in the June 30, 2005 OPEB actuarial valuations of the Program are as follows:

Valuation Date..... June 30, 2005.  
Discount Rate..... 4.0% per annum.<sup>3</sup>  
Per-Capita Claims Costs..... Age Adjusted from assumed average age of covered population.

The HIP HMO premium rate is used for all non-Medicare-eligible retirees and dependents with basic medical coverage. The Mental Health/Substance Abuse rider is reflected for retirees in HIP HMO and GHI/EBCBS. The GHI/EBCBS Senior Care premium is used for all Medicare-eligible retirees and dependents with basic medical coverage except those in HIP HMO. The premiums are age adjusted for HIP HMO and GHI/EBCBS participants from assumed age 40 for non-Medicare-eligible retirees and from assumed age 73 for Medicare-eligible retirees.

Initial monthly premium rates are shown in the following table:

Plan	Monthly Rate for Fiscal Year 2006	
	Basic	MH/SA Rider <sup>4</sup>
HIP HMO Non-Medicare		
Single	\$ 286.86	\$ 5.04
Family	\$ 702.83	\$ 12.34
Medicare	\$ 58.15	NA
GHI/EBCBS Senior Care	\$ 140.23	NA

<sup>3</sup> 2.5% CPI, 1.5% real rate of return on short-term investments.

<sup>4</sup> Included in OPEB obligations for both HIP HMO and GHI-CBP/EBCBS non-Medicare-eligible retirees but later determined to be provided only for HIP HMO retirees.

Welfare Funds.....

Reported contribution amounts shown in Appendix B, Tables 2a to 2e for Fiscal Year 2006 used for current retirees. Weighted average contribution rates derived from Appendix B, Tables 2a to 2e for Fiscal Year 2006 used for future retirees. Contributions assumed to increase by Medicare Plans trend rates.

Medicare Part B Premiums.....

<u>Calendar Year</u>	<u>Monthly Premium</u>
2005	\$78.20
2006	\$88.50

2006 Medicare Part B premiums assumed to increase by Part B trend rates. No retiree assumed to have income in excess of threshold which would result in increasing Part B premium above 25% of Medicare Part B costs.

The actual 2007 Medicare Part B premium, which was announced prior to the issuance of this Report, was not reflected in these analyses.

Health Care Cost Trend Rate ("HCCTR")...

Covered medical expenses are assumed to increase by the following percentages:

HCCTR Assumptions			
Year Ending*	Pre-Medicare Plans	Medicare Plans	Part B Premium
2007	10.0%	8.0%	10.0%
2008	9.5%	7.0%	9.5%
2009	9.0%	6.0%	9.0%
2010	8.5%	5.0%	8.5%
2011	8.0%	5.0%	8.0%
2012	7.5%	5.0%	7.5%
2013	7.0%	5.0%	7.0%
2014	6.5%	5.0%	6.5%
2015	6.0%	5.0%	6.0%
2016	5.5%	5.0%	5.5%
2017 and later	5.0%	5.0%	5.0%

\* Fiscal Year for Pre-Medicare Plans and Medicare Plans and Calendar Year for Medicare Part B Premiums.

Age-Related  
Morbidity.....

Assumed increases in the claims costs per year of age for HIP HMO and GHI/EBCBS consistent with those set forth in a July 2005 article in North American Actuarial Journal by Jeffrey R. Petertil.

<u>Age</u>	<u>Annual Increase</u>
Under 40	0.0%
40 - 49	3.0%
50 - 54	3.3%
55 - 59	3.6%
60 - 64	4.2%
65 - 69	3.0%
70 - 74	2.5%
75 - 79	2.0%
80 - 84	1.0%
85 - 89	0.5%
90 and over	0.0%

Medicare.....

Medicare is assumed to be the primary payer over age 65 and for retirees currently on Medicare. For future disability retirements, Medicare is assumed to start 2.5 years after retirement for the following portion of retirees:

NYCERS	35%
TRS	45%
BERS	45%
POLICE	15%
FIRE	25%

Participation.....

Active participation assumptions based on current retiree elections. Actual elections for current retirees. Portions of current retirees not eligible for Medicare were assumed to change elections upon attaining age 65 based on patterns of elections of Medicare-eligible retirees. See Appendix B Tables 1a to 1e for detailed assumptions.

Dependent Coverage.....

Dependent coverage is assumed to terminate when a retiree dies, except as noted in Section IV. For survivors of POLICE and FIRE who die other than in the Line-of-Duty (assumed to be all who terminate with Accidental Death Benefits) the valuation assumes that 30% of spouses eligible for survivor continuation will elect the benefit, with costs equal to 30% greater than the age-adjusted premiums for surviving spouses for HIP HMO and GHI/EBCBS participants. The valuation includes the entire cost of additional surviving spouse benefits, although the OA understands that some of this amount may be reimbursed through welfare funds.

Dependents..... Dependent assumptions based on distribution of coverage of recent retirees which are shown in the following table. Wives assumed to be three years younger than husbands. Actual spouse data for current retirees. Child dependents of current retirees assumed to receive coverage until age 23. Child dependents of future retirees assumed to receive coverage for five years after retirement.

	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>
<u>Male</u>					
Single Coverage	30%	45%	35%	15%	10%
Spouse	40%	35%	55%	15%	35%
Child/No Spouse	5%	5%	2%	5%	5%
Spouse and Child	<u>25%</u>	<u>15%</u>	<u>8%</u>	<u>65%</u>	<u>50%</u>
Total	100%	100%	100%	100%	100%
<u>Female</u>					
Single Coverage	70%	60%	60%	45%	10%
Spouse	20%	32%	35%	10%	35%
Child/No Spouse	5%	3%	2%	25%	5%
Spouse and Child	<u>5%</u>	<u>5%</u>	<u>3%</u>	<u>20%</u>	<u>50%</u>
Total	100%	100%	100%	100%	100%

Demographic Assumptions..... The same assumptions that were used to value the pension benefits of the NYCERS for determining employer contributions for Fiscal Year 2006 adopted by the Boards of Trustees (see the GOLD BOOKS).

COBRA Benefits..... Although COBRA beneficiaries pay 102% of "premiums", typical claim costs for COBRA participants run about 50% greater than other participants. There is no cost to the City for COBRA beneficiaries in community-rated HMOs, including HIP, since these individuals pay their full community rate. On the other hand, the City's costs under the experience-rated GHI coverage is affected by the claims for individuals who elect COBRA coverage.

In order to reflect the cost of COBRA coverage, the cost of excess claims for GHI covered individuals and families is estimated assuming 15% of employees not eligible for other benefits included in the valuation elect COBRA coverage for 15 months. These assumptions are based on experience of other large employers. This percentage is applied to the overall enrollment in the active plan and reflects a load for individuals not yet members of the retirement systems who are still eligible for COBRA benefits. This results in an assumed COBRA cost of \$450 per person who terminated without other benefits. The \$450 is increased by the Health Care Cost Trend Rates for future years but is not adjusted for age-related morbidity.

Stabilization Fund.....	.25% Load on all Benefit Costs.
Educational Construction Fund.	The actuarial assumptions used for determining obligations for ECF are shown in Appendix D.

**Actuarial Cost Method**

The Frozen Entry Age Actuarial Cost Method (one of the Actuarial Cost Methods set forth in GASB43 Paragraph 34.d and GASB45 Paragraph 13.d) is used to determine the Annual Required Contribution ("ARC") and the Unfunded Actuarial Accrued Liability ("UAAL") at Transition (the "Transition Liability").

Under this method the excess of the Actuarial Present Value of Projected Benefits ("APVB") over the sum of (1) the Actuarial Value of Assets ("AAV") plus (2) the Unfunded Frozen Actuarial Accrued Liability is allocated on a level basis over the earnings of the covered active employees between the valuation date and assumed exit. This allocation is performed for the group as a whole. The Frozen Actuarial Accrued Liability is determined using the Entry Age Actuarial Cost Method. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. Under this method, actuarial gains/losses, as they occur, reduce/increase future Normal Costs.

**Actuarial Asset Valuation Method**

The Actuarial Value of Assets is equal to the Market Value of Assets.

**Amortization of Transition Liability**

The Transition Liability is being amortized over one year.

**SECTION VI - PRINCIPAL RESULTS UNDER GASB43**

For the New York City Retiree Health Benefits Trust ("NYCRHBT"), the principal results of the June 30, 2005 OPEB actuarial valuation, prepared in accordance with the requirements of GASB43, are set forth in the following table:

Principal Results of the GASB43 Actuarial Valuation for the NYCRHBT As of June 30, 2005  (\$ Millions)	
Item	Amount
TPV as of June 30, 2005	\$91,916.0
AAL as of June 30, 2005	\$50,523.0
Assets as of June 30, 2005	\$ 0.0
UAAL as of June 30, 2005	\$50,523.0
ARC for Fiscal Year 2006*	
Normal Cost - BOY	\$ 3,001.9
UAAL Payment - BOY	50,523.0
Interest to EOY	2,141.0
Total ARC	\$55,665.9
* Based on One-Year Amortization of Transition Liability (i.e., UAAL).	

Details of the June 30, 2005 actuarial valuation of the NYCRHBT are shown in:

- Appendix A - Assets.
- Appendix C-8 - OPEB Obligations.

**SECTION VII - PRINCIPAL RESULTS UNDER GASB45**

For the City of New York (the "City") and certain of its Component Units, the principal results of the June 30, 2005 OPEB actuarial valuations, prepared in accordance with the requirements of GASB45, are set forth in the following table:

Principal Results of the GASB45 Actuarial Valuations As of June 30, 2005 (\$Millions)			
Item	City	Component Units*	Total
TPV as of June 30, 2005	\$91,916.0	\$7,250.8	\$99,166.8
AAL as of June 30, 2005	\$50,523.0	\$3,478.2	\$54,001.2
Assets as of June 30, 2005	\$ 0.0	\$ 0.0	\$ 0.0
UAAL as of June 30, 2005	\$50,523.0	\$3,478.2	\$54,001.2
Normal Cost	\$ 3,001.9	\$ 308.8	\$ 3,310.7
ARC for Fiscal Year 2006**			
Normal Cost - BOY	\$ 3,001.9	\$ 308.8	\$ 3,310.7
UAAL Payment - BOY	50,523.0	3,478.2	54,001.2
Interest to EOY	<u>2,141.0</u>	<u>151.5</u>	<u>2,292.5</u>
Total ARC	\$55,665.9	\$3,938.5	\$59,604.4
* ECF, HHC, HSG, HDC, OTB, SCA, WFA.			
** Based on One-Year Amortization of UAAL.			

Details of the June 30, 2005 GASB45 actuarial valuations for the City and certain Component Units are set forth in:

- Assets - Appendix A.
- OPEB Obligations - Appendix C.

**SECTION VIII - ACTUARIAL CERTIFICATION**

This Report presents the results of the June 30, 2005 actuarial valuations of the Other Postemployment Benefits ("OPEB") provided under the New York City Health Benefits Program (the "Program"). These actuarial valuation results form the basis for financial reporting under Governmental Accounting Standards Board ("GASB") Statement No. 43 ("GASB43") for the New York City Retiree Health Benefits Trust ("NYCRHBT") and for accounting and financial reporting under GASB Statement No. 45 ("GASB45") for the City of the New York (the "City") and certain related non-City entities ("Component Units").

The results contained in this Report are based upon census data and financial information provided by the City and certain Component Units.

The data used to value the OPEB obligations is that used for the June 30, 2005 actuarial valuations of the New York City Retirement Systems ("NYCRS")<sup>5</sup> with supplemental data provided by the New York City Office of Labor Relations ("OLR").

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<sup>5</sup> New York City Employees' Retirement System ("NYCERS")  
New York City Teachers' Retirement System ("TRS")  
New York City Board of Education Retirement System ("BERS")  
New York City Police Pension Fund ("POLICE")  
New York City Fire Pension Fund ("FIRE")

The Office of the Actuary ("OA") performed tests on this census data for reasonability and on the basis of these tests believe the data is sufficiently complete and appropriate for determining the OPEB obligations for the City and the NYCRRHT.

However, it is not clear whether the census data for certain Component Units is sufficiently complete for the purpose of separately measuring OPEB obligations. The following discusses the census data status for certain Component Units.

- ECF provided separate data directly to OA. The ECF employees and retirees are not members of the NYCRRS.

A separate actuarial valuation was performed for these OPEB participants.

- HHC confirmed the number of active employees used in the valuation within 0.3%. HHC reported that it had no information on inactive or deferred vested participants. HHC also informed the OA that the number of retirees as of June 30, 2005 covered by the Program as of June 30, 2005 was 14,556, or 12.3% more than the 12,957 retirees identified by the OA as HHC on the NYCRRS data.

The OA has determined that NYCERS retiree data does not have complete information identifying a retirees' prior employer. The OA believes that the remaining 1,599 retirees are included in the NYCERS population and are being included with results for the City.

If these 1,599 retirees have the same demographic distribution as the 12,957 that were reflected in the HHC census data estimates, then the HHC obligation would be approximately \$103.1 million greater and the City's direct obligation would be approximately \$103.1 million less. It is likely that the average age of these 1,599 is older and the average cost is less for this group than the overall average for HHC since employer identifying information is more complete for recent, younger retirees. However, this may be partially offset by a possible undercount of inactive and/or deferred vested participants.

- HSG, HDC and OTB were provided counts for the census data used for their actuarial valuations. As of the date of this Report, these Component Units have not confirmed the counts of participants provided by the OA.

- SCA data includes only 12 identified NYCERS retirees. SCA has identified that there are a total of 149 retirees. The OA believes that the remaining 137 retirees are included in the BERS retiree data but that they lack an SCA identifier. By default, they would then be valued as part of the City's obligations.

If these retirees have the same demographic distribution as the entire group of BERS retirees, the obligation for SCA would be approximately \$8.5 million greater and the City's obligation would be approximately \$8.5 million less. It should be noted that SCA is a blended Component Unit with results not segregated from the City for financial reporting purposes.

The determination of GASB43 and GASB45 costs and obligations have been made on the basis of the understanding of the OA regarding the OPEB Program (the "Substantive Plan") and on the interpretation by the OA of the requirements of GASB43 and GASB45.

This Report has been prepared in accordance with generally accepted actuarial principles and procedures. The actuarial assumptions used in the development of the GASB43 and GASB45 obligations include those used by the Chief Actuary of the New York City Office of the Actuary (the "Actuary") in his capacity as the Actuary for the NYCERS, to value the benefits payable by the NYCERS. These assumptions have been supplemented by additional, OPEB-related actuarial assumptions used to value the OPEB provided under the Program.

Note: Separate actuarial assumptions shown in Appendix D were used to value OPEB for ECF participants.

The Frozen Entry Age Actuarial Cost Method used to determine the Annual Required Contribution ("ARC") and the Annual Net OPEB Obligation ("NOO") is one of the Actuarial Cost Methods permitted under GASB 43 Paragraph 34.d and GASB45 Paragraph 13.d.

The use of one-year amortization of the Unfunded Actuarial Accrued Liability ("UAAL") or Transition Liability was chosen by the accountants for the City and the Component Units.

In preparing this Report, the staff of the OA has been assisted by and collaborated with the staff of Buck Consultants, LLC ("Buck").

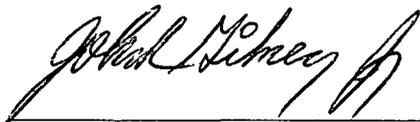
The Actuary states that this Report and its attachments meet the requirements for a Prescribed Statement of Actuarial Opinion ("PSAO"). The Actuary takes primary responsibility for the results herein.

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



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Robert C. North, Jr. FSA, FSPA, FCA, MAAA, EA  
Chief Actuary  
New York City Office of the Actuary



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John R. Gibney, Jr., MSPA, MAAA, EA  
Assistant Deputy Chief Actuary  
New York City Office of the Actuary



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Robin B. Simon, FSA, FCA, MAAA, EA, JD  
Principal, Consulting Actuary and  
Chief Actuary, Health and Welfare  
Buck Consultants, LLC

**APPENDIX A**

**Appendix A - Table 1**

**NEW YORK CITY HEALTH BENEFITS PROGRAM**

**New York City Retiree Health Benefits Trust**

**Statement of Net Assets**

**As of June 30, 2006**

**ASSETS**

<b>Investments, at Fair Value</b>	
<b>Federal Government Agencies</b>	<b>\$343,307,000</b>
<b>Money Market / Mutual Funds</b>	<b>1,063,000</b>
<b>Commercial Paper</b>	<b><u>655,488,000</u></b>
<b>Total Investments</b>	<b>\$999,858,000</b>
<b>Accrued Interest</b>	<b>1,469,000</b>
<b>Prepaid Expenses</b>	<b><u>142,000</u></b>
<b>Total Assets</b>	<b>\$1,001,469,000</b>

**LIABILITIES**

<b>Accounts Payable and Accrued Expenses</b>	<b>\$137,000</b>
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**NET ASSETS**

<b>Held in Trust for Benefit Payments</b>	<b>\$1,001,332,000</b>
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Appendix A - Table 2

NEW YORK CITY HEALTH BENEFITS PROGRAM

New York City Retiree Health Benefits Trust

Statement of Changes in Net Assets

As of June 30, 2006

**ADDITIONS**

**Contributions**

**Employer Contributions**

\$1,000,000,000

**Total Contributions**

\$1,000,000,000

**Investment Income**

**Interest Income**

\$1,469,000

**Total Investment Income**

\$1,469,000

**TOTAL ADDITIONS**

\$1,001,469,000

**DEDUCTIONS**

**Administrative Expenses**

\$137,000

**TOTAL DEDUCTIONS**

\$137,000

**CHANGE IN NET ASSETS**

\$1,001,332,000

**NET ASSETS**

**Held in Trust for Benefit Payments**

**Beginning of Year**

\$0

**End of Year**

\$1,001,332,000

**APPENDIX B**

**Appendix B - Table 1a**  
**New York City Health Benefits Program**  
**PLAN PARTICIPATION - NYCERS**

	Retiree Category					Total
	Individual (Non-Medicare)	Family (Non-Medicare)	Individual Medicare	Family Medicare	Split	
<b>Head Counts</b>						
GHI Indemnity	4,471	8,482	20,237	11,324	4009	48,523
HIP HMO	2,095	2,849	6,905	2,496	883	15,228
Blue Choice	163	116	386	154	75	894
Aetna USHC HMO/POS	368	676	371	167	76	1,658
Cigna	109	102	12	9	10	242
Other Medical Plans	76	159	294	226	59	814
Waivers	<u>1,315</u>	<u>356</u>	<u>1,774</u>	<u>332</u>	<u>196</u>	<u>3,973</u>
Total	8,597	12,740	29,979	14,708	5,308	71,332
<b>Assumption Selected</b>			<b>Pre-Medicare</b>	<b>Medicare</b>		
GHI Indemnity			63%	70%		
HIP HMO			20%	20%		
Other HMO			12%	7%		
Waiver			<u>5%</u>	<u>3%</u>		
			100%	100%		
Post-Medicare Migration from Other HMOs to GHI				50%		
Post-Medicare Migration from HIP to GHI				0%		
Post-Medicare Waivers Re-electing GHI				13%		
Post-Medicare Waivers Re-electing HIP				13%		

**Appendix B - Table 1b**  
**New York City Health Benefits Program**  
**PLAN PARTICIPATION - TRS**

	Retiree Category					Total
	Individual (Non-Medicare)	Family (Non-Medicare)	Individual Medicare	Family Medicare	Split	
<b>Head Counts</b>						
GHI Indemnity	7,959	6,713	22,203	10,032	3,229	50,136
HIP HMO	637	408	2,655	750	199	4,649
Blue Choice	136	52	223	77	42	530
Aetna USHC HMO/POS	182	162	152	47	26	569
Cigna	37	36	12	2	1	88
Other Medical Plans	80	79	177	77	17	430
Waivers	<u>1,451</u>	<u>397</u>	<u>779</u>	<u>162</u>	<u>65</u>	<u>2,854</u>
Total	10,482	7,847	26,201	11,147	3,579	59,256
<b>Assumption Selected</b>			<b>Pre-Medicare</b>	<b>Medicare</b>		
GHI Indemnity			83%	87%		
HIP HMO			6%	9%		
Other HMO			4%	2%		
Waiver			<u>7%</u>	<u>2%</u>		
			100%	100%		
Post-Medicare Migration from Other HMOs to GHI				0%		
Post-Medicare Migration from HIP to GHI				0%		
Post-Medicare Waivers Re-electing GHI				35%		
Post-Medicare Waivers Re-electing HIP				35%		

**Appendix B - Table 1c**  
**New York City Health Benefits Program**  
**PLAN PARTICIPATION - BERS**

	Retiree Category					Total
	Individual (Non-Medicare)	Family (Non-Medicare)	Individual Medicare	Family Medicare	Split	
<b>Head Counts</b>						
GHI Indemnity	510	512	4,266	2412	523	8,223
HIP HMO	209	100	1,261	301	69	1,940
Blue Choice	9	1	30	13	5	58
Aetna USHC HMO/POS	14	13	45	27	3	102
Cigna	4	4	3	2	1	14
Other Medical Plans	5	4	38	20	1	68
Waivers	<u>180</u>	<u>25</u>	<u>342</u>	<u>47</u>	<u>23</u>	<u>617</u>
Total	931	659	5,985	2,822	625	11,022
<b>Assumption Selected</b>						
			<b>Pre-Medicare</b>	<b>Medicare</b>		
GHI Indemnity			67%	85%		
HIP HMO			20%	10%		
Other HMO			5%	2%		
Waiver			<u>8%</u>	<u>3%</u>		
			100%	100%		
Post-Medicare Migration from Other HMOs to GHI				0%		
Post-Medicare Migration from HIP to GHI				50%		
Post-Medicare Waivers Re-electing GHI				38%		
Post-Medicare Waivers Re-electing HIP				38%		

**Appendix B - Table 1d**  
**New York City Health Benefits Program**  
**PLAN PARTICIPATION - POLICE**

	Retiree Category					Total
	Individual (Non-Medicare)	Family (Non-Medicare)	Individual Medicare	Family Medicare	Split	
<b>Head Counts</b>						
GHI Indemnity	2,885	14,882	3,189	6,414	2,975	30,345
HIP HMO	563	2,512	577	946	401	4,999
Blue Choice	93	225	96	98	78	590
Aetna USHC HMO/POS	201	1,108	44	51	27	1,431
Cigna	38	122	12	16	13	201
Other Medical Plans	56	404	56	91	28	635
Waivers	<u>471</u>	<u>324</u>	<u>185</u>	<u>109</u>	<u>60</u>	<u>1,149</u>
Total	4,307	19,577	4,159	7,725	3,582	39,350
<b>Assumption Selected</b>			<b>Pre-Medicare</b>	<b>Medicare</b>		
GHI Indemnity			73%	76%		
HIP HMO			13%	13%		
Other HMO			9%	9%		
Waiver			<u>5%</u>	<u>2%</u>		
			100%	100%		
Post-Medicare Migration from Other HMOs to GHI				50%		
Post-Medicare Migration from HIP to GHI				0%		
Post-Medicare Waivers Re-electing GHI				30%		
Post-Medicare Waivers Re-electing HIP				30%		

**Appendix B - Table 1e**  
**New York City Health Benefits Program**  
**PLAN PARTICIPATION - FIRE**

	Retiree Category					Total
	Individual (Non-Medicare)	Family (Non-Medicare)	Individual Medicare	Family Medicare	Split	
<b>Head Counts</b>						
GHI Indemnity	603	4,025	1762	3753	1644	11,787
HIP HMO	158	1,010	456	777	264	2,665
Blue Choice	18	60	41	59	31	209
Aetna USHC HMO/POS	54	452	27	55	36	624
Cigna	10	43	8	5	6	72
Other Medical Plans	7	77	37	60	26	207
Waivers	<u>64</u>	<u>57</u>	<u>90</u>	<u>55</u>	<u>21</u>	<u>287</u>
Total	914	5,724	2,421	4,764	2,028	15,851
<b>Assumption Selected</b>			<b>Pre-Medicare</b>	<b>Medicare</b>		
GHI Indemnity			71%	77%		
HIP HMO			16%	16%		
Other HMO			12%	6%		
Waiver			<u>1%</u>	<u>1%</u>		
			100%	100%		
Post-Medicare Migration from Other HMOs to GHI				50%		
Post-Medicare Migration from HIP to GHI				0%		
Post-Medicare Waivers Re-electing GHI				1%		
Post-Medicare Waivers Re-electing HIP				1%		

**Appendix B - Table 2a**  
**New York City Health Benefits Program**  
**WELFARE FUND CONTRIBUTIONS - NYCERS**

Union Welfare Fund			
UWF	Description	Count	Amount
001	Management Benefits Fund	4,864	1,575
005	Lcl 211 IUOE Welfare Fund	374	1,558
010	Asst Dep Wardens Assc SBF	268	1,575
030	Correction Captains Assoc	1,071	1,575
035	Correct Officers Ben Assoc	3,719	1,500
040	NYS Court Officers Assoc	7	1,500
045	CWA LCL 1182 Retiree SBF	170	1,525
046	CWA L1181 Sec Ben Fnd Ret	172	1,575
048	Detectives Endowment Asso	5	1,558
049	Detectives Endowment Asso	176	1,558
050	Detectives Endowment Asso	119	1,558
055	L832 Security Benefit Fnd	61	1,575
060	District Council 37	27,374	1,575
061	DC 37 - (TAPD Civilians)	20	1,575
066	DC 37 MEBA - Ferryboats	97	1,575
070	Doctors CNCL Ret Welf Fnd	359	1,575
075	Lcl 3 IBEW Electr Inspect	48	1,575
080	Fire Alarm DSP Ben Assoc	127	1,575
100	Lpn Retiree Welfare Fund	587	1,575
107	Unknown	10	1,575
108	Org of Staff Analysts	913	1,575
109	Lcl 14 Mun W F-Crane Oper	29	1,575
110	Unknown	337	1,575
115	Local 306 Retir Hlth Welf	1	1,575
120	Local 333 Dockhands	147	1,575
129	Unknown	199	1,575
130	Local 832 Retirees	51	1,575
131	Unknown	67	1,575
135	Ret CWA L1183 BOE H&W Fnd	111	1,575
140	Unknown	204	1,575
155	LCL 1180 CWA Ret Bene Fnd	4,574	1,575
156	L1180 Ret Ben Fd-Tapd Civ	3	1,575
160	NYC Deputy Sheriffs Ass Ret SBF	26	1,575
162	Unknown	3	1,575
163	Unknown	34	1,575
164	Unknown	5	1,575
165	Ret Welf Fnd Auto Svc Wkr	21	1,575
170	PBA (NYPD)	7	1,500
171	PBA (NYPD) (TA)	1,542	1,500
172	PBA (NYPD) (HA)	608	1,500
185	NYS Nurses Association	1,769	1,575
187	Pavers & Rdbuilders Inspct	34	1,575
190	United Probation Officers	299	1,575
200	Sanitation Off Ret Wel Fn	2,039	1,575
205	Retired Firefighters SBF	1	1,575
225	Soc NYPD LT Benev Associa	1	1,500
226	Soc NYPD Capt Endow Assoc	7	1,500
228	Soc NYPD Lt Benev Ass0(T)	111	1,500
229	Soc NYPD Capt End Ass (T)	40	1,500
230	Sergeants Benevolent Assoc Hlth&Welf Fund/Ret (T)	232	1,525

**Appendix B - Table 2a**  
**New York City Health Benefits Program**  
**WELFARE FUND CONTRIBUTIONS - NYCERS**

Union Welfare Fund			
UWF	Description	Count	Amount
231	Soc NYPD Lt Benev Asso (H)	88	1,500
232	Soc NYPD Capt End Assn (H)	47	1,500
233	Sba Hlth&Welf Fund/Ret (H)	139	1,525
235	L237 Retiree Bene Fnd-CW	4,483	1,575
240	Ufoa Local 854 Retirees	1	1,575
250	Uniform Sanitation Assoc Retirees' Welfare Fnd	5,580	1,575
251	Uniform Sanitation Assoc Retirees' Welfare Fnd	249	1,575
260	Lcl 300 Retiree Welf Fund	319	1,575
275	Unknown	254	1,575
276	Unknown	9	1,575
555	Unknown	26	1,575
604	Asscr Wel Fnd of Retirees	5	1,575
605	NYS Court Clerks Assoc Sec Ben Fnd Retire	38	1,575
645	NYS Supreme Court Offc As	2	1,575
700	Lcl 237 Rwf (L621 Sup Mec)	154	1,575
701	Lcl 237 Rwf (L621 Sup I W)	7	1,575
702	Local 237 Rwf (L621 DDMEM)	4	1,575
703	L237 Brcklyr Mhlp Retiree	92	1,575
704	L806 Struc Steel Retirees	28	1,575
705	L.40,361&417 JT UN Sec Fd	29	1,575
706	Lcl 3 IBEW Commun Elec Et	45	1,575
712	Lcl 3 IBEW Electrcn Sup HL	253	1,575
713	Unknown	17	1,575
714	Lcl 237 Elev Mech Retiree	187	1,575
715	Unknown	12	1,575
717	DC 37 Glazier Supv Glazier	21	1,575
720	DC 37 Locksmith Supv Lksmt	21	1,575
724	Ret H&W Fd, L3, IBEW - Sup.Me	55	1,575
725	Unknown	73	1,575
727	Lcl 2 Civil Svc Plumbers	240	1,575
728	Lcl 1969 NYC Painters	201	1,575
730	Pavers Roadbuilders DC Pavers	11	1,575
731	Lcl 237 Roof/Plast Retire	23	1,575
732	Unknown	59	1,575
736	Unknown	1	1,575
737	Local 3 IBEW Armature Win	1	1,575
738	Retiree Welf Fnd Auto Mec	578	1,575
739	Ret Welf Fund-Tract Opers	7	1,575
740	Ret Welf Fnd Gen Mechanic	1	1,575
741	Ret Wel Fnd Motor Gra Opr	18	1,575
742	Lcl 14 Pile Driving Engr	3	1,575
743	DC 37 HWY RPR Sup HWY RPR	260	1,575
744	DC 37 Furnit Mainainer	3	1,575
745	DC 37 Cyld Press Operator	14	1,575
746	Lcl 300 Retiree Welf Fund	59	1,575
747	Pavers Roadbuilders HW SP HW R	65	1,575
748	Lcl 14-Retir. Gas RLR Eng	10	1,575
749	Unknown	78	1,575
750	Unknown	11	1,575
753	DC 37 Compositor (JOB)	8	1,575

**Appendix B - Table 2a**  
**New York City Health Benefits Program**  
**WELFARE FUND CONTRIBUTIONS - NYCERS**

Union Welfare Fund			
UWF	Description	Count	Amount
754	Ret Wel Fund Carrge Uphol	7	1,575
756	Lcl 237 Cement Mas Retire	41	1,575
777	Unknown	1	1,575
782	Lcl 237 Horse/Harn Retire	2	1,575
786	DC 37 Construct Laborer	1,024	1,575
804	Lcl 237 Maint Wkr Retiree	624	1,575
808	Lcl 30, Oiler	102	1,575
812	DC 37 Radio Repair Mechani	40	1,575
814	Lcl 246 RWF Rubr Tire Rep	6	1,575
816	DC 37 Sewage Treatmnt Wkrs	259	1,575
818	Ret Wel Fnd Sgn Ptrs/Ltrs	5	1,575
820	Lcl 30 Stat Eng Sr St Eng	309	1,575
823	DC Carpt Cl Y Carpt & Sup	292	1,575
826	Lcl 3 IBEW Sr Stat Engr E	57	1,575
827	Ret Wel Fnd Sheet Mtl Wkr	27	1,575
828	Lcl 3 IBEW STATN Engr Ele	111	1,575
832	DC 37 Hi-Press Plant Tend	158	1,575
837	Lcl Ldg 5 Blksmith HLP Sup	35	1,575
838	DC Carpt Cl N Deckbldr Sup	35	1,575
839	Lcl Ldg 5 Blksmith HLP Sup	10	1,575
842	Lcl 638 Stmftrs Hlpr Supr	52	1,575
843	Local 15-Gasoline RLR Eng	16	1,575
844	Local 15-Basin Mach Opers	2	1,575
845	LCL 15 Muni WI Fd-Hipress	45	1,575
847	Unknown	3	1,575
848	Lcl 15 Tractor Oper(Sani)	100	1,575
888	Unknown	848	0
948	Unknown	1	0
949	Unknown	2	0
950	Unknown	1	0
999	Unknown	185	0
<b>Total Count and Amount Assumed for Actives:</b>		<b>71,332</b>	<b>1,568</b>

**Appendix B - Table 2b**  
**New York City Health Benefits Program**  
**WELFARE FUND CONTRIBUTIONS - TRS**

Union Welfare Fund

UWF	Description	Count	Amount
001	Unknown (Management Benefits Fund)	111	1,575
048	Detect End Assn Ret Fund	2	1,558
060	District Council 37	388	1,575
100	LPN Retiree Welfare Fund	1	1,500 if DOR > 9/8/82 1060 otherwise
101	Unknown	1	1,500 if DOR > 9/8/82 1060 otherwise
108	Org of Staff Analysts	5	1,500 if DOR > 9/8/82 1060 otherwise
130	Local 832 Retirees	1	1,500 if DOR > 9/8/82 1060 otherwise
155	Lcl 1180 CWA Ret Bene Fnd	44	1,575
163	UFT if DOR 9/8/82 or Less	4,928	1,060
163	UFT if DOR > 9/8/82	44,411	1,500
164	Council of Supervisors and Administrators	6,125	1,500 if DOR > 9/8/82 1060 otherwise
185	NYS Nurses Association	3	1,500 if DOR > 9/8/82 1060 otherwise
190	United Probation Officers	1	1,500 if DOR > 9/8/82 1060 otherwise
200	Sanitation Off Ret Wel Fn	2	1,425
225	Soc NYPD Lt Benev Association	1	1,500
235	L237 Retiree Bene Fnd-CW	13	1,575
240	UFOA Local 854 Retirees	2	1,510
250	USA Retirees' Welfare Fnd	1	1,425
275	Professional Staff Congress if DOR 9/8/82 or less	147	1,210
275	Professional Staff Congress if DOR > 9/8/82	2,510	1,683
276	Unknown	104	1,500 if DOR > 9/8/82 1060 otherwise
277	Unknown	5	1,500 if DOR > 9/8/82 1060 otherwise
724	Ret H&W Fd, L3, IBEW-SUP, ME	1	1,500 if DOR > 9/8/82 1060 otherwise
888	Unknown	279	0
999	Unknown	170	0
<b>Total Count and Amount Assumed for Actives:</b>		<b>59,256</b>	<b>1,510</b>

**Appendix B - Table 2c**  
**New York City Health Benefits Program**  
**WELFARE FUND CONTRIBUTIONS - BERS**

Union Welfare Fund			
UWF	Description	Count	Amount
001	Management Benefits Fund	349	1,575
005	Allied Building Inspectors	1	1,558
045	CWA Local 1182	0	1,575
060	District Council 37	8,010	1,575
061	DC 37 - (TAPD Civilians)	1	1,575
075	Lcl 3 IBEW Electr Inspect	2	1,500
108	Org of Staff Analysts	18	1,500
115	Local 306 Retir Hlth Welf	11	1,525
130	Local 832 Retirees	227	1,575
131	Unknown	467	1,575
155	Lcl 1180 CWA Ret Bene Fnd	495	1,575
162	Unknown	7	1,575
163	Unknown	434	1,575
164	Unknown	13	1,575
165	Ret Welf Fnd Auto Svc Wkr	7	1,575
235	L237 Retiree Bene Fnd-CW	397	1,575
260	Lcl 300 Retiree Welf Fund	42	1,575
275	Unknown	10	1,575
555	Unknown	2	1,575
700	Lcl 237 RWF (L621 Sup Mec)	5	1,575
703	L237 Brcklyr Mhlp Retiree	2	1,575
708	Unknown	1	1,575
712	Lcl 3 IBEW Electrcn Sup HL	22	1,575
714	Lcl 237 Elev Mech Retiree	4	1,575
717	DC 37 Glazier Supv Glazier	8	1,575
720	DV 37 Locksmith Supv Lksmt	2	1,575
724	NYC Elect Div Welf Fd	17	1,575
727	Lcl 2 Civil Svc Plumbers	32	1,575
728	Lcl 1969 NYC Painters	19	1,575
731	Lcl 237 Roof/Plast Retire	5	1,575
732	Unknown	5	1,575
738	Retiree Welf Fnd Auto Mec	25	1,575
740	Ret Welf Fnd Gen Mechanic	3	1,575
744	DC 37 Furnit Maintainer	7	1,575
745	DC 37 Cyld Press Operator	1	1,575
756	Lcl 237 Cement Mas Retire	1	1,575
760	Unknown	10	1,575
786	DC 37 Construct Laborer	17	1,575
804	Lcl 237 Maint Wkr Retiree	15	1,575
812	DC 37 Radio Repair Mechani	3	1,575
820	Lcl 30 Stat Eng Sr St Eng	1	1,575
823	DC Carpt Cl Y Carpt & Sup	64	1,575
826	Lcl 3 IBEW Sr Stat Engr E	1	1,575
827	Ret Wel Fnd Sheet Mtl Wkr	7	1,575
838	DC Carpt Cl N Dckbl dr Sup	40	1,575
839	Lcl Ldg 5 Bolrmkr Hlp Sup	1	1,575
842	Lcl 638 Stmftrs Hlpr Supr	20	1,575
888	Unknown	28	0
999	Unknown	163	0
<b>Total Count and Amount Assumed for Actives:</b>		<b>11,022</b>	<b>1,575</b>

**Appendix B - Table 2d**  
**New York City Health Benefits Program**  
**WELFARE FUND CONTRIBUTIONS - POLICE**

Union Welfare Fund			
UWF	Description	Count	Amount
001	Management Benefits Fund	90	1,575
048	Detect End Assn Ret Fund	8,630	1,558
060	District Council 37	4	1,575
170	PBA	19,191	1,500
225	Soc NYPD Lt Benev Association	2,833	1,500
226	Soc NYPD Capt Endow Association	1,225	1,500
227	SBA Hlth & Welf Fnd/Ret	5,505	1,525
777	Unknown	132	0
888	Unknown	1,680	0
925	Unknown	5	0
926	Unknown	3	0
927	Unknown	8	0
928	Unknown	4	0
930	Unknown	6	0
931	Unknown	3	0
948	Unknown	22	0
949	Unknown	7	0
971	Unknown	1	0
999	Unknown	1	0
<b>Total Count and Amount Assumed for Actives:</b>		<b>39,350</b>	<b>1,517</b>

**Appendix B - Table 2e**  
**New York City Health Benefits Program**  
**WELFARE FUND CONTRIBUTIONS - FIRE**

Union Welfare Fund			
UWF	Description	Count	Amount
001	Management Benefits Fund	63	1,575
065	DC 37 (administers benefits for MEBA Fireboats/Pilots)	130	1,575
121	Local 333	5	1,425
205	Uniformed Firefighters Association	9,640	1,575
206	UFA Wipers	6	1,425
240	Fire Officers Association	4,580	1,510
888		1,002	0
889		1	0
905	Either not entitled to Welfare Fund benefits or UWF	240	0
906	contribution is not funded by the City. Medicare Part B	38	0
940	reimbursement.	106	0
941		37	0
999		3	0
<b>Total Count and Amount Assumed for Actives:</b>		<b>15,851</b>	<b>1,554</b>

**Appendix B - Table 3**  
**New York City Health Benefits Program**  
**Summary of Data Used in the June 30, 2005 Actuarial Valuations**  
**By System Not Including Component Units<sup>1</sup>**

	NYCERS	TRS	BERS	POLICE	FIRE	TOTAL
<b>Actives</b>						
Number	92,846	104,850	22,611	35,324	11,470	267,101
Salary	\$5,024,919,321	\$6,273,909,931	\$683,534,035	\$2,812,930,172	\$908,261,198	\$15,703,554,657
AvgAge	46.20	44.31	50.22	36.11	38.21	44.12
AvgSvc	12.08	10.19	8.67	10.51	11.30	10.81
AvgSal	\$54,122	\$59,837	\$30,230	\$79,632	\$79,186	\$58,793
PVFutSal	\$58,566,649,408	\$106,948,637,555	\$8,391,308,311	\$29,923,021,419	\$12,704,463,741	\$216,534,080,434
<b>Inactives</b>						
Number	29,423	12,638	3,108	2,181	153	47,503
AvgAge	44.34	38.23	46.22	34.54	42.44	42.38
AvgSvc	5.15	4.73	5.29	6.27	14.58	5.13
<b>Retirees</b>						
Number	51,369	59,256	11,022	39,350	15,851	176,848
AvgAge	69.91	70.54	73.11	60.23	64.49	67.68
<b>Deferred</b>						
Number	3,854	5,172	200	650	21	9,897
AvgAge	49.34	49.05	52.42	37.66	40.62	48.47

<sup>1</sup> Data for Component Units is summarized in Exhibits C1 through C7

**APPENDIX C**

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Educational Construction Fund (ECF) Summary of Data Used in the June 30, 2005 Actuarial Valuation

	<b>TOTAL</b>
<b>Actives</b>	
Number	2
Salary	\$148,770
Average Age	51.75
Average Service	12.29
Average Salary	\$74,385
Present Value of Future Salary	\$1,749,763
<b>Inactives</b>	
Number	0
Average Age	NA
Average Service	NA
<b>Retirees</b>	
Number	9
Average Age	79.97
<b>Deferred</b>	
Number	0
Average Age	NA

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Educational Construction Fund (ECF)

<b>Total Present Value of Projected Benefits</b>	<b>Total</b>
Active <sup>1</sup>	\$546,348
Deferred <sup>2</sup>	0
Retired	<u>663,657</u>
<b>TOTAL</b>	<b>\$1,210,005</b>
 <b>Actuarial Accrued Liability</b>	
Active <sup>1</sup>	\$291,092
Deferred <sup>2</sup>	0
Retired	<u>663,657</u>
<b>TOTAL</b>	<b>\$954,749</b>
<b>Assets</b>	<b>\$0</b>
<b>Unfunded Actuarial Accrued Liability</b>	<b>\$954,749</b>
<b>Present Value of Future Normal Costs</b>	<b>\$255,256</b>
<b>Present Value of Future Salary</b>	<b>\$1,749,763</b>
<b>Normal Cost Percentage</b>	<b>14.588%</b>
<b>Salary of Active Participants</b>	<b>\$148,770</b>
<b>Frozen Entry Age Normal Cost</b>	<b>\$21,703</b>
 <b>Transition Liability</b>	
Beginning of Year	\$954,749
End of Year	\$994,418

<sup>1</sup> Includes Inactives, if any

<sup>2</sup> Includes Deferred Retirees, if any

**New York City Health Benefits Program**  
**Results of the OPEB Valuations as of June 30, 2005**  
**For the New York City Educational Construction Fund (ECF)**  
**Development of the Annual Required Contribution (ARC)**  
**For the Fiscal Year Ending June 30, 2006**

Normal Cost at June 30, 2005	\$21,703
Amortization of Transition Liability - BOY	<u>954,749</u>
SubTotal	\$976,452
Interest to June 30, 2006 at 4.155%	<u>40,572</u>
Annual Required Contribution (ARC)	\$1,017,024

**New York City Health Benefits Program**

**Results of the OPEB Valuations as of June 30, 2005  
For the New York City Educational Construction Fund (ECF)**

**Development of the Annual OPEB Cost (AOC)  
and Development of the Net OPEB Obligation (NOO)**

**For the Fiscal Year Ending June 30, 2006**

**Annual OPEB Cost (AOC)**

Net OPEB Obligation at June 30, 2005	\$0
<b>Annual Required Contribution (ARC)</b>	
Normal Cost	\$21,703
UAL Amortization Payment	954,749
Interest to End of Year	<u>40,572</u>
Total	\$1,017,024
ARC Adjustment	\$0
Interest on Net OPEB Obligation	\$0
<b>Annual OPEB Cost (AOC)</b>	<b>\$1,017,024</b>

**Net OPEB Obligation (NOO)**

Net OPEB Obligation at June 30, 2005	\$0
Annual OPEB Cost (AOC)	\$1,017,024
<b>Employer Contributions</b>	
PAYG	NA
To NYC Health Benefits Trust	<u>0</u>
Total	NA
<b>Net OPEB Obligation (NOO) at June 30, 2006</b>	<b>NA</b>

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Educational Construction Fund (ECF) For the Fiscal Year Ending June 30, 2006

#### Required Supplementary Information (RSI)

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2005	\$0	\$954,749	\$954,749	0.0%	\$148,770	641.8%

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Health and Hospitals Corporation (HHC) Summary of Data Used in the June 30, 2005 Actuarial Valuations

	NYCERS General	NYCERS SOAMDS <sup>1</sup>	BERS	TOTAL
<b>Actives</b>				
Number	28,364	303	5	28,672
Salary	\$1,507,135,299	\$14,360,228	\$374,739	\$1,521,870,266
Average Age	48.59	41.79	50.00	48.52
Average Service	9.60	11.15	22.40	9.62
Average Salary	\$53,135	\$47,394	\$74,948	\$53,078
Present Value of Future Salary	\$17,743,247,239	\$159,267,424	\$3,359,180	\$17,905,873,843
<b>Inactives</b>				
Number	127	5	0	132
Average Age	41.45	35.40	NA	41.22
Average Service	1.13	1.40	NA	1.14
<b>Retirees</b>				
Number	12,957	0	0	12,957
Average Age	72.37	NA	NA	72.37
<b>Deferred</b>				
Number	1,083	0	0	1,083
Average Age	50.31	NA	NA	50.31

<sup>1</sup> Special Officers, Auto Mechanics, Deputy Sheriffs

**New York City Health Benefits Program**  
**Results of the OPEB Valuations as of June 30, 2005**  
**For the New York City Health and Hospitals Corporation (HHC)**

<b>Total Present Value of Projected Benefits</b>	<b>Pre-Medicare</b>	<b>Medicare</b>	<b>Welfare Funds</b>	<b>Part B Premium</b>	<b>Total</b>
Active <sup>1</sup>	\$1,112,113,257	\$1,074,199,449	\$1,080,010,817	\$0	\$3,266,323,523
Deferred <sup>2</sup>	37,389,519	44,201,310	44,047,333	0	125,638,162
Retired	<u>158,210,782</u>	<u>354,667,232</u>	<u>322,850,355</u>	<u>0</u>	<u>835,728,369</u>
<b>TOTAL</b>	<b>\$1,307,713,558</b>	<b>\$1,473,067,991</b>	<b>\$1,446,908,505</b>	<b>\$0</b>	<b>\$4,227,690,054</b>
<b>Actuarial Accrued Liability</b>					
Active <sup>1</sup>	\$252,390,419	\$420,017,126	\$385,751,455	\$0	\$1,058,159,000
Deferred <sup>2</sup>	37,389,519	44,201,310	44,047,333	0	125,638,162
Retired	<u>158,210,782</u>	<u>354,667,232</u>	<u>322,850,355</u>	<u>0</u>	<u>835,728,369</u>
<b>TOTAL</b>	<b>\$447,990,720</b>	<b>\$818,885,668</b>	<b>\$752,649,143</b>	<b>\$0</b>	<b>\$2,019,525,531</b>
<b>Assets</b>					<b>\$0</b>
<b>Unfunded Actuarial Accrued Liability</b>					<b>\$2,019,525,531</b>
<b>Present Value of Future Normal Costs</b>					<b>\$2,208,164,523</b>
<b>Present Value of Future Salary</b>					<b>\$17,905,873,843</b>
<b>Normal Cost Percentage</b>					<b>12.332%</b>
<b>Salary of Active Participants</b>					<b>\$1,521,870,266</b>
<b>Frozen Entry Age Normal Cost</b>					<b>\$187,677,041</b>
<b>Transition Liability</b>					
Beginning of Year					\$2,019,525,531
End of Year					\$2,100,306,552

<sup>1</sup> Includes Inactives, if any

<sup>2</sup> Includes Deferred Retirees, if any

**New York City Health Benefits Program****Results of the OPEB Valuations as of June 30, 2005  
For the New York City Health and Hospitals Corporation (HHC)****Development of the Annual Required Contribution (ARC)  
For the Fiscal Year Ending June 30, 2006**

<b>Normal Cost at June 30, 2005</b>	<b>\$187,677,041</b>
<b>Amortization of Transition Liability - BOY</b>	<b><u>2,019,525,531</u></b>
<b>SubTotal</b>	<b>\$2,207,202,572</b>
<b>Interest to June 30, 2006 at 4.0%</b>	<b><u>88,288,103</u></b>
<b>Annual Required Contribution (ARC)</b>	<b>\$2,295,490,675</b>

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Health and Hospitals Corporation (HHC)

#### Development of the Annual OPEB Cost (AOC) and Development of the Net OPEB Obligation (NOO)

For the Fiscal Year Ending June 30, 2006

#### Annual OPEB Cost (AOC)

Net OPEB Obligation at June 30, 2005	\$0
Annual Required Contribution (ARC)	
Normal Cost	\$187,677,041
UAL Amortization Payment	2,019,525,531
Interest to End of Year	<u>88,288,103</u>
Total	\$2,295,490,675
ARC Adjustment	\$0
Interest on Net OPEB Obligation	\$0
Annual OPEB Cost (AOC)	\$2,295,490,675

#### Net OPEB Obligation (NOO)

Net OPEB Obligation at June 30, 2005	\$0
Annual OPEB Cost (AOC)	\$2,295,490,675
Employer Contributions	
PAYG	\$67,186,000
To NYC Health Benefits Trust	<u>0</u>
Total	\$67,186,000
Net OPEB Obligation (NOO) at June 30, 2006	\$2,228,304,675

## New York City Health Benefits Program

**Results of the OPEB Valuations as of June 30, 2005  
For the New York City Health and Hospitals Corporation (HHC)  
For the Fiscal Year Ending June 30, 2006**

**Required Supplementary Information (RSI)**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2005	\$0	\$2,019,525,531	\$2,019,525,531	0.0%	\$1,521,870,266	132.7%

## New York City Health Benefits Program

### Results of the OPEB Valuations For the New York City Housing Authority (HSG) Summary of Data Used in the June 30, 2005 Actuarial Valuation

	NYCERS General	NYCERS SOAMDS <sup>1</sup>	BERS	TOTAL
<b>Actives</b>				
Number	12,306	10	23	12,339
Salary	\$593,415,009	\$342,167	\$1,463,589	\$595,220,765
Average Age	45.71	35.60	48.30	45.71
Average Service	12.21	1.70	11.39	12.20
Average Salary	\$48,222	\$34,217	\$63,634	\$48,239
Present Value of Future Salary	\$7,743,690,911	\$5,787,788	\$18,670,824	\$7,768,149,523
<b>Inactives</b>				
Number	2	0	0	2
Average Age	36.50	0.00	0	36.50
Average Service	2.00	0.00	0	2.00
<b>Retirees</b>				
Number	5,087	0	0	5,087
Average Age	70.64	0.00	0	70.64
<b>Deferred</b>				
Number	654	0	0	654
Average Age	49.12	0.00	0	49.12

<sup>1</sup> Special Officers, Auto Mechanics, Deputy Sheriffs

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Housing Authority (HSG)

<b>Total Present Value of Projected Benefits</b>	<b>Pre-Medicare</b>	<b>Medicare</b>	<b>Welfare Funds</b>	<b>Part B Premium</b>	<b>Total</b>
Active <sup>1</sup>	\$781,702,588	\$486,233,665	\$493,050,235	\$414,511,308	<b>\$2,175,497,796</b>
Deferred <sup>2</sup>	29,186,462	25,461,914	24,078,218	21,852,370	<b>100,578,964</b>
Retired	<u>119,848,999</u>	<u>134,031,814</u>	<u>121,749,787</u>	<u>113,701,983</u>	<b><u>489,332,583</u></b>
<b>TOTAL</b>	<b>\$930,738,049</b>	<b>\$645,727,393</b>	<b>\$638,878,240</b>	<b>\$550,065,661</b>	<b>\$2,765,409,343</b>
 <b>Actuarial Accrued Liability</b>					
Active <sup>1</sup>	\$206,172,946	\$192,867,075	\$175,055,796	\$163,643,309	<b>\$737,739,126</b>
Deferred <sup>2</sup>	29,186,462	25,461,914	24,078,218	21,852,370	<b>100,578,964</b>
Retired	<u>119,848,999</u>	<u>134,031,814</u>	<u>121,749,787</u>	<u>113,701,983</u>	<b><u>489,332,583</u></b>
<b>TOTAL</b>	<b>\$355,208,407</b>	<b>\$352,360,803</b>	<b>\$320,883,801</b>	<b>\$299,197,662</b>	<b>\$1,327,650,673</b>
<b>Assets</b>					<b>\$0</b>
<b>Unfunded Actuarial Accrued Liability</b>					<b>\$1,327,650,673</b>
<b>Present Value of Future Normal Costs</b>					<b>\$1,437,758,670</b>
<b>Present Value of Future Salary</b>					<b>\$7,768,149,523</b>
<b>Normal Cost Percentage</b>					<b>18.508%</b>
<b>Salary of Active Participants</b>					<b>\$595,220,765</b>
<b>Frozen Entry Age Normal Cost</b>					<b>\$110,163,459</b>
 <b>Transition Liability</b>					
Beginning of Year					<b>\$1,327,650,673</b>
End of Year					<b>\$1,380,756,700</b>

<sup>1</sup> Includes Inactives, if any

<sup>2</sup> Includes Deferred Retirees, if any

**New York City Health Benefits Program****Results of the OPEB Valuations as of June 30, 2005  
For the New York City Housing Authority (HSG)****Development of the Annual Required Contribution (ARC)  
For the Fiscal Year Ending June 30, 2006**

Normal Cost at June 30, 2005	\$110,163,459
Amortization of Transition Liability - BOY	<u>1,327,650,673</u>
SubTotal	\$1,437,814,132
Interest to June 30, 2006 at 4.0%	<u>57,512,565</u>
Annual Required Contribution (ARC)	\$1,495,326,697

**New York City Health Benefits Program**

**Results of the OPEB Valuations as of June 30, 2005  
For the New York City Housing Authority (HSG)**

**Development of the Annual OPEB Cost (AOC)  
and Development of the Net OPEB Obligation (NOO)**

**For the Fiscal Year Ending June 30, 2006**

**Annual OPEB Cost (AOC)**

<b>Net OPEB Obligation at June 30, 2005</b>	<b>\$0</b>
<b>Annual Required Contribution (ARC)</b>	
Normal Cost	\$110,163,459
UAL Amortization Payment	1,327,650,673
Interest to End of Year	<u>57,512,565</u>
<b>Total</b>	<b>\$1,495,326,697</b>
<b>ARC Adjustment</b>	<b>\$0</b>
<b>Interest on Net OPEB Obligation</b>	<b>\$0</b>
<b>Annual OPEB Cost (AOC)</b>	<b>\$1,495,326,697</b>

**Net OPEB Obligation (NOO)**

<b>Net OPEB Obligation at June 30, 2005</b>	<b>\$0</b>
<b>Annual OPEB Cost (AOC)</b>	<b>\$1,495,326,697</b>
<b>Employer Contributions</b>	
PAYG	NA
To NYC Health Benefits Trust	<u>0</u>
<b>Total</b>	<b>NA</b>
<b>Net OPEB Obligation (NOO) at June 30, 2006</b>	<b>NA</b>

**New York City Health Benefits Program**

**Results of the OPEB Valuations as of June 30, 2005**

**For the New York City Housing Authority (HSG)**

**For the Fiscal Year Ending June 30, 2006**

**Required Supplementary Information (RSI)**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)- Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
June 30, 2005	\$0	\$1,327,650,673	\$1,327,650,673	0.0%	\$595,220,765	223.1%

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Housing Development Corporation (HDC) Summary of Data Used in the June 30, 2005 Actuarial Valuation

	<b>TOTAL</b>
<b>Actives</b>	
Number	54
Salary	\$4,623,117
Average Age	46.80
Average Service	4.56
Average Salary	\$85,613
Present Value of Future Salary	\$58,703,534
<b>Inactives</b>	
Number	0
Average Age	NA
Average Service	NA
<b>Retirees</b>	
Number	14
Average Age	77.14
<b>Deferred</b>	
Number	0
Average Age	NA

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Housing Development Corporation (HDC)

<b>Total Present Value of Projected Benefits</b>	<b>Pre-Medicare</b>	<b>Medicare</b>	<b>Welfare Funds</b>	<b>Part B Premium</b>	<b>Total</b>
Active <sup>1</sup>	\$1,720,706	\$1,763,345	\$1,762,792	\$1,486,811	\$6,733,654
Deferred <sup>2</sup>	0	0	0	0	0
Retired	<u>97,263</u>	<u>253,892</u>	<u>72,362</u>	<u>216,878</u>	<u>640,395</u>
<b>TOTAL</b>	<b>\$1,817,969</b>	<b>\$2,017,237</b>	<b>\$1,835,154</b>	<b>\$1,703,689</b>	<b>\$7,374,049</b>
 <b>Actuarial Accrued Liability</b>					
Active <sup>1</sup>	\$348,123	\$436,472	\$415,562	\$368,061	\$1,568,218
Deferred <sup>2</sup>	0	0	0	0	0
Retired	<u>97,263</u>	<u>253,892</u>	<u>72,362</u>	<u>216,878</u>	<u>640,395</u>
<b>TOTAL</b>	<b>\$445,386</b>	<b>\$690,364</b>	<b>\$487,924</b>	<b>\$584,939</b>	<b>\$2,208,613</b>
<b>Assets</b>					<b>\$0</b>
<b>Unfunded Actuarial Accrued Liability</b>					<b>\$2,208,613</b>
<b>Present Value of Future Normal Costs</b>					<b>\$5,165,436</b>
<b>Present Value of Future Salary</b>					<b>\$58,703,534</b>
<b>Normal Cost Percentage</b>					<b>8.799%</b>
<b>Salary of Active Participants</b>					<b>\$4,623,117</b>
<b>Frozen Entry Age Normal Cost</b>					<b>\$406,788</b>
 <b>Transition Liability</b>					
Beginning of Year					<b>\$2,208,613</b>
End of Year					<b>\$2,296,958</b>

<sup>1</sup> Includes Inactives, if any

<sup>2</sup> Includes Deferred Retirees, if any

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Housing Development Corporation (HDC)

#### Development of the Annual Required Contribution (ARC) For the Fiscal Year Ending June 30, 2006

Normal Cost at June 30, 2005	\$406,788
Amortization of Transition Liability - BOY	<u>2,208,613</u>
SubTotal	\$2,615,401
Interest to June 30, 2006 at 4.0%	<u>104,616</u>
Annual Required Contribution (ARC)	\$2,720,017

**New York City Health Benefits Program**  
**Results of the OPEB Valuations as of June 30, 2005**  
**For the New York City Housing Development Corporation (HDC)**

**Development of the Annual OPEB Cost (AOC)**  
**and Development of the Net OPEB Obligation (NOO)**

**For the Fiscal Year Ending June 30, 2006**

**Annual OPEB Cost (AOC)**

Net OPEB Obligation at June 30, 2005	\$0
<b>Annual Required Contribution (ARC)</b>	
Normal Cost	\$406,788
UAL Amortization Payment	2,208,613
Interest to End of Year	<u>104,616</u>
Total	\$2,720,017
ARC Adjustment	\$0
Interest on Net OPEB Obligation	\$0
<b>Annual OPEB Cost (AOC)</b>	<b>\$2,720,017</b>

**Net OPEB Obligation (NOO)**

Net OPEB Obligation at June 30, 2005	\$0
<b>Annual OPEB Cost (AOC)</b>	<b>\$2,720,017</b>
<b>Employer Contributions</b>	
PAYG	NA
To NYC Health Benefits Trust	<u>0</u>
Total	NA
<b>Net OPEB Obligation (NOO) at June 30, 2006</b>	<b>NA</b>

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Housing Development Corporation (HDC) For the Fiscal Year Ending June 30, 2006

#### Required Supplementary Information (RSI)

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2005	\$0	\$2,208,613	\$2,208,613	0.0%	\$4,623,117	47.8%

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Off-Track Betting Corporation (OTB) Summary of Data Used in the June 30, 2005 Actuarial Valuations

	NYCERS General	NYCERS SOAMDS <sup>1</sup>	TOTAL
<b>Actives</b>			
Number	1,147	1	1,148
Salary	\$42,539,782	43,962	\$42,583,744
Average Age	47.62	65.00	47.64
Average Service	11.83	2.00	11.82
Average Salary	\$37,088	43,962	\$37,094
Present Value of Future Salary	\$495,603,134	182,003	\$495,785,137
<b>Inactives</b>			
Number	6	0	6
Average Age	31.50	NA	31.50
Average Service	0.00	NA	0.00
<b>Retirees</b>			
Number	764	0	764
Average Age	70.62	NA	70.62
<b>Deferred</b>			
Number	22	0	22
Average Age	48.91	NA	48.91

<sup>1</sup> Special Officers, Auto Mechanics, Deputy Sheriffs

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Off-Track Betting Corporation (OTB)

Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Total
Active <sup>1</sup>	\$53,964,191	\$43,378,460	\$42,679,453	\$0	\$140,022,104
Deferred <sup>2</sup>	880,784	880,631	856,204	0	2,617,619
Retired	<u>14,382,914</u>	<u>23,009,090</u>	<u>19,915,971</u>	<u>0</u>	<u>57,307,975</u>
<b>TOTAL</b>	<b>\$69,227,889</b>	<b>\$67,268,181</b>	<b>\$63,451,628</b>	<b>\$0</b>	<b>\$199,947,698</b>
 <b>Actuarial Accrued Liability</b>					
Active <sup>1</sup>	\$13,724,865	\$18,004,361	\$15,944,000	\$0	\$47,673,226
Deferred <sup>2</sup>	880,784	880,631	856,204	0	2,617,619
Retired	<u>14,382,914</u>	<u>23,009,090</u>	<u>19,915,971</u>	<u>0</u>	<u>57,307,975</u>
<b>TOTAL</b>	<b>\$28,988,563</b>	<b>\$41,894,082</b>	<b>\$36,716,175</b>	<b>\$0</b>	<b>\$107,598,820</b>
<b>Assets</b>					<b>\$0</b>
<b>Unfunded Actuarial Accrued Liability</b>					<b>\$107,598,820</b>
<b>Present Value of Future Normal Costs</b>					<b>\$92,348,878</b>
<b>Present Value of Future Salary</b>					<b>\$495,785,137</b>
<b>Normal Cost Percentage</b>					<b>18.627%</b>
<b>Salary of Active Participants</b>					<b>\$42,583,744</b>
<b>Frozen Entry Age Normal Cost</b>					<b>\$7,932,074</b>
 <b>Transition Liability</b>					
Beginning of Year					<b>\$107,598,820</b>
End of Year					<b>\$111,902,773</b>

<sup>1</sup> Includes Inactives, if any

<sup>2</sup> Includes Deferred Retirees, if any

**New York City Health Benefits Program****Results of the OPEB Valuations as of June 30, 2005  
For the New York City Off-Track Betting Corporation (OTB)****Development of the Annual Required Contribution (ARC)  
For the Fiscal Year Ending June 30, 2006**

<b>Normal Cost at June 30, 2005</b>	<b>\$7,932,074</b>
<b>Amortization of Transition Liability - BOY</b>	<b><u>107,598,820</u></b>
<b>SubTotal</b>	<b>\$115,530,894</b>
<b>Interest to June 30, 2006 at 4.0%</b>	<b><u>4,621,236</u></b>
<b>Annual Required Contribution (ARC)</b>	<b>\$120,152,130</b>

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Off-Track Betting Corporation (OTB)

#### Development of the Annual OPEB Cost (AOC) and Development of the Net OPEB Obligation (NOO)

For the Fiscal Year Ending June 30, 2006

#### Annual OPEB Cost (AOC)

Net OPEB Obligation at June 30, 2005	\$0
<b>Annual Required Contribution (ARC)</b>	
Normal Cost	\$7,932,074
UAL Amortization Payment	107,598,820
Interest to End of Year	<u>4,621,236</u>
Total	\$120,152,130
ARC Adjustment	\$0
Interest on Net OPEB Obligation	\$0
<b>Annual OPEB Cost (AOC)</b>	<b>\$120,152,130</b>

#### Net OPEB Obligation (NOO)

Net OPEB Obligation at June 30, 2005	\$0
Annual OPEB Cost (AOC)	\$120,152,130
<b>Employer Contributions</b>	
PAYG	\$12,900,000
To NYC Health Benefits Trust	<u>0</u>
Total	\$12,900,000
<b>Net OPEB Obligation (NOO) at June 30, 2006</b>	<b>\$107,252,130</b>

**New York City Health Benefits Program**

**Results of the OPEB Valuations as of June 30, 2005  
For the New York City Off-Track Betting Corporation (OTB)  
For the Fiscal Year Ending June 30, 2006**

**Required Supplementary Information (RSI)**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)- Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll (b - a) / c</b>
June 30, 2005	\$0	\$107,598,820	\$107,598,820	0.0%	\$42,583,744	252.7%

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City School Construction Authority (SCA) Summary of Data Used in the June 30, 2005 Actuarial Valuations

	NYCERS General	BERS	TOTAL
<b>Actives</b>			
Number	48	366	414
Salary	\$4,122,482	\$29,705,256	\$33,827,738
Average Age	48.81	50.18	50.02
Average Service	13.52	9.76	10.20
Average Salary	\$85,885	\$81,162	\$81,710
Present Value of Future Salary	\$49,014,222	\$325,632,253	\$374,646,475
<b>Inactives</b>			
Number	0	0	0
Average Age	NA	NA	NA
Average Service	NA	NA	NA
<b>Retirees</b>			
Number	12	0	12
Average Age	60.42	NA	60.42
<b>Deferred</b>			
Number	3	0	3
Average Age	50.67	NA	50.67

**New York City Health Benefits Program**  
**Results of the OPEB Valuations as of June 30, 2005**  
**For the New York City School Construction Authority (SCA)**

<b>Total Present Value of Projected Benefits</b>	<b>Pre-Medicare</b>	<b>Medicare</b>	<b>Welfare Funds</b>	<b>Part B Premium</b>	<b>Total</b>
Active <sup>1</sup>	\$16,425,349	\$15,601,172	\$13,714,334	\$0	<b>\$45,740,855</b>
Deferred <sup>2</sup>	157,333	110,846	99,332	0	<b>367,511</b>
Retired	<u>691,011</u>	<u>497,165</u>	<u>473,865</u>	<u>0</u>	<b><u>1,662,041</u></b>
<b>TOTAL</b>	<b>\$17,273,693</b>	<b>\$16,209,183</b>	<b>\$14,287,531</b>	<b>\$0</b>	<b>\$47,770,407</b>
<b>Actuarial Accrued Liability</b>					
Active <sup>1</sup>	\$5,166,849	\$7,047,232	\$5,750,857	\$0	<b>\$17,964,938</b>
Deferred <sup>2</sup>	157,333	110,846	99,332	0	<b>367,511</b>
Retired	<u>691,011</u>	<u>497,165</u>	<u>473,865</u>	<u>0</u>	<b><u>1,662,041</u></b>
<b>TOTAL</b>	<b>\$6,015,193</b>	<b>\$7,655,243</b>	<b>\$6,324,054</b>	<b>\$0</b>	<b>\$19,994,490</b>
<b>Assets</b>					<b>\$0</b>
<b>Unfunded Actuarial Accrued Liability</b>					<b>\$19,994,490</b>
<b>Present Value of Future Normal Costs</b>					<b>\$27,775,917</b>
<b>Present Value of Future Salary</b>					<b>\$374,646,475</b>
<b>Normal Cost Percentage</b>					<b>7.414%</b>
<b>Salary of Active Participants</b>					<b>\$33,827,738</b>
<b>Frozen Entry Age Normal Cost</b>					<b>\$2,507,988</b>
<b>Transition Liability</b>					
Beginning of Year					<b>\$19,994,490</b>
End of Year					<b>\$20,794,270</b>

<sup>1</sup> Includes Inactives, if any

<sup>2</sup> Includes Deferred Retirees, if any

**New York City Health Benefits Program**  
**Results of the OPEB Valuations as of June 30, 2005**  
**For the New York City School Construction Authority (SCA)**  
**Development of the Annual Required Contribution (ARC)**  
**For the Fiscal Year Ending June 30, 2006**

Normal Cost at June 30, 2005	\$2,507,988
Amortization of Transition Liability - BOY	<u>19,994,490</u>
SubTotal	\$22,502,478
Interest to June 30, 2006 at 4.0%	<u>900,099</u>
Annual Required Contribution (ARC)	\$23,402,577

**New York City Health Benefits Program**

**Results of the OPEB Valuations as of June 30, 2005  
For the New York City School Construction Authority (SCA)**

**Development of the Annual OPEB Cost (AOC)  
and Development of the Net OPEB Obligation (NOO)**

**For the Fiscal Year Ending June 30, 2006**

**Annual OPEB Cost (AOC)**

Net OPEB Obligation at June 30, 2005	\$0
<b>Annual Required Contribution (ARC)</b>	
Normal Cost	\$2,507,988
UAL Amortization Payment	19,994,490
Interest to End of Year	<u>900,099</u>
Total	\$23,402,577
ARC Adjustment	\$0
Interest on Net OPEB Obligation	\$0
<b>Annual OPEB Cost (AOC)</b>	<b>\$23,402,577</b>

**Net OPEB Obligation (NOO)**

Net OPEB Obligation at June 30, 2005	\$0
Annual OPEB Cost (AOC)	\$23,402,577
<b>Employer Contributions</b>	
PAYG	NA
To NYC Health Benefits Trust	<u>0</u>
Total	NA
<b>Net OPEB Obligation (NOO) at June 30, 2006</b>	<b>NA</b>

**New York City Health Benefits Program**

**Results of the OPEB Valuations as of June 30, 2005  
For the New York City School Construction Authority (SCA)  
For the Fiscal Year Ending June 30, 2006**

**Required Supplementary Information (RSI)**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)- Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
June 30, 2005	\$0	\$19,994,490	\$19,994,490	0.0%	\$33,827,738	59.1%

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Municipal Water Finance Authority (WFA) Summary of Data Used in the June 30, 2005 Actuarial Valuations

	<b>TOTAL</b>
<b>Actives</b>	
Number	11
Salary	\$1,041,223
Average Age	43.73
Average Service	5.55
Average Salary	\$94,657
Present Value of Future Salary	\$15,007,630
<b>Inactives</b>	
Number	0
Average Age	NA
Average Service	NA
<b>Retirees</b>	
Number	0
Average Age	NA
<b>Deferred</b>	
Number	0
Average Age	NA

# New York City Health Benefits Program

## Results of the OPEB Valuations as of June 30, 2005 For the New York City Municipal Water Finance Authority (WFA)

Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Total
Active <sup>1</sup>	\$555,977	\$410,994	\$413,048	\$0	\$1,380,019
Deferred <sup>2</sup>	0	0	0	0	0
Retired	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>\$555,977</b>	<b>\$410,994</b>	<b>\$413,048</b>	<b>\$0</b>	<b>\$1,380,019</b>
<b>Actuarial Accrued Liability</b>					
Active <sup>1</sup>	\$97,249	\$107,824	\$103,275	\$0	\$308,348
Deferred <sup>2</sup>	0	0	0	0	0
Retired	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>\$97,249</b>	<b>\$107,824</b>	<b>\$103,275</b>	<b>\$0</b>	<b>\$308,348</b>
<b>Assets</b>					<b>\$0</b>
<b>Unfunded Actuarial Accrued Liability</b>					<b>\$308,348</b>
<b>Present Value of Future Normal Costs</b>					<b>\$1,071,671</b>
<b>Present Value of Future Salary</b>					<b>\$15,007,630</b>
<b>Normal Cost Percentage</b>					<b>7.141%</b>
<b>Salary of Active Participants</b>					<b>\$1,041,223</b>
<b>Frozen Entry Age Normal Cost</b>					<b>\$74,354</b>
<b>Transition Liability</b>					
Beginning of Year					\$308,348
End of Year					\$320,682

<sup>1</sup> Includes Inactives, if any

<sup>2</sup> Includes Deferred Retirees, if any

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 For the New York City Municipal Water Finance Authority (WFA)

#### Development of the Annual Required Contribution (ARC) For the Fiscal Year Ending June 30, 2006

Normal Cost at June 30, 2005	\$74,354
Amortization of Transition Liability - BOY	<u>308,348</u>
SubTotal	\$382,702
Interest to June 30, 2006 at 4.0%	<u>15,308</u>
Annual Required Contribution (ARC)	\$398,010

**New York City Health Benefits Program**

**Results of the OPEB Valuations as of June 30, 2005  
For the New York City Municipal Water Finance Authority (WFA)**

**Development of the Annual OPEB Cost (AOC)  
and Development of the Net OPEB Obligation (NOO)**

**For the Fiscal Year Ending June 30, 2006**

**Annual OPEB Cost (AOC)**

Net OPEB Obligation at June 30, 2005	\$0
<b>Annual Required Contribution (ARC)</b>	
Normal Cost	\$74,354
UAL Amortization Payment	308,348
Interest to End of Year	<u>15,308</u>
<b>Total</b>	<b>\$398,010</b>
<b>ARC Adjustment</b>	<b>\$0</b>
<b>Interest on Net OPEB Obligation</b>	<b>\$0</b>
<b>Annual OPEB Cost (AOC)</b>	<b>\$398,010</b>

**Net OPEB Obligation (NOO)**

Net OPEB Obligation at June 30, 2005	\$0
<b>Annual OPEB Cost (AOC)</b>	<b>\$398,010</b>
<b>Employer Contributions</b>	
PAYG	\$0
To NYC Health Benefits Trust	<u>0</u>
<b>Total</b>	<b>\$0</b>
<b>Net OPEB Obligation (NOO) at June 30, 2006</b>	<b>\$398,010</b>

## New York City Health Benefits Program

**Results of the OPEB Valuations as of June 30, 2005  
For the New York City Municipal Water Finance Authority (WFA)  
For the Fiscal Year Ending June 30, 2006**

**Required Supplementary Information (RSI)**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2005	\$0	\$308,348	\$308,348	0.0%	\$1,041,223	29.6%

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005 Summary of Data Used in the June 30, 2005 Actuarial Valuations By System Not Including Component Units <sup>1</sup>

	NYCERS	TRS	BERS	POLICE	FIRE	TOTAL
<b>Actives</b>						
Number	92,846	104,850	22,611	35,324	11,470	267,101
Salary	\$5,024,919,321	\$6,273,909,931	\$683,534,035	\$2,812,930,172	\$908,261,198	\$15,703,554,657
Average Age	46.20	44.31	50.22	36.11	38.21	44.12
Average Service	12.08	10.19	8.67	10.51	11.30	10.81
Average Salary	\$54,122	\$59,837	\$30,230	\$79,632	\$79,186	\$58,793
Present Value of Future Salary	\$58,566,649,408	\$106,948,637,555	\$8,391,308,311	\$29,923,021,419	\$12,704,463,741	\$216,534,080,434
<b>Inactives</b>						
Number	29,423	12,638	3,108	2,181	153	47,503
Average Age	44.34	38.23	46.22	34.54	42.44	42.38
Average Service	5.15	4.73	5.29	6.27	14.58	5.13
<b>Retirees</b>						
Number	51,369	59,256	11,022	39,350	15,851	176,848
Average Age	69.91	70.54	73.11	60.23	64.49	67.68
<b>Deferred</b>						
Number	3,854	5,172	200	650	21	9,897
Average Age	49.34	49.05	52.42	37.66	40.62	48.47

<sup>1</sup> City results also include Medicare Part B coverage for 30,245 actives, 138 inactives, 13,733 retirees and 1,108 deferred participants in HHC, OTB, SCA and WFA

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005

<b>Total Present Value of Projected Benefits</b>	<b>Pre-Medicare</b>	<b>Medicare</b>	<b>Welfare Funds</b>	<b>Part B Premium</b>	<b>Total</b>
Active <sup>1</sup>	\$23,185,019,246	\$14,464,047,060	\$13,790,838,608	\$12,446,745,564	\$63,886,650,478
Deferred <sup>2</sup>	830,922,272	506,996,021	507,093,051	439,750,484	2,284,761,828
Retired	<u>8,137,739,401</u>	<u>6,683,029,464</u>	<u>5,554,797,967</u>	<u>5,368,977,365</u>	<u>25,744,544,197</u>
<b>TOTAL</b>	<b>\$32,153,680,919</b>	<b>\$21,654,072,545</b>	<b>\$19,852,729,626</b>	<b>\$18,255,473,413</b>	<b>\$91,915,956,503</b>
<b>Actuarial Accrued Liability</b>					
Active <sup>1</sup>	\$7,766,581,726	\$5,293,116,666	\$4,870,038,457	\$4,563,971,223	\$22,493,708,072
Deferred <sup>2</sup>	830,922,272	506,996,021	507,093,051	439,750,484	2,284,761,828
Retired	<u>8,137,739,401</u>	<u>6,683,029,464</u>	<u>5,554,797,967</u>	<u>5,368,977,365</u>	<u>25,744,544,197</u>
<b>TOTAL</b>	<b>\$16,735,243,399</b>	<b>\$12,483,142,151</b>	<b>\$10,931,929,475</b>	<b>\$10,372,699,072</b>	<b>\$50,523,014,097</b>
<b>Assets</b>					<b>\$0</b>
<b>Unfunded Actuarial Accrued Liability</b>					<b>\$50,523,014,097</b>
<b>Present Value of Future Normal Costs</b>					<b>\$41,392,942,406</b>
<b>Present Value of Future Salary</b>					<b>\$216,534,080,434</b>
<b>Normal Cost Percentage</b>					<b>19.116%</b>
<b>Salary of Active Participants</b>					<b>\$15,703,554,657</b>
<b>Frozen Entry Age Normal Cost</b>					<b>\$3,001,891,508</b>
<b>Transition Liability</b>					
Beginning of Year					<b>\$50,523,014,097</b>
End of Year					<b>\$52,543,934,661</b>

<sup>1</sup> Includes Inactives, if any

<sup>2</sup> Includes Deferred Retirees, if any

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005

#### Development of the Annual Required Contribution (ARC) For the Fiscal Year Ending June 30, 2006

Normal Cost at June 30, 2005	\$3,001,891,508
Amortization of Transition Liability - BOY	<u>50,523,014,097</u>
SubTotal	\$53,524,905,605
Interest to June 30, 2006 at 4.0%	<u>2,140,996,224</u>
Annual Required Contribution (ARC)	\$55,665,901,829

## New York City Health Benefits Program

### Results of the OPEB Valuations as of June 30, 2005

#### Development of the Annual OPEB Cost (AOC) and Development of the Net OPEB Obligation (NOO)

For the Fiscal Year Ending June 30, 2006

#### Annual OPEB Cost

Net OPEB Obligation at June 30, 2005	\$0
Annual Required Contribution (ARC)	
Normal Cost	\$3,001,891,508
UAL Amortization Payment	50,523,014,097
Interest to End of Year	<u>2,140,996,224</u>
Total	\$55,665,901,829
ARC Adjustment	\$0
Interest on Net OPEB Obligation	\$0
Annual OPEB Cost (AOC)	\$55,665,901,829

#### Net OPEB Obligation (NOO)

Net OPEB Obligation at June 30, 2005	\$0
Annual OPEB Cost (AOC)	\$55,665,901,829
Employer Contributions	
PAYG	\$1,182,870,595
To NYC Health Benefits Trust	<u>1,000,000,000</u>
Total	\$2,182,870,595
Net OPEB Obligation (NOO) at June 30, 2006	\$53,483,031,234

**New York City Health Benefits Program**

**Results of the OPEB Valuations as of June 30, 2005**

**For the Fiscal Year Ending June 30, 2006**

**Required Supplementary Information (RSI)**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)-Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
June 30, 2005	\$0	\$50,523,014,097	\$50,523,014,097	0.0%	\$15,703,554,657	321.7%

APPENDIX D

**APPENDIX D - EDUCATIONAL CONSTRUCTION FUND**  
**ACTUARIAL ASSUMPTIONS AND METHODS**

The assumptions used for the Educational Construction Fund ("ECF") OPEB actuarial valuation presented in this Report are based on a report on the "Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation - Participating Agency Version," dated August 7, 2006, prepared by Buck Consultants, LLC ("State Report").

Since ECF employees and retirees participate in the New York State and Local Employees' Retirement System ("NYSLERS") and the New York State Health Insurance Plan ("NYSHIP"), the Actuary adopted assumptions based on the recommendations of the State Report, excerpts of which are included in this Appendix.

Following is an overview of the key elements of the actuarial assumptions and methods used for the ECF OPEB actuarial valuation:

- Eligibility for Benefits: ECF employees are eligible for retirement and OPEB at age 55 with 10 years of service. Termination after 10 years of service entitles employees to deferred pension benefits and OPEB. Disability retirement with OPEB is available after 10 years of service. Unlike the New York City Health Benefits Program, ECF is assumed to offer retiree health coverage that continues for dependents after the death of the retiree.

- Per Capita Plan Costs: As suggested as an alternative in the State Report, the ECF OPEB actuarial valuation uses premium amounts unadjusted for age. The premiums reported to the OA by ECF for health coverage are consistent with the Empire Plan medical and drug core plus enhancement premiums shown on Exhibit 2-1 of the State Report. ECF also provided information for dental premiums of \$52.05 per quarter for single coverage and \$170.94 per quarter for family coverage. Calculations reflect actual coverage for current retirees, except that individuals now under age 65 are assumed to qualify for Medicare and receive Medicare Part B premium reimbursement when they reach age 65.
- Dependents: 80% of employees are assumed to cover a spouse at retirement with husbands 3 years older than their wives.
- Elections: Future retirees are assumed to continue in the health and dental insurance programs.
- Cost Sharing: No retiree contributions are assumed.

- Interest Rate: 4.155% per annum, consistent with the State Report.
- Trend: The trend recommended in the State Report for medical benefits are used for all benefits measured for ECF. The separately-stated, greater drug trend was not applied. The same trend was used for dental benefits. Medicare Part B premiums were assumed to increase by trend and actual 2007 Part B premiums were not reflected.
- Demographic Assumptions: The NYSLERS actuarial valuation assumptions, as modified in the State Report, are used.
- Salary Scale: The NYSLERS salary scale, as described in the State Report, is used.

**APPENDIX E**

## APPENDIX E - ACKNOWLEDGEMENTS

The Actuary acknowledges and expresses appreciation to the following individuals and organizations for their efforts in support of the development of the GASB43 and GASB45 results and the production of this Report:

- The staff of the New York City Office of the Actuary for developing the results, preparing this Report and coordinating the entire GASB project.
- The staff of Buck Consultants, LLC who collaborated closely with the OA to understand the Program, to interpret GASB43 and GASB45 and to develop the actuarial valuation programs that produced the final results. The Actuary also thanks Buck for their tireless efforts to meet very tight deadlines and for their access and availability to the OA.
- The staff of the Office of Labor Relations for providing supplemental data needed to value the OPEB provided under the Program.
- The staff of the Office of the Comptroller for their insights, cooperation and support.

- The staff of the Office of Management and Budget for their insights, cooperation and support.
- The administrative staff of each Component Unit for their cooperation and responsiveness.
- The auditors for the City and the Component Units for their cooperation, assistance and patience.