

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

Prepared as of June 30, 2006 in Accordance with
Governmental Accounting Standards Board
Statements No. 43 and 45

For Fiscal Year Ended June 30, 2007

New York City Office of the Actuary

Robert C. North, Jr.
Chief Actuary

October 4, 2007



OFFICE OF THE ACTUARY

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ROBERT C. NORTH, JR.
CHIEF ACTUARY

October 4, 2007

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, 2006 actuarial valuation of the Other Postemployment Benefits ("OPEB") provided under the New York City Health Benefits Program (the "Plan" or the "Program"). These results are intended to 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") for Fiscal Year 2007 (i.e., July 1, 2006 to June 30, 2007). These results also are intended to form the basis for accounting and financial reporting under GASB Statement No. 45 ("GASB45") for Fiscal Year 2007 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

- Census data used in the June 30, 2006 actuarial valuation of the New York City Retirement Systems ("NYCRS")¹ and supplemental data provided to the OA by the New York City Office of Labor Relations ("OLR") and by the Educational Construction Fund ("ECF"), and data provided to Buck Consultants, LLC ("Buck") by the City University of New York ("CUNY") for participants in the Teachers Insurance Annuity Association - College Retirement Equities Fund ("TIAA-CREF" or "CUNY TIAA")
- Health insurance premium rates and welfare fund contribution amounts for Fiscal Year 2007 provided to the OA by OLR
- Certain Actuarial Assumptions² used in the June 30, 2006 actuarial valuation of the NYCRS that were adopted by the Boards of Trustees during Fiscal Year 2006
- Additional OPEB-specific Actuarial Assumptions as described in Section V and Appendix D of this Report
- An Actuarial Cost Method as described in Section V of this Report
- Financial information provided by the Office of Management and Budget ("OMB") for City entities and by the administrative offices of the Component Units
- Information on the Stabilization Fund provided by OLR and OMB.

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

² Details provided in Appendix D - Details of Actuarial Assumptions and Certain Methods.

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October 4, 2007
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This analysis is not meant for other purposes. In particular, the analysis in this Report is not to be relied upon by the employer, the retirees or any retiree representatives (such as unions) for any decisions regarding benefit design.

This Report is intended to present the OPEB obligations of the New York City Health Benefits Program as of the valuation date.

All costs, obligations and actuarial present values have been determined in accordance with generally accepted actuarial principles and procedures.

An Actuarial Certification is included in Section VIII.

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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
Mr. P.B. Birnbaum
Mr. F. Chen
Ms. J.A. Flood
Mr. J.R. Gibney
Ms. B.K. Ho
Mr. B.S. Kheel
Mr. J.A. Petrovic
Mr. S.H. Rumley
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Mr. S. Klein
Mr. B.C. Larson
Ms. M.M. Levine
Mr. M. Page

Component Units
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Mr. J. Hayes - OTB
Mr. J. Hepburn - SCA
Mr. G. Marino - HHC
Mr. J.A. Pagelson - HSG
Ms. J. Rosillo - ECF
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Mr. M. Sapienza - CUNY

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4. New York City Off-Track Betting Corporation (OTB)
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**Report on the Second Annual Actuarial Valuation
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Provided under the New York City Health Benefits Program**

**Prepared as of June 30, 2006 in Accordance with
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Statements No. 43 and 45**

For Fiscal Year Ended June 30, 2007

SECTION I - EXECUTIVE SUMMARY

1. This actuarial report was prepared as of June 30, 2006 and presents the results of an actuarial valuation 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 this actuarial valuation is to measure the funded status of the Plan and to determine the Annual Required Contribution ("ARC") and the Annual OPEB Cost ("AOC") for certain entities for Fiscal Year 2007 (i.e., July 1, 2006 to June 30, 2007) in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 43 ("GASB43") and GASB Statement No. 45 ("GASB45"). This valuation also measures the funded status of the Plan and determines the ARC for the New York City Retiree Health Benefits Trust ("NYCRHBT") for Fiscal Year 2007 in accordance with GASB43.

2. Presented in the following Table I-1 are the principal GASB45 results of the June 30, 2006 and the June 30, 2005 OPEB actuarial valuations:

Table I-1						
Summary of Principal GASB45 Results of the OPEB Actuarial Valuations*						
As of June 30, 2006 and June 30, 2005						
(\$ Millions)						
Valuation Date	June 30, 2006			June 30, 2005		
Fiscal Year	2007			2006		
Item	City	Component Units#	Total	City	Component Units#	Total
Total Actuarial Present Value of Projected Benefits (TPV)	\$101,958.2	\$8,020.8	\$109,979.0	\$91,916.0	\$7,250.8	\$99,166.8
Actuarial Asset Value (AAV)	\$ 1,001.3	\$ 0.0	\$ 1,001.3	\$ 0.0	\$ 0.0	\$ 0.0
Unfunded Actuarial Accrued Liability (UAAL)	\$ 55,058.7	\$2,563.1	\$ 57,621.8	\$50,523.0	\$3,478.2	\$54,001.2
Annual Required Contribution (ARC)	\$ 60,653.9	\$2,888.8	\$ 63,542.7	\$55,665.9	\$3,938.5	\$59,604.4

* For GASB43 results, see Section VI.

Includes ECF, HHC, HSG (TPV Only), OTB, SCA and WFA for June 30, 2006.
Includes ECF, HHC, HSG, New York City Housing Development Corporation
("HDC"), OTB, SCA and WFA for June 30, 2005.

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 I-2 presents the required implementation dates for GASB43 and GASB45:

Table I-2 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 was not required, the City 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 Fiscal Year 2006 financial statement filings. The attached GASB43 and GASB45 results for Fiscal Year 2007 reflect refinements to the census data and the reduced use of estimations.

4. Section II of this Report provides a summary of the census data used to prepare the June 30, 2006 and the June 30, 2005 actuarial valuations. The June 30, 2006 census information includes the following groups for which data was not provided as of June 30, 2005:

- Line-of-Duty Survivors

- CUNY TIAA employees and retirees who are not NYCRS members.

5. Section III of this Report provides an overview of the assets and other financial information used to prepare the June 30, 2006 and the June 30, 2005 actuarial valuations and used in the determination of the Net OPEB Obligation ("NOO") under GASB45 as of June 30, 2007 and June 30, 2006.

6. Section IV of this Report summarizes the OPEB provisions used in the June 30, 2006 and the June 30, 2005 actuarial valuations. The OPEB provisions remain generally unchanged from the prior valuation. OLR provided additional information about the operation of the OPEB plan to the OA, which has been reflected in this actuarial valuation. In particular, the entire value of postemployment benefits provided through the Stabilization Fund is reflected only as an increase in the City's obligation under GASB45. Since benefits provided through the NYCRHBT and by the Component Units do not include any amounts to the Stabilization Fund, the valuation no longer reflects any cost for those benefits for those entities.

7. Section V describes the actuarial assumptions and methods employed in the June 30, 2006 and June 30, 2005 actuarial valuations.

8. Section VI of this Report presents the results of the June 30, 2006 actuarial valuation and the development of the Fiscal Year 2007 Annual Required Contribution ("ARC") in accordance with GASB43 for the NYCRHBT. Section VI also provides a comparison with Fiscal Year 2006 results.

9. Section VII of this Report presents the results of the June 30, 2006 actuarial valuation and the development of the Fiscal Year 2007 ARC and the Annual OPEB Cost ("AOC") in accordance with GASB45 for the City and certain Component Units. Section VII also provides a comparison with Fiscal Year 2006 results.

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")¹. 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 Productivity Practice, for Buck Consultants, LLC ("Buck").

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

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 for the Fiscal Years ended June 30, 2007 and June 30, 2006.
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, 2006 and the June 30, 2005 actuarial valuations under GASB45 for the City and certain Component Units. Appendix C also presents detailed GASB43 results for the NYCRHBT.
14. Appendix D of this Report provides details of the actuarial assumptions used in the June 30, 2006 actuarial valuation with comparisons to the assumptions used in the June 30, 2005 actuarial valuation, where different.

The June 30, 2006 actuarial assumptions and methods are unchanged from those used in the June 30, 2005 actuarial valuation with the following exceptions:

- Per capita claims costs, welfare fund contributions and Medicare Part B premiums have been updated to reflect more recent experience
- An explicit assumption regarding income-related Medicare Part B premiums. Previously, no City beneficiaries were assumed to be impacted by the income-related Medicare Part B premiums
- The cost of the Stabilization Fund to the City is measured in this valuation for the City's GASB45 obligation as 1.6% of certain OPEB. As noted earlier, the cost of the Stabilization Fund is not reflected in the GASB43 valuation for the NYCRHBT, nor in the GASB45 obligations for the Component Units. In the previous valuation the benefits from the Stabilization Fund were reflected as a separately valued cost for Mental Health Riders for GHI and HIP Non-Medicare retirees plus 0.25% of all projected benefit costs

- Withdrawal and retirement assumptions were selected for CUNY TIAA employees based on an analysis of this population's withdrawal and retirement experience over the last four years. Other demographic assumptions for this population were assumed to be consistent with TRS
- Certain assumptions about medical plan participation, dependent coverage and Medicare coverage for disabled participants were altered to reflect more recent experience. Assumptions for dependent coverage were selected for the CUNY TIAA population.

15. Appendix E of this Report presents information on the actuarial assumptions and methods used in the June 30, 2006 and June 30, 2005 OPEB actuarial valuations for the New York City Educational Construction Fund ("ECF"), including references to 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.

For the June 30, 2006 actuarial valuation of ECF, the economic assumptions have been modified to be more consistent with those used by the City.

16. Appendix F of this Report presents information on the actuarial assumptions and methods used in the June 30, 2006 OPEB actuarial valuation for CUNY TIAA employees.

17. Appendix G of this Report acknowledges those who assisted in the development of these results and the production of this Report.

SECTION II - CENSUS DATA

In general, the census data used in the June 30, 2006 and the June 30, 2005 OPEB actuarial valuations is based upon the census data used in the June 30, 2006 and the June 30, 2005 actuarial valuations of the NYCERS, respectively.

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 NYCERS.

The census data was also supplemented by information provided directly to Buck by the City University of New York ("CUNY") on individuals who elect to be covered under alternate retirement benefits provided through the Teachers Insurance Annuity Association - College Retirement Equities Fund ("TIAA-CREF" or "CUNY TIAA") rather than through the NYCERS.

In addition to the participants of NYCERS and CUNY TIAA, the valuation also includes 55 CUNY employees covered under the Cultural Institutions Retirement System ("CIRS"), who were also assumed to ultimately be eligible for certain benefits outlined in this Report.

The Office of the Actuary ("OA") and Buck 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").

It was discovered during the June 30, 2005 actuarial valuation that the NYCRS retiree data did not always accurately incorporate Component Unit codes. For certain Component Units, some retirees were identified and valued as City retirees. For the June 30, 2006 valuation, OLR provided more detailed information about which entity was responsible for payment of benefits of each covered retiree. The overall census counts for each Component Unit were provided with a request for verification by the administrative staff of each Component Unit.

Consequently, the OA and Buck believe the data is sufficiently complete and appropriate for determining the OPEB obligations presented in this Report for the Component Units.

The census data is broken into the following major classifications as used in the NYCRS valuations:

- 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).

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

- Active employees of CUNY who participate in TIAA-CREF or CIRS
- Retired employees of CUNY who participate in TIAA-CREF and are or will be eligible for City-provided Medicare Part B premium reimbursement
- Line-of-Duty Survivors who are currently receiving continued lifetime medical coverage and Medicare Part B reimbursements.

Complete census data was not available for terminated CUNY employees who had participated in TIAA-CREF who have a deferred vested right to receive Medicare Part B premium reimbursements when they retire under certain conditions. The number and obligation for this vested group was estimated based on census information for CUNY TIAA employees who terminated within the last four years.

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.

Except for the Educational Construction Fund ("ECF"), generally 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.

Census data for CUNY TIAA participants was supplied separately and directly to Buck by CUNY.

The following Table II-1 presents a summary of the census data used in the June 30, 2006 and June 30, 2005 OPEB actuarial valuations:

Table II-1 Summary of Census Data used in the June 30, 2006 and June 30, 2005 OPEB Actuarial Valuations						
	June 30, 2006			June 30, 2005		
Group	City	Component Units#	Total	City	Component Units#	Total
Actives	277,437	43,140	320,577	267,101	42,640	309,741
Actives/Inactives	43,472	1,238	44,710	47,503	140	47,643
Deferred Vested	11,561	1,761	13,322	9,897	1,762	11,659
Retired	<u>193,533</u>	<u>26,038</u>	<u>219,571</u>	<u>176,848</u>	<u>18,843</u>	<u>195,691</u>
Total	526,003	72,177	598,180	501,349	63,385	564,734

Includes ECF, HHC, HSG, OTB, SCA and WFA for June 30, 2006. Includes ECF, HHC, HSG, HDC, OTB, SCA and WFA for June 30, 2005.

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 NYCRHBT is set forth in the following Table III-1.

Table III-1 New York City Retiree Health Benefits Trust Net Assets Available for Benefits (\$Millions)			
Item	June 30		
	2007*	2006**	2005
Assets	\$2,906.1	\$1,001.4	\$ 0
Liabilities	<u>310.8</u>	<u>0.1</u>	<u>0</u>
Net Assets	\$2,595.3	\$1,001.3	\$ 0
* Source - Wells Fargo Statements and information from OMB.			
** 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, 2007 and June 30, 2006.

All amounts are assumed to be determined on an accrual basis. Any difference between cash and accrual are not reflected in these calculations.

Financial information was also supplied by the administrative staff of each Component Unit.

Note: None of the Component Units have separately identified OPEB assets as of June 30, 2007 or June 30, 2006.

SECTION IV - SUMMARY OF OPEB PLAN PROVISIONS

Following is a summary of the employer-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 34.a(1) of GASB43 and 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 in effect during each Fiscal Year 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 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"). In addition, the City provides certain Program benefits through the Stabilization Fund. The City and certain Component Units contribute to various welfare funds, generally negotiated with and administered by various labor organizations. The City and certain Component Units also reimburse Medicare Part B premiums paid by eligible retirees and other eligible beneficiaries.

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 and certain CUNY retirees) generally provide most death and disability benefits through the NYCERS. Those benefits are measured as part of the obligations of the NYCERS and are not subject to GASB43 or GASB45.

Therefore, the actuarial valuation presented herein reflects projected benefit costs only for the retiree health insurance, welfare fund contributions and Medicare Part B premium reimbursements outlined in this Report.

Certain former New York State Court employees, who are covered under the New York State Health Insurance Plan ("NYSHIP"), are not included in the actuarial valuation. The cash cost for these benefits paid from the NYCRHBT during Fiscal Year 2007 was less than \$1 million.

Note: The OPEB provisions applicable to ECF and CUNY TIAA retirees were provided by ECF and CUNY staff, respectively.

Eligibility for OPEB

Retirees:

- At least 10 years of credited service as a member of NYCRS (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 NYCRS (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 years of OPEB coverage prior to commencement of pension benefits.

Members Terminated for Other than Immediate Retirement:

- Members who do not have retiree medical coverage under the retiree medical provisions are eligible to continue coverage under COBRA provisions. COBRA continuation coverage is generally limited to certain maximum periods (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 to children (coverage to age 19 or 23 if full-time student) 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.

ECF and CUNY TIAA Benefit Provisions

The OPEB available to ECF and to CUNY TIAA retirees are described in Appendix E and Appendix F, respectively.

Basic Coverage

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

Basic Coverage includes hospital and physician coverage and excludes coverage for prescription drugs. GHI/EBCBS Senior Care coordinates with Medicare Part A and Part B. Under the HIP HMO Medicare-eligible retirees generally participate in 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 2007 include Aetna HMO, Aetna QPOS, Cigna HealthCare, DC 37 Med-Team, Empire EPO, Empire HMO, 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 2007 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 retirees who elect Basic Coverage. The costs of Basic Coverage are reflected in the actuarial valuations herein by using age-adjusted premium amounts. Claims data were generally not available to the OA. OLR provided a copy of the claims component of the Fiscal Year 2007 Empire Blue Cross renewal. This did not represent the complete medical cost for these individuals, and for the non-Medicare participants, retiree claims were not segregated from active claims.

A retiree who elects other basic medical coverage is required to contribute any amount by which the selected arrangement's premium exceeds the Basic Coverage cost benchmarks. The actuarial valuation herein reflects the benchmark premiums without age adjustment for retirees who elect other options. Net employer premium contributions for the various options were provided to the OA by OLR, allowing the OA to confirm that employer premiums were consistent with the stated policy regarding other coverage. Detailed information on total 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 measurements under GASB43 or other purposes². Thus, the OA has not considered the impact of any such calculations on the analyses herein.

² Paragraph 13 of GASB45 provides that the employer should reflect the same assumptions and methods used by a plan if the amounts calculated would comply with the requirements of GASB45. Thus, any such analyses might require the use of differing assumptions for results under GASB45.

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 computed and paid on a calendar year basis.

With respect to the City, it is the understanding of the OA that through Calendar Year 2005 reimbursement amounts for a calendar year had 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, 2006 only reflected reimbursements for Medicare Part B premiums paid through December 31, 2005. The actuarial valuation herein projects Medicare Part B premium reimbursements for premiums to be paid starting July 1, 2006. The OA understands that the City's accounts for Fiscal Year 2007 reflect an estimate of the Medicare Part B premiums for the period from January 1, 2007 that June 30, 2007 as well as actual Calendar Year 2006 costs.

It should also be noted that the Medicare Part B premiums for retirees of certain Component Units and other entities 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 is increased above the generally applicable amount. The standard Medicare Part B premium represents 25% of expected costs under the Medicare Part B program. In the future, the following will apply:

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-\$199,999	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		33.00%	67.00%	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 is 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 provides income to the Center for Medicare & Medicaid Services ("CMS") electronically.

For purposes of the OPEB actuarial valuation as of June 30, 2005 (i.e., Fiscal Year 2006), it was assumed that no Medicare Part B beneficiaries would be impacted by the greater premiums beginning 2007.

This assumption has been reevaluated and changed as of the June 30, 2006 valuation (i.e., Fiscal Year 2007). The June 30, 2006 valuation reflects an assumption regarding the overall average increase in Medicare Part B premiums to be reimbursed above the standard 25% amount.

The assumption, which is detailed in Appendix D of this Report, is based on estimates of the proportion of the overall Medicare covered population that would fall within each income band during 2007 published by CMS, and general information about projected trends in those amounts. Detailed data on participant Adjusted Gross Income for U.S. tax purposes was not available to the OA, and actual 2007 reimbursements will not be available until the middle of 2008. The percentages in each income category published by CMS were compared to the proportion of NYCERS retirees with income in similar bands, and the OA concluded that use of the overall percentages would not materially misstate the obligations potentially involved.

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 the following benefits, based on financial information on the Stabilization Fund provided to the OA by OLR:

- A Mental Health/Substance Abuse rider to non-Medicare-eligible HIP HMO participants
- A GHI Home Care benefit for certain non-Medicare participants
- Welfare Fund contributions for the Line-of-Duty Survivors
- Additions to the annual Welfare Fund contribution amounts
- Psychotropic Injectables Chemotherapy Asthma ("PICA") Drug plan for certain non-Medicare participants.

The OA is not aware of any actuarial valuation performed by the Stabilization Fund for measurements under GASB43 or other purposes. Thus, the OA has not considered the impact of any such calculations on the analyses herein.

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 cap on employer contributions to the Stabilization Fund. Under Q&A 71 in the "Guide to Implementation of GASB Statements 43 and 45 on Other Postemployment Benefits" published by GASB in June 2005, such a cap is not considered part of the definition of benefits to be provided to retirees, and should not be considered in the projection of benefits until such a cap alters the established pattern of cost sharing as defined in the Substantive Plan. Thus, the calculations presented herein reflect an estimate of the current level of benefits provided by the Stabilization Fund to retirees.

The amount reflected for the Stabilization Fund in the current valuation is based on an estimated allocation between active and retired participants of actual Fiscal Year 2007 Stabilization Fund benefits. This amount is used to develop a load that is only reflected in the GASB45 valuation for the City, as the OA understands that only the City currently provides these amounts.

In the previous valuation, the cost of Stabilization Fund benefits was reflected by an estimate consisting of two elements: a specific measure of the MH/SA rider and an overall load to reflect the remaining share of retiree Stabilization Funds.³ The Stabilization Fund costs were reflected in all values in the previous valuation, rather than limited to City non-NYCRHBT expense as in the current valuation.

³ When the June 30, 2005 (i.e. Fiscal Year 2006) actuarial valuation was 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 was 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 valuation.

OPEB Coverage Groupings

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

Table IV-1 on the next page presents, by payroll agency, those benefits assumed provided by the City for purposes of the June 30, 2006 actuarial valuation.

The following Table IV-2 presents, by group within each NYCERS, those benefits assumed provided by the City as utilized in the June 30, 2005 actuarial valuation.

For the Component Units included in the actuarial valuation the benefit categories not paid by the City are reflected in the results of the individual Component Units.

Table IV - 1
New York City Retirement Systems
Components of Post-Retirement Medical Benefits
Paid By New York City
Fiscal Year 2007

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

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

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

² Grandfathered exceptions.

³ Housing Authority pays Housing Police retiree Medicare Part B premiums

Table IV - 2
New York City Retirement Systems
Components of Post-Retirement Medical Benefits
Paid By New York City
Fiscal Year 2006

System	Authority	Health Insurance	Welfare Fund ¹	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) ² (5 Actives, 112 Retirees)	Yes	Yes	Yes
	DA Investigators	Yes	Yes	Yes
	HSG Develop Corp	No	No	No
	Health and Hospital Corp	No	No	Yes
	Housing Authority	No	No	No
	Off-Track Betting	No	No	Yes
	Regular	Yes	Yes	Yes
	Sanitation	Yes	Yes	Yes
	REMIC (1 Retiree)	Yes	Yes	Yes
	School Construction Authority	No	No	Yes
	State Housing (8 Actives, 9 Retirees, 1DV)	Yes	Yes	Yes
	Triboro Bridge	No	No	No
	Transit Authority	No	No	No
	Water Finance Authority	No	No	Yes
TRS	Department of Education	Yes	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
	School Construction Authority	No	No	Yes
	CUNY - Senior Colleges	Yes	Yes	Yes
	CUNY - Community Colleges	Yes	Yes	Yes
	Custodial Engineer	Yes	Yes	Yes
	CP Engineers (1Active)	Yes	Yes	Yes
	Health and Hospital Corp	No	No	Yes
	Housing Authority	No	No	No
	Transit Authority (11 Actives)	Yes	Yes	Yes
POLICE		Yes	Yes	Yes
FIRE		Yes	Yes	Yes

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

² Grandfathered Exceptions.

SECTION V - ACTUARIAL ASSUMPTIONS AND METHODS

The actuarial assumptions and methods used in the June 30, 2006 actuarial valuation are generally the same as those used in the June 30, 2005 actuarial valuation except that:

- Per capital claims costs, welfare fund contributions and Medicare Part B premiums have been updated to reflect more recent experience
- A portion of the City retirees are assumed to be affected by the income-related Medicare Part B premiums
- The application of the cost of the Stabilization Fund to the retirees of the City has been refined
- Assumptions have been developed for CUNY TIAA participants
- Assumptions for certain Medicare plan participation, dependent coverage and Medicare coverage for disabled participants have been revised to reflect recent experience
- Economic assumptions for ECF were altered to be more consistent with assumptions used for the rest of the City.

Additional details regarding the actuarial assumptions and certain methods used in the June 30, 2006 actuarial valuation are set forth in Appendices D, E and F.

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"). The method is unchanged from the previous actuarial valuation.

Under this method, in general, 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.

The method as used in this actuarial valuation for determining covered earnings is somewhat complicated by the fact that the same individual could be earning benefits under the City and under a Component Unit at the same time (e.g., an HHC retiree will receive Medicare Part B premium reimbursement from the City and Basic Medical and Welfare Fund benefits paid by HHC).

The actuarial valuation reflects the covered earnings of a participant only once, based on the participant's employer on the valuation date. This method is consistent with the method used in the previous valuation, although some values have been changed due to data improvements. For individuals who are not in one of the Component Units included in the Report but who have only partial City-provided benefits, their covered earnings are not included.

The Unfunded Frozen Actuarial Accrued Liability amounts were initially established using the Entry Age Accrued Liability as of Transition (e.g., as of June 30, 2005).

Additional Entry Age Accrued Liability amounts have been established as of June 30, 2006 to reflect the following:

- Better allocation of costs between the City and the Component Units, including certain groups not previously reflected (e.g., Line-of-Duty Survivors and CUNY TIAA members)
- Changes in participation and dependent assumptions
- Change to reflect Stabilization Fund on only City GASB45 amounts
- Change in assumed income-related Medicare Part B premium reimbursement.

Actuarial Asset Valuation Method

The Actuarial Value of Assets is equal to the Market Value of Assets. The method is unchanged from the previous valuation.

Amortization of Transition Liability

The Transition Liability was amortized over one year.

Amortization of Changes to UAAL

All changes in the Unfunded Actuarial Accrued Liability as of June 30, 2006 are being amortized over one year for purposes of calculating the ARC.

GASB45 requires the calculation of the Annual Required Contribution, but does not require that an employer actually contribute its "required" contribution. Amounts "required" but not actually set aside to pay for these benefits are accumulated on the employer's books as the Net OPEB Obligation.

As noted earlier, the City and Component Units included in the actuarial valuation, in consultation with their auditors, have elected to amortize the initial and newly established UAAL bases over a single year. This is effectively equivalent to recognizing the entire UAAL into the ARC immediately.

The equivalent single-year period has been used to calculate the ARC Adjustment for purposes of the AOC. This approach is consistent with the language of GASB45 Paragraph 16 that states that the ARC Adjustment should be calculated using the same amortization period that was used in determining the ARC for the year. GASB45 Footnote 15 appears to suggest that the ACR Adjustment should be based on the average remaining service life of active plan members when using the Frozen Entry Age Actuarial Cost Method.

The Actuary has chosen to apply GASB45 Paragraph 16, as written, instead of GASB45 Footnote 15, to determine the ARC Adjustment as doing otherwise would create illogical results.

The OA understands that there were no obligations for Other Postemployment Benefits on the books of the City or the Component Units as of Transition. Therefore, the initial Annual OPEB Cost was equal to the Annual Required Contribution.

Appendix C contains the calculation of the Annual OPEB Cost for each employer.

GASB43 and GASB45 require significant disclosures. One portion of this is the Required Supplementary Information including the Schedule of Funding Progress. These schedules are also presented in Appendix C.

SECTION VI - PRINCIPAL RESULTS UNDER GASB43

For the New York City Retiree Health Benefits Trust ("NYCRHBT"), the principal results of the June 30, 2006 and the June 30, 2005 OPEB actuarial valuations, prepared in accordance with the requirements of GASB43, are set forth in the following Table VI-1:

Table VI-1 Principal Results of the GASB43 Actuarial Valuations for the NYCRHBT As of June 30, 2006 June 30, 2005 (\$ Millions)		
Item	Amount	
	June 30, 2006	June 30, 2005
Total Actuarial Value of Projected Benefits (TPV)	\$100,352.5	\$91,916.0
Actuarial Asset Value (AAV)	\$ 1,001.3	\$ 0.0
Unfunded Actuarial Accrued Liability (UAAL)	\$ 54,169.9	\$50,523.0
Annual Required Contribution (ARC)		
Normal Cost - BOY	\$ 3,211.4	\$ 3,001.9
UAAL Payment* - BOY	54,169.9	50,523.0
Interest to EOY	<u>2,295.2</u>	<u>2,141.0</u>
Total ARC	\$ 59,676.5	\$55,665.9
* Based on One-Year Amortization of the UAAL.		

Details of the June 30, 2006 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, 2006 and the June 30, 2005 OPEB actuarial valuations, prepared in accordance with the requirements of GASB45, are set forth in the following Table VII-1:

Table VII-1 Principal Results of the GASB45 Actuarial Valuations As of June 30, 2006 and June 30, 2005 (\$Millions)						
Item	June 30, 2006			June 30, 2005		
	City	Component Units*	Total	City	Component Units**	Total
Total Actuarial Value of Projected Benefits (TPV)	\$101,958.2	\$8,028.8	\$109,979.0	\$91,916.0	\$7,250.8	\$99,166.8
Actuarial Asset Value (AAV)	\$ 1,001.3	\$ 0.0	\$ 1,001.3	\$ 0.0	\$ 0.0	\$ 0.0
Unfunded Actuarial Accrued Liability (UAAL)	\$ 55,058.7	\$2,563.1	\$57,621.8	\$50,523.0	\$3,478.2	\$54,001.2
Normal Cost	\$ 3,262.4	\$ 214.7	\$ 3,477.1	\$ 3,001.9	\$ 308.8	\$ 3,310.7
Annual Required Contribution (ARC)						
Normal Cost - BOY	\$ 3,262.4	\$ 214.7	\$ 3,477.1	\$ 3,001.9	\$ 308.8	\$ 3,310.7
UAAL Payment# - BOY	55,058.7	2,563.1	57,621.8	50,523.0	3,478.2	54,001.2
Interest to EOY	2,332.8	111.1	2,443.9	2,141.0	151.5	2,292.5
Total ARC	\$60,653.9	\$2,888.9	\$63,542.8	\$55,665.9	\$3,938.5	\$59,604.4
* ECF, HHC, HSG (TPV only), OTB, SCA, WFA.						
** ECF, HHC, HSG, HDC, OTB, SCA, WFA.						
# Based on One-Year Amortization of UAAL.						

Details of the June 30, 2006 GASB45 actuarial valuations for the City and certain Component Units are set forth in:

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

SECTION VIII - ACTUARIAL CERTIFICATION

This Report presents the results of the June 30, 2006 actuarial valuation of the Other Postemployment Benefits ("OPEB") provided under the New York City Health Benefits Program (the "Program").

A comparison with the June 30, 2005 actuarial valuation is also presented. For information on the June 30, 2005 actuarial valuation see "Report on the First Annual Actuarial Valuation of Other Postemployment Benefits Provided under the New York City Health Benefits Programs" dated October 11, 2006.

These actuarial valuation results are intended to 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 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 for the June 30, 2006 actuarial valuation is that of the New York City Retirement Systems ("NYCRS")⁴ with supplemental data provided by the New York City Office of Labor Relations ("OLR"), ECF and CUNY.

The Office of the Actuary ("OA") and Buck performed tests on this census data for reasonability and on the basis of these tests believe the data is sufficiently complete and appropriate for use in the June 30, 2006 actuarial valuation.

⁴ 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 following discusses the June 30, 2006 census data for certain Component Units:

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

A separate actuarial valuation was performed for these OPEB participants

- HHC, OTB, SCA and WFA confirmed that the number of participants used in the valuation was reasonable for purposes of measuring OPEB costs
- HSG was provided counts for the census data used for its actuarial valuation. As of the date of this Report, HSG has not confirmed the counts of participants provided by the OA
- The census data for CUNY TIAA participants lacked certain demographic details as set forth in Appendix F.

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, as shown in Appendix D.

Note: Separate actuarial assumptions shown in Appendix E and Appendix F were used to value OPEB for ECF participants and for CUNY TIAA participants, respectively.

The Frozen Entry Age Actuarial Cost Method used to determine the Annual Required Contribution ("ARC"), the Annual OPEB Cost ("AOC") and the Net OPEB Obligation ("NOO") is one of the Actuarial Cost Methods permitted under GASB43 Paragraph 34.d and GASB45 Paragraph 13.d.

The use of one-year amortization of the Unfunded Actuarial Accrued Liability ("UAAL") was chosen by the accountants for the City and the Component Units included in this actuarial valuation.

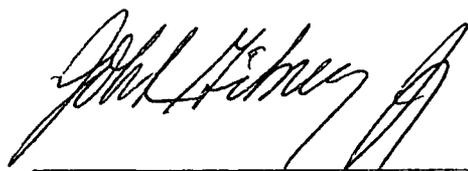
In preparing this Report, the staff of the OA has been assisted by and collaborated with the staff of Buck Consultants, LLC ("Buck").

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.

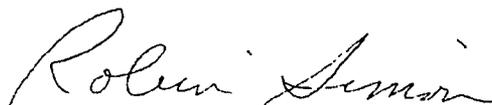
The actuaries whose signatures appear below are Members of the American Academy of Actuaries ("AAA") and together meet the Qualification Standards of the AAA to render this PSAO. The actuaries certify that they believe that the assumptions used in this Report are reasonable for the purposes of measurement of the obligations under GASB43 and GASB45 contained herein.



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Chief Actuary
New York City Office of the Actuary



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Assistant Deputy Chief Actuary
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Robin B. Simon, FSA, FCA, MAAA, EA, JD
Principal, Consulting Actuary and
Chief Actuary, Health and Productivity Practice
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, 2007 and June 30, 2006

	June 30, 2007 ¹	June 30, 2006 ²
ASSETS		
Cash		
Settled Cash	\$ (235,369)	\$ 0
Receivables		
Trust	9,542,521	0
Dividends / Interest	16,394,660	1,469,000
Medicare Part B	<u>60,000,000</u>	<u>0</u>
Net Cash	\$ 85,701,812	\$ 1,469,000
Cash Equivalents		
Commercial Paper	\$ 1,749,072,143	\$ 655,488,000
Short Term Funds	3,514,734	1,063,000
Government Agency	<u>964,884,778</u>	<u>0</u>
Total Cash Equivalents	\$ 2,717,471,655	\$ 656,551,000
Fixed Income		
Government and Agencies	\$ <u>102,835,029</u>	\$ <u>343,307,000</u>
Total Fixed Income	\$ 102,835,029	\$ 343,307,000
Prepaid FY08 Benefits / Expenses	\$ <u>169,813</u>	\$ <u>142,000</u>
Total Prepaid	\$ 169,813	\$ 142,000
Total Assets	\$ 2,906,178,309	\$ 1,001,469,000
LIABILITIES		
Medicare Part B	\$ 60,000,000	\$ 0
Benefits Payable	250,823,446	0
Trustee Fees Payable / Other Accrued Expenses	<u>22,834</u>	<u>137,000</u>
Total Liabilities	\$ 310,846,280	\$ 137,000
NET ASSETS		
Held in Trust for Benefit Payments	\$ 2,595,332,029	\$ 1,001,332,000

¹ Provided by OMB on October 3, 2007

² Draft NYCRHBT Financial Statements supplied by OMB

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, 2007 and June 30, 2006

	June 30, 2007 ¹	June 30, 2006 ²
ADDITIONS		
Employer Contributions		
Pay-As-You-Go		
Trust	\$ 1,334,126,611	\$ NA
Medicare Part B	60,000,000	NA
Other	<u>1,500,000,000</u>	<u>1,000,000,000</u>
Total Contributions	\$ 2,894,126,611	\$ 1,000,000,000
Receipts		
Earned Income		
Interest Income	\$ 29,757,635	\$ 1,469,000
Net Accrued Income	8,073,873	0
Net Realized Gain / (Loss)	<u>84,835</u>	<u>0</u>
Total Investment Income	\$ 37,916,343	\$ 1,469,000
TOTAL ADDITIONS	\$ 2,932,042,954	\$ 1,001,469,000
DEDUCTIONS		
Benefit Payments		
Trust	\$ 1,337,945,900	\$ 0
Expenses		
Administrative Expenses	\$ 10,385	\$ 137,000
Legal Fees	0	0
Trustee Fees	<u>86,288</u>	<u>0</u>
Sub-Total	\$ 96,673	\$ 137,000
TOTAL DEDUCTIONS	\$ 1,338,042,573	\$ 137,000
CHANGE IN NET ASSETS	\$ 1,594,000,381	\$ 1,001,332,000
NET ASSETS HELD IN TRUST FOR BENEFIT PAYMENTS		
Beginning of Year	\$ 1,001,331,648	\$ 0
End of Year	\$ 2,595,332,029	\$ 1,001,332,000

¹ Provided by OMB on October 3, 2007

² Draft NYCRHBT Financial Statements supplied by OMB

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	
Head Counts ¹						
GHI Indemnity	7,260	10,143	25,245	13,442	5,519	61,609
HIP HMO	2,802	3,336	8,563	3,105	1,318	19,124
Blue Choice	240	215	566	233	123	1,377
Aetna USHC HMO/POS	499	880	488	251	138	2,256
Cigna	144	128	21	11	20	324
Other Medical Plans	81	180	317	221	64	863
Waivers	<u>691</u>	<u>268</u>	<u>3,018</u>	<u>525</u>	<u>222</u>	<u>4,724</u>
Total	11,717	15,150	38,218	17,788	7,404	90,277

¹ Data includes entire population provided by OLR and supplemented by the OA, including Component Units and other groups not attributable to the City for GASB45 purposes.

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	
Head Counts ¹						
GHI Indemnity	9,265	6,695	23,928	10,430	3,567	53,885
HIP HMO	736	392	2,708	763	225	4,824
Blue Choice	169	72	267	102	61	671
Aetna USHC HMO/POS	194	174	155	50	30	603
Cigna	36	42	12	2	1	93
Other Medical Plans	60	61	156	66	18	361
Waivers	<u>1,389</u>	<u>265</u>	<u>1,158</u>	<u>218</u>	<u>89</u>	<u>3,119</u>
Total	11,849	7,701	28,384	11,631	3,991	63,556

¹ Data includes entire population provided by OLR and supplemented by the OA, including Component Units and other groups not attributable to the City for GASB45 purposes.

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	
Head Counts ¹						
GHI Indemnity	665	551	4,705	2,459	586	8,966
HIP HMO	238	97	1,290	310	76	2,011
Blue Choice	11	4	47	15	6	83
Aetna USHC HMO/POS	10	15	50	27	3	105
Cigna	4	5	3	3	0	15
Other Medical Plans	4	1	32	14	2	53
Waivers	<u>122</u>	<u>11</u>	<u>451</u>	<u>69</u>	<u>19</u>	<u>672</u>
Total	1,054	684	6,578	2,897	692	11,905

¹ Data includes entire population provided by OLR and supplemented by the OA, including Component Units and other groups not attributable to the City for GASB45 purposes.

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	
Head Counts						
GHI Indemnity	3,298	15,364	3,370	6,549	3,281	31,862
HIP HMO	713	2,317	613	942	403	4,988
Blue Choice	117	303	110	123	106	759
Aetna USHC HMO/POS	229	1,204	42	54	39	1,568
Cigna	39	124	22	24	17	226
Other Medical Plans	64	416	49	83	36	648
Waivers	<u>539</u>	<u>292</u>	<u>237</u>	<u>136</u>	<u>71</u>	<u>1,275</u>
Total	4,999	20,020	4,443	7,911	3,953	41,326

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	
Head Counts						
GHI Indemnity	799	3,910	1,851	3,839	1,697	12,096
HIP HMO	185	799	465	755	266	2,470
Blue Choice	25	83	57	72	48	285
Aetna USHC HMO/POS	93	453	29	56	42	673
Cigna	14	35	7	6	9	71
Other Medical Plans	31	195	40	73	22	361
Waivers	<u>52</u>	<u>61</u>	<u>106</u>	<u>70</u>	<u>19</u>	<u>308</u>
Total	1,199	5,536	2,555	4,871	2,103	16,264

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

Union Welfare Fund			
UWF	Description	Count ¹	Amount
001	NYC MANAGEMENT WELFARE FUND	6,198	1,640
005	ALLIED BUILDNG INSPECTORS	441	1,640
010	ASST DEP WARDENS ASSC SBF	351	1,490
030	CORRECTION CAPTAINS ASSOC	1,402	1,490
035	CORRECT OFFICRS BEN ASSOC	5,021	1,640
040	NYS COURT OFFICERS ASSOC	7	830
045	CWA LCL 1182 RETIREE SBF	223	1,640
046	CWA L1181 SEC BEN FND RET	218	1,640
048	DETECT END ASSN RET FUND	5	1,623
049	DET END ASSN RET FUND (T)	209	1,623
050	DET END ASSN RET FUND (H)	149	1,623
055	DEA RET FND(PBA OFTHE DA)	74	1,623
060	DISTRICT COUNCIL 37	33,002	1,640
061	DC 37 - (TAPD CIVILIANS)	22	1,640
066	DC 37 MEBA - FERRYBOATS	115	1,640
070	DOCTORS CNCL RET WELF FND	423	1,640
075	LCL 3 IBEW ELECTR INSPECT	54	1,640
080	FIRE ALARM DSP BEN ASSOC	153	1,640
100	LPN RETIREE WELFARE FUND	676	1,640
106	OSA WELF FND-SCHOOL SEC/T	7	1,640
107	OSA WELF FUND -SAN CHIEFS	17	1,640
108	ORG OF STAFF ANALYSTS	1,151	1,640
109	LCL 14 MUN W F-CRANE OPER	40	1,740
110	L144 DIV OF L1199 NHHSEU	431	1,590
115	LOCAL 306 RETIR HLTH WELF	5	1,640
120	LOCAL 333 DOCKHANDS	181	1,640
129	UNKNOWN	233	1,640
130	LOCAL 832 RETIREES	57	1,640
131	UNKNOWN	74	1,640
135	RET CWA L1183 BOE H&W FND	136	1,640
140	1199 NHHSEU	238	1,640
155	LCL 1180 CWA RET BENE FND	5,461	1,640
156	L1180 RET BEN FD-TAPD CIV	3	1,640
160	NYC DEPY SHER ASS RET SBF	37	1,465
162	UFT WELFARE FUND	3	1,685
163	UNKNOWN	43	1,640
164	UNKNOWN	6	1,640
165	RET WELF FND AUTO SVC WKR	27	1,640
170	PBA (NYPD)	8	1,565
171	PBA (NYPD) (TA)	1,848	1,565
172	PBA (NYPD) (HA)	722	1,565
185	NYS NURSES ASSOCIATION	2,176	1,640
187	PAVERS & RDBULDERS INSPCT	43	1,640
190	UNITED PROBATION OFFICERS	365	1,740
200	SANITATION OFF RET WEL FN	2,510	1,490
205	RETIRED FIREFIGHTERS SBF	1	1,740
225	SOC NYPD LT BENEV ASSOCIA	2	1,565
226	SOC NYPD CAPT ENDOW ASSOC	8	1,565
228	SOC NYPD LT BENEV ASS0(T)	128	1,565
229	SOC NYPD CAPT END ASS (T)	48	1,565
230	SBA HLTH&WELF FUND/RET(T)	274	1,590

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

Union Welfare Fund			
UWF	Description	Count ¹	Amount
231	SOC NYPD LT BENEV ASSO(H)	101	1,565
232	SOC NYPD CAPT END ASSN(H)	55	1,565
233	SBA HLTH&WELF FUND/RET(H)	162	1,590
235	L237 RETIREE BENE FND-CW	5,594	1,640
240	UFOA LOCAL 854 RETIREES	1	1,575
250	USA RETIREES' WELFARE FND	6,967	1,573
251	UNKNOWN	313	1,640
260	LCL 300 RETIREE WELF FUND	379	1,640
275	UNKNOWN	284	1,640
276	UNKNOWN	16	1,640
277	UNKNOWN	1	1,640
555	UNKNOWN	38	1,640
604	ASSCR WEL FND OF RETIREES	5	785
605	NYSCCA SEC BEN FND RETIRE	39	930
645	NYS SUPREME COURT OFFC AS	2	930
700	LCL 237 RWF(L621 SUP MEC)	187	1,740
701	LCL 237 RWF(L621 SUP I W)	9	1,740
702	LOCAL 237 RWF(L621 DDMEM)	6	1,640
703	L237 BRCKLYR RETIREES	108	1,640
704	L1969(L806 BRDG PAINTERS)	34	1,640
705	L.40,361&417 JT UN SEC FD	35	1,640
706	LCL 3 IBEW COMMUN ELEC ET	54	1,640
712	LCL 3 IBEW ELCTRCN SUP HL	323	1,640
713	UNKNOWN	22	1,640
714	LCL 237 ELEV MECH RETIREE	230	1,640
715	LCL237MASON'S HLPS RETIRE	17	1,640
717	LOCAL1969, GLAZIERS	29	1,640
720	DC37 LOCKSMITH SUPV LKSMT	27	1,640
724	RET H&W FD,L3,IBEW-SUP.ME	71	1,640
725	UNKNOWN	92	1,640
727	LCL 2 CIVIL SVC PLUMBERS	299	1,640
728	LCL 1969 NYC PAINTERS	263	1,640
730	PAVERS RDBLDR DC PAVERS	10	1,440
731	LCL 237 ROOF RETIREES	27	1,640
732	LCL237PLASTERERS RETIREES	79	1,640
736	RET.WF AUTO MECH-UPSTATE	1	1,640
737	LOCAL 3 IBEW ARMATURE WIN	1	1,140
738	RET WELF FND AUTO MECHNYC	701	1,640
739	RET WELF FUND-TRACT OPERS	8	1,740
740	RET WELF FND GEN MECHANIC	1	1,290
741	RET WEL FND MOTOR GRA OPR	18	1,740
742	LCL 14 PILE DRIVING ENGR	5	1,740
743	DC 37 HIGHWAY REPAIRERS	301	1,640
744	DC 37 FURNIT MAINTAINER	3	1,640
745	DC37 CYLD PRESS OPERATOR	17	1,640
746	LCL 300 HIGHWAY REPAIRERS	63	1,640
747	PAVERS RDBLDRS HW SP HW R	71	1,440
748	LCL 14-RETIR. GAS RLR ENG	14	1,740
749	DC37SUPERVISOR HIGHWAY RE	83	1,440
750	LCL300 SUPV.HWY REPAIRER	16	1,440
753	DC37 COMPOSITOR (JOB)	13	1,640

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

Union Welfare Fund			
UWF	Description	Count ¹	Amount
754	RET WEL FUND CARRGE UPHOL	6	1,740
756	LCL 237 CEMENT MAS RETIRE	54	1,640
777	UNKNOWN	2	1,640
782	LCL 237 HORSE/HARN RETIRE	2	1,640
786	DC37 CONSTRUCT LABORER	1,193	1,640
804	LCL 237 MAINT WKR RETIREE	817	1,640
808	LCL 30, OILER	124	1,740
812	DC37 RADIO REPAIR MECHANI	44	1,640
814	LCL 246 RWF RUBR TIRE REP	10	1,740
816	DC37 SEWAGE TREATMNT WKRS	312	1,640
818	RET WEL FND SGN PTRS/LTRS	6	1,740
820	LCL 30 STAT ENG SR ST ENG	375	1,640
823	NYC DIST.COUNCIL OF CARPS	368	1,640
826	LCL 3 IBEW SR STAT ENGR E	72	1,290
827	RET WEL FND SHEET MTL WKR	35	1,640
828	LCL 3 IBEW STATN ENGR ELE	138	1,440
832	DC 37 HI-PRESS PLANT TEND	186	1,640
837	UNKNOWN	44	1,640
838	NYC DIST. COUNCIL OF CARP	40	1,640
839	UNKNOWN	15	1,640
842	LCL 638 STMFTRS HLPR SUPR	65	1,640
843	LOCAL 15-GASOLINE RLR ENG	20	1,740
844	LOCAL 15-BASIN MACH OPERS	2	1,215
845	LCL 15 WELDERS FD	51	1,740
847	LCL 15 HIPRESS OPER.	4	1,065
848	LCL 15 TRACTOR OPER(SANI)	133	1,740
860		1	0
888		914	0
948		1	0
949	Either not entitled to Welfare Fund benefits or UWF	2	0
950	contribution is not funded by the City. Medicare Part B	1	0
960	reimbursement.	1	0
971		1	0
999		194	0
Blank		2,823	0
Total Count and Amount Assumed for Actives ²:		90,277	1,629

¹ Data includes entire population provided by OLR and supplemented by the OA, including Component Units and other groups not attributable to the City for GASB45 purposes.

² Assumed Welfare premium for Actives was based upon average Welfare premium for retirees that retired during the prior 5 years.

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

Union Welfare Fund			
UWF	Description	Count ¹	Amount
001	NYC MANAGEMENT WELFARE FUND	121	1,640
048	DETECT END ASSN RET FUND	3	1,623
060	DISTRICT COUNCIL 37	444	1,640
100	LPN RETIREE WELFARE FUND	1	1,640
101	ERROR: SHOULD BE UWF CODE 163	1	1,640
108	ORG OF STAFF ANALYSTS	5	1,640
130	LOCAL 832 RETIREES	1	1,640
155	LCL 1180 CWA RET BENE FND	42	1,640
163	UFT	51,950	1,685
164	COUNCIL OF SUPERVISORS AND ADMINISTRATO]	6,380	1,685
185	NYS NURSES ASSOCIATION	2	1,640
190	UNITED PROBATION OFFICERS	1	1,740
200	SANITATION OFF RET WEL FN	2	1,490
225	SOC NYPD LT BENEV ASSOCIA	1	1,565
235	L237 RETIREE BENE FND-CW	13	1,640
240	UFOA LOCAL 854 RETIREES	2	1,575
250	USA RETIREES' WELFARE FND	1	1,573
275		2,691	1,742
276	CUNY responsible for Welfare Fund contributions.	104	1,742
277		1	1,742
724	RET H&W FD,L3,IBEW-SUP.ME	1	1,640
888		246	0
941	Either not entitled to Welfare Fund benefits or UWF	1	0
999	contribution is not funded by the City. Medicare Part B	156	0
Blank	reimbursement.	1,386	0
Total Count and Amount Assumed for Actives ²:		63,556	1,684

¹ Data includes entire population provided by OLR and supplemented by the OA, including Component Units and other groups not attributable to the City for GASB45 purposes.

² Assumed Welfare premium for Actives was based upon average Welfare premium for retirees that retired during the prior 5 years.

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

Union Welfare Fund			
UWF	Description	Count ¹	Amount
001	NYC MANAGEMENT WELFARE FUND	370	1,640
005	ALLIED BUILDNG INSPECTORS	1	1,640
035	CORRECT OFFICRS BEN ASSOC	2	1,640
048	DETECT END ASSN RET FUND	1	1,623
060	DISTRICT COUNCIL 37	8,452	1,640
061	DC 37 - (TAPD CIVILIANS)	1	1,640
075	LCL 3 IBEW ELECTR INSPECT	2	1,640
106	OSA WELF FND-SCHOOL SEC/T	4	1,640
108	ORG OF STAFF ANALYSTS	14	1,640
115	LOCAL 306 RETIR HLTH WELF	10	1,640
130	LOCAL 832 RETIREES	233	1,640
131	DISTRICT COUNCIL 37	486	1,640
155	LCL 1180 CWA RET BENE FND	502	1,640
162	UFT WELFARE FUND	8	1,685
163	UFT	471	1,685
164	COUNCIL OF SUPERVISORS AND ADMINISTRATO]	12	1,685
165	RET WELF FND AUTO SVC WKR	7	1,640
235	L237 RETIREE BENE FND-CW	406	1,640
260	LCL 300 RETIREE WELF FUND	46	1,640
275	CUNY responsible for Welfare Fund contributions.	10	1,742
555	CIVILIAN, TRANSIT POLICE DEPT. NYC TRANSIT	2	1,640
700	LCL 237 RWF(L621 SUP MEC)	6	1,740
703	L237 BRCKLYR RETIREES	2	1,640
708	LOCAL 246, DEPT OF EDUCATION	1	1,640
712	LCL 3 IBEW ELCTRCN SUP HL	23	1,640
714	LCL 237 ELEV MECH RETIREE	4	1,640
717	LOCAL1969, GLAZIERS	9	1,640
720	DC37 LOCKSMITH SUPV LKSMT	3	1,640
724	RET H&W FD,L3,IBEW-SUP.ME	17	1,640
727	LCL 2 CIVIL SVC PLUMBERS	35	1,640
728	LCL 1969 NYC PAINTERS	20	1,640
731	LCL 237 ROOF RETIREES	5	1,640
732	LCL237PLASTERERS RETIREES	6	1,640
738	RET WELF FND AUTO MECHNYC	25	1,640
740	RET WELF FND GEN MECHANIC	3	1,290
744	DC 37 FURNIT MAINTAINER	8	1,640
745	DC37 CYLD PRESS OPERATOR	1	1,640
756	LCL 237 CEMENT MAS RETIRE	1	1,640
760	LOCAL 246, DEPT OF EDUCATION	10	1,685
786	DC37 CONSTRUCT LABORER	17	1,640
804	LCL 237 MAINT WKR RETIREE	15	1,640
812	DC37 RADIO REPAIR MECHANI	3	1,640
820	LCL 30 STAT ENG SR ST ENG	0	1,640
823	NYC DIST.COUNCIL OF CARPS	68	1,640
826	LCL 3 IBEW SR STAT ENGR E	1	1,290
827	RET WEL FND SHEET MTL WKR	8	1,640
838	NYC DIST. COUNCIL OF CARP	40	1,640
839	LOCAL LODGE 5	1	1,640
842	LCL 638 STMFTRS HLPR SUPR	20	1,640
845	LCL 15 WELDERS FD	1	1,740
888	Either not entitled to Welfare Fund benefits or UWF	26	0

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

Union Welfare Fund			
UWF	Description	Count ¹	Amount
999	contribution is not funded by the City. Medicare Part B	153	0
Blank	reimbursement.	333	0
Total Count and Amount Assumed for Actives ²:		11,905	1,643

¹ Data includes entire population provided by OLR and supplemented by the OA, including Component Units and other groups not attributable to the City for GASB45 purposes.

² Assumed Welfare premium for Actives was based upon average Welfare premium for retirees that retired during the prior 5 years.

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

Union Welfare Fund			
UWF	Description	Count	Amount
001	NYC MANAGEMENT WELFARE FUND	92	1,640
048	DETECT END ASSN RET FUND	9,252	1,623
060	DISTRICT COUNCIL 37	3	1,640
170	PBA (NYPD)	19,969	1,565
225	SOC NYPD LT BENEV ASSOCIA	2,958	1,565
226	SOC NYPD CAPT ENDOW ASSOC	1,274	1,565
227	SBA HLTH & WELF FND/RETIR	5,846	1,590
777	PATROLMEN'S BENEVOLENT ASSOCIATION (LINE-OF-DUTY SURVIVORS)	146	0
888		1,593	0
925		6	0
926		4	0
927		11	0
928		4	0
930	Either not entitled to Welfare Fund benefits or UWF contribution is not funded by the City. Medicare Part B	6	0
931	reimbursement.	3	0
948		25	0
949		7	0
971		1	0
999		0	0
Blank		126	0
Total Count and Amount Assumed for Actives ¹:		41,326	1,587

¹ Assumed Welfare premium for Actives was based upon average Welfare premium for retirees that retired during the prior 5 years.

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

Union Welfare Fund			
UWF	Description	Count	Amount
001	NYC MANAGEMENT WELFARE FUND	65	1,640
060	DISTRICT COUNCIL 37	1	1,640
065	D C 37 UNIF MARINE ENGR	133	1,640
121	LCL 333 UNIFORMED WIPER	5	1,590
163	WAIVED	1	0
164	COUNCIL OF SUPERVISORS AND ADMINISTRATO]	1	1,640
205	RETIRED FIREFIGHTERS SBF	9,906	1,740
206	RET FIREFIGHTRS SBF-WIPER	6	1,590
240	UFOA LOCAL 854 RETIREES	4,691	1,575
888		937	0
889		1	0
905		237	0
906	Either not entitled to Welfare Fund benefits or UWF	38	0
940	contribution is not funded by the City. Medicare Part B	121	0
941	reimbursement.	38	0
999		3	0
Blank		80	0
Total Count and Amount Assumed for Actives ¹:		16,264	1,686

¹ Assumed Welfare premium for Actives was based upon average Welfare premium for retirees that retired during the prior 5 years.

APPENDIX C

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Educational Construction Fund (ECF)

Summary of Data

	Total
1. Actives	
a. Number	2
b. Salary	\$158,408
c. Average Age	52.00
d. Average Service	13.00
e. Average Salary	\$79,204
f. Present Value of Future Salary	\$1,806,982
2. Inactives	
a. Number	0
b. Average Age	NA
c. Average Service	NA
3. Deferreds (Includes Deferred Retirees, if any)	
a. Number	0
b. Average Age	NA
4. Retirees	
a. Total*	
i. Number	6
ii. Average Age	79.50
b. By Benefit	<u>Participant / Spouse</u>
i. Pre-Medicare**	1 / 0
ii. Medicare Eligible**	5 / 2
iii. Welfare Fund**	NA / NA
iv. Medicare Part B [#]	6 / 2

* Retirees eligible for at least one benefit from ECF.

** Retirees currently eligible for benefit from ECF.

Retirees eligible for benefit from ECF now or in the future.

NA Benefit not applicable.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Educational Construction Fund (ECF)

Development of Normal Cost

1. Total Present Value of Projected Benefits	Total
a. Active ¹	\$577,431
b. Deferred ²	0
c. Retired	<u>629,948</u>
d. TOTAL	\$1,207,379
2. Market Value of Assets	\$0
3. Unfunded Frozen Entry Age Actuarial Accrued Liability	\$1,111,366
4. Present Value of Future Normal Costs [1.d - 2. - 3.]	\$96,013
5. Present Value of Future Salary	\$1,806,982
6. Normal Cost Percentage [4. / 5.]	5.313%
7. Salary of Active Participants	\$158,408
8. Frozen Entry Age Normal Cost [6. * 7.]	\$8,416

¹ Includes Inactives, if any.

² Includes Deferred Retirees, if any.

New York City Health Benefits Program**June 30, 2006 OPEB Actuarial Valuation****New York City Educational Construction Fund (ECF)****Development of the Annual Required Contribution (ARC)
For the Fiscal Year Ending June 30, 2007**

1. Normal Cost at June 30, 2006	\$8,416
2. Amortization of Unfunded Actuarial Accrued Liability - BOY	<u>1,111,366</u>
3. Subtotal	\$1,119,782
4. Interest to June 30, 2007 at 4.0%	<u>44,791</u>
5. Annual Required Contribution (ARC)	\$1,164,573

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

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, 2007

1. Annual OPEB Cost (AOC)

a. Net OPEB Obligation at June 30, 2006	\$1,017,024
b. Annual Required Contribution (ARC)	
i. Normal Cost	\$8,416
ii. UAAL Amortization Payment	1,111,366
iii. Interest to End of Year	<u>44,791</u>
iv. Total	\$1,164,573
c. ARC Adjustment	\$1,057,705
d. Interest on Net OPEB Obligation	\$40,681
e. Fiscal Year 2007 Annual OPEB Cost (AOC) (1b.iv.-1c.+1d.)	\$147,549

2. Net OPEB Obligation (NOO)

a. Net OPEB Obligation at June 30, 2006	\$1,017,024
b. Fiscal Year 2007 Annual OPEB Cost (AOC)	\$147,549
c. Fiscal Year 2007 Employer Contributions	
i. PAYG	NV
ii. To NYC Retiree Health Benefits Trust	<u>0</u>
iii. Total	NV
d. Net OPEB Obligation (NOO) at June 30, 2007 (2a.+ 2b.-2c.iii.)	NV

NV Not verified. To be supplied by accountant.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Educational Construction Fund (ECF)

**Required Supplementary Information (RSI)
and Additional Note Disclosure
For the Fiscal Year Ending June 30, 2007**

**Required Supplementary Information
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Frozen Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2006	\$0	\$1,111,366	\$1,111,366	0.0%	\$158,408	701.6%
June 30, 2005	\$0	\$954,749	\$954,749	0.0%	\$148,770	641.8%

**Additional Note Disclosure
Annual OPEB Cost and Net OPEB Obligations**

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2007	ND	ND	ND
June 30, 2006*	\$1,017,024	0.0%	\$1,017,024

ND Not Determined. To be completed by accountant.

* As published.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Educational Construction Fund (ECF)

Pay-As-You-Go Amounts

For the Fiscal Year Ending June 30, 2007

1. Total	\$50,810 *
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* Not verified. To be supplied by accountant.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Educational Construction Fund (ECF)

Derivation of Unfunded Actuarial Accrued Liability

1. Unfunded Actuarial Accrued Liability at June 30, 2005	\$954,749
2. Frozen Entry Age Normal Cost	21,703
3. Interest on 1. and 2. @ 4.155%	40,572
4. Adjustments, if any¹	0
5. Employer Contributions	0 *
6. Preliminary Unfunded Actuarial Accrued Liability at June 30, 2006 (1.+2.+3.+4.-5.)	1,017,024
7. Assumption Changes²	94,342
8. Change in Medicare Part B Premium Assumption³	0
9. Unfunded Actuarial Accrued Liability at June 30, 2006 (6.+7.+8.)	\$1,111,366

¹ None.

² Changes due to medical trend and discount rate assumptions.

³ Change in income-related Medicare Part B premium assumption.

* Per ECF Financial Statement.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Educational Construction Fund (ECF)

Schedule of Unfunded Actuarial Accrued Liability Bases

Base	Date Established	Original Amount	Amortization Period	Balance
1. Transition Liability	June 30, 2005	\$ 954,749	1-Year	\$ 1,017,024
2. Refinements	June 30, 2006	\$ 94,342	1-Year	\$ 94,342
3. Change in Medicare Part B Assumption	June 30, 2006	\$ <u>0</u>	1-Year	\$ <u>0</u>
TOTAL		\$ 1,049,091		\$ 1,111,366

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Health and Hospitals Corporation (HHC)

Summary of Data

	NYCERS	TRS	BERS	TOTAL
1. Actives				
a. Number	29,594	0	5	29,599
b. Salary	\$1,609,729,493	\$0	\$400,699	\$1,610,130,192
c. Average Age	48.71	NA	51.00	48.71
d. Average Service	9.77	NA	23.40	9.77
e. Average Salary	\$54,394	NA	\$80,140	\$54,398
f. Present Value of Future Salary	\$18,631,826,434	\$0	\$3,531,712	\$18,635,358,146
2. Inactives				
a. Number	1,002	0	0	1,002
b. Average Age	42.34	NA	NA	42.34
c. Average Service	3.64	NA	NA	3.64
3. Deferreds (Includes Deferred Retirees, if any)				
a. Number	1,109	0	0	1,109
b. Average Age	50.69	NA	NA	50.69
4. Retirees				
a. Total*				
i. Number	17,063	5	7	17,075
ii. Average Age	72.30	67.80	75.43	72.30
b. By Benefit				<u>Participant / Spouse</u>
i. Pre-Medicare**				3,708 / 1,926
ii. Medicare Eligible**				13,367 / 2,976
iii. Welfare Fund**				16,128 / NA
iv. Medicare Part B [#]				NR / NR

* Retirees eligible for at least one benefit from HHC.
 ** Retirees currently eligible for benefit from HHC.
 # Retirees eligible for benefit from HHC now or in the future.
 NA Benefit not applicable to spouses.
 NR Benefit not the responsibility of HHC.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Health and Hospitals Corporation (HHC)

Development of Normal Cost

1. Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Total
a. Active ¹	\$1,237,596,757	\$1,160,603,770	\$1,172,024,119	\$0	\$3,570,224,646
b. Deferred ²	39,332,025	45,451,598	45,407,476	0	130,191,099
c. Retired	<u>211,144,069</u>	<u>473,878,975</u>	<u>409,768,391</u>	<u>0</u>	<u>1,094,791,435</u>
d. TOTAL	\$1,488,072,851	\$1,679,934,343	\$1,627,199,986	\$0	\$4,795,207,180
2. Market Value of Assets					\$0
3. Unfunded Frozen Entry Age Actuarial Accrued Liability					\$2,418,075,620
4. Present Value of Future Normal Costs [1.d - 2. - 3.]					\$2,377,131,560
5. Present Value of Future Salary					\$18,635,358,146
6. Normal Cost Percentage [4. / 5.]					12.756%
7. Salary of Active Participants					\$1,610,130,192
8. Frozen Entry Age Normal Cost [6. * 7.]					\$205,388,207

¹ Includes Inactives, if any.

² Includes Deferred Retirees, if any.

New York City Health Benefits Program**June 30, 2006 OPEB Actuarial Valuation****New York City Health and Hospitals Corporation (HHC)****Development of the Annual Required Contribution (ARC)
For the Fiscal Year Ending June 30, 2007**

1. Normal Cost at June 30, 2006	\$205,388,207
2. Amortization of Unfunded Actuarial Accrued Liability - BOY	<u>2,418,075,620</u>
3. Subtotal	\$2,623,463,827
4. Interest to June 30, 2007 at 4.0%	<u>104,938,553</u>
5. Annual Required Contribution (ARC)	\$2,728,402,380

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

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, 2007

1. Annual OPEB Cost (AOC)

a. Net OPEB Obligation at June 30, 2006 ¹	\$2,331,404,675
b. Annual Required Contribution (ARC)	
i. Normal Cost	\$205,388,207
ii. UAAL Amortization Payment	2,418,075,620
iii. Interest to End of Year	<u>104,938,553</u>
iv. Total	\$2,728,402,380
c. ARC Adjustment	\$2,424,660,862
d. Interest on Net OPEB Obligation	\$93,256,187
e. Fiscal Year 2007 Annual OPEB Cost (AOC) (1b.iv.-1c.+1d.)	\$396,997,705

2. Net OPEB Obligation (NOO)

a. Net OPEB Obligation at June 30, 2006	\$2,331,404,675
b. Fiscal Year 2007 Annual OPEB Cost (AOC)	\$396,997,705
c. Fiscal Year 2007 Employer Contributions	
i. PAYG	NV
ii. To NYC Retiree Health Benefits Trust	<u>0</u>
iii. Total	NV
d. Net OPEB Obligation (NOO) at June 30, 2007 (2a.+ 2b.-2c.iii.)	NV

¹ \$2,228,304,675 plus \$103,100,000 attributable to Retirees.

NV Not verified. To be supplied by accountant.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Health and Hospitals Corporation (HHC)

**Required Supplementary Information (RSI)
and Additional Note Disclosure
For the Fiscal Year Ending June 30, 2007**

**Required Supplementary Information
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Frozen Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2006	\$0	\$2,418,075,620	\$2,418,075,620	0.0%	\$1,610,130,192	150.2%
June 30, 2005	\$0	\$2,019,525,531	\$2,019,525,531	0.0%	\$1,521,870,266	132.7%

**Additional Note Disclosure
Annual OPEB Cost and Net OPEB Obligations**

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2007	ND	ND	ND
June 30, 2006	NA	NA	NA

ND Not Determined. To be completed by accountant.

NA Not Available.

New York City Health Benefits Program**June 30, 2006 OPEB Actuarial Valuation****New York City Health and Hospitals Corporation (HHC)****Pay-As-You-Go Amounts****For the Fiscal Year Ending June 30, 2007**

1. Basic Health Benefits	\$43,789,905
2. Welfare Funds	<u>\$30,709,979</u>
3. Total	\$74,499,884 *

* Not verified. To be supplied by accountant.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Health and Hospitals Corporation (HHC)

Derivation of Unfunded Actuarial Accrued Liability

1. Unfunded Actuarial Accrued Liability at June 30, 2005	\$2,019,525,531
2. Frozen Entry Age Normal Cost	187,677,041
3. Interest on 1. and 2. @ 4.00%	88,288,103
4. Adjustments, if any¹	103,100,000
5. Employer Contributions	67,186,000
6. Preliminary Unfunded Actuarial Accrued Liability at June 30, 2006 (1.+2.+3.+4.-5.)	2,331,404,675
7. Change due to Refinements²	86,670,945
8. Change in Medicare Part B Premium Assumption³	0
9. Unfunded Actuarial Accrued Liability at June 30, 2006 (6.+7.+8.)	\$2,418,075,620

¹ Estimated Liability for 2,401 Additional Retirees booked by HHC as of June 30, 2006.

² Refinements in assumed medical plan participation and coverage, modifications and improvements in calculations and census data reclassification.

³ Change in income-related Medicare Part B premium assumption.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Health and Hospitals Corporation (HHC)

Schedule of Unfunded Actuarial Accrued Liability Bases

Base	Date Established	Original Amount	Amortization Period	Balance
1. Transition Liability	June 30, 2005	\$ 2,019,525,531	1-Year	\$ 2,331,404,675
2. Refinements	June 30, 2006	\$ 86,670,945	1-Year	\$ 86,670,945
3. Change in Medicare Part B Assumption	June 30, 2006	\$ <u>0</u>	1-Year	\$ <u>0</u>
TOTAL		\$ 2,106,196,476		\$ 2,418,075,620

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Housing Authority (HSG)

Summary of Data

	NYCERS	TRS	BERS	TOTAL
1. Actives				
a. Number	11,945	0	24	11,969
b. Salary	\$599,131,773	\$0	1,428,807	\$600,560,580
c. Average Age	46.25	NA	48.71	46.26
d. Average Service	12.74	NA	11.96	12.74
e. Average Salary	\$50,158	NA	\$59,534	\$50,177
f. Present Value of Future Salary	\$7,630,412,933	\$0	\$17,063,578	\$7,647,476,511
2. Inactives				
a. Number	35	0	1	36
b. Average Age	38.20	NA	59.00	38.78
c. Average Service	2.17	NA	30.00	2.94
3. Deferreds (Includes Deferred Retirees, if any)				
a. Number	610	0	0	610
b. Average Age	49.78	NA	NA	49.78
4. Retirees				
a. Total*				
i. Number	7,852	3	9	7,864
ii. Average Age	69.70	72.67	70.33	69.70
b. By Benefit				<u>Participant / Spouse</u>
i. Pre-Medicare**				1,888 / 1,582
ii. Medicare Eligible**				4,769 / 1,698
iii. Welfare Fund**				6,405 / NA
iv. Medicare Part B [#]				7,864 / 4,060

* Retirees eligible for at least one benefit from HSG.
 ** Retirees currently eligible for benefit from HSG.
 # Retirees eligible for benefit from HSG now or in the future.
 NA Benefit not applicable to spouses.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Housing Authority (HSG)

Summary of Total Present Value of Projected Benefits

1. Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Total
a. Active ¹	\$776,037,890	\$479,167,783	\$486,137,421	\$438,966,873	\$2,180,309,967
b. Deferred ²	27,873,589	23,805,161	22,587,871	21,876,080	96,142,701
c. Retired	<u>165,028,812</u>	<u>178,627,263</u>	<u>157,909,372</u>	<u>195,287,345</u>	<u>696,852,792</u>
d. TOTAL	\$968,940,291	\$681,600,207	\$666,634,664	\$656,130,298	\$2,973,305,460

¹ Includes Inactives, if any.

² Includes Deferred Retirees, if any.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Off-Track Betting Corporation (OTB)

Summary of Data

	NYCERS
1. Actives	
a. Number	1,135
b. Salary	\$42,638,264
c. Average Age	47.77
d. Average Service	11.80
e. Average Salary	\$37,567
f. Present Value of Future Salary	\$495,395,696
2. Inactives	
a. Number	82
b. Average Age	35.30
c. Average Service	3.29
3. Deferreds (Includes Deferred Retirees, if any)	
a. Number	22
b. Average Age	48.27
4. Retirees	
a. Total*	
i. Number	977
ii. Average Age	70.72
b. By Benefit	<u>Participant / Spouse</u>
i. Pre-Medicare**	284 / 164
ii. Medicare Eligible**	693 / 216
iii. Welfare Fund**	955 / NA
iv. Medicare Part B [#]	NR / NR

* Retirees eligible for at least one benefit from OTB.

** Retirees currently eligible for benefit from OTB.

Retirees eligible for benefit from OTB now or in the future.

NA Benefit not applicable to spouses.

NR Benefit not the responsibility of OTB.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Off-Track Betting Corporation (OTB)

Development of Normal Cost

1. Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Total
a. Active ¹	\$59,494,798	\$46,537,856	\$45,945,549	\$0	\$151,978,203
b. Deferred ²	938,423	883,811	856,532	0	2,678,766
c. Retired	<u>18,097,960</u>	<u>29,837,091</u>	<u>24,836,330</u>	<u>0</u>	<u>72,771,381</u>
d. TOTAL	\$78,531,181	\$77,258,758	\$71,638,411	\$0	\$227,428,350
2. Market Value of Assets					\$0
3. Unfunded Frozen Entry Age Actuarial Accrued Liability					\$127,653,691
4. Present Value of Future Normal Costs [1.d - 2. - 3.]					\$99,774,659
5. Present Value of Future Salary					\$495,395,696
6. Normal Cost Percentage [4. / 5.]					20.140%
7. Salary of Active Participants					\$42,638,264
8. Frozen Entry Age Normal Cost [6. * 7.]					\$8,587,346

¹ Includes Inactives, if any.

² Includes Deferred Retirees, if any.

New York City Health Benefits Program**June 30, 2006 OPEB Actuarial Valuation****New York City Off-Track Betting Corporation (OTB)****Development of the Annual Required Contribution (ARC)
For the Fiscal Year Ending June 30, 2007**

1. Normal Cost at June 30, 2006	\$8,587,346
2. Amortization of Unfunded Actuarial Accrued Liability - BOY	<u>127,653,691</u>
3. Subtotal	\$136,241,037
4. Interest to June 30, 2007 at 4.0%	<u>5,449,641</u>
5. Annual Required Contribution (ARC)	\$141,690,678

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

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, 2007

1. Annual OPEB Cost (AOC)

a. Net OPEB Obligation at June 30, 2006	\$115,525,000
b. Annual Required Contribution (ARC)	
i. Normal Cost	\$8,587,346
ii. UAAL Amortization Payment	127,653,691
iii. Interest to End of Year	<u>5,449,641</u>
iv. Total	\$141,690,678
c. ARC Adjustment	\$120,146,000
d. Interest on Net OPEB Obligation	\$4,621,000
e. Fiscal Year 2007 Annual OPEB Cost (AOC) (1b.iv.-1c.+1d.)	\$26,165,678

2. Net OPEB Obligation (NOO)

a. Net OPEB Obligation at June 30, 2006	\$115,525,000
b. Fiscal Year 2007 Annual OPEB Cost (AOC)	\$26,165,678
c. Fiscal Year 2007 Employer Contributions	
i. PAYG	NV
ii. To NYC Retiree Health Benefits Trust	<u>0</u>
iii. Total	NV
d. Net OPEB Obligation (NOO) at June 30, 2007 (2a.+ 2b.-2c.iii.)	NV

NV Not verified. To be supplied by accountant.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Off-Track Betting Corporation (OTB)

**Required Supplementary Information (RSI)
and Additional Note Disclosure
For the Fiscal Year Ending June 30, 2007**

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Frozen Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2006	\$0	\$127,653,691	\$127,653,691	0.0%	\$42,638,264	299.4%
June 30, 2005	\$0	\$107,598,820	\$107,598,820	0.0%	\$42,583,744	252.7%

Additional Note Disclosure Annual OPEB Cost and Net OPEB Obligations

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2007	ND	ND	ND
June 30, 2006	NA	NA	NA

ND Not Determined. To be completed by accountant.

NA Not Available.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Off-Track Betting Corporation (OTB)

Pay-As-You-Go Amounts

For the Fiscal Year Ending June 30, 2007

1. Total	\$4,700,000 *
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* Not verified. To be supplied by accountant.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Off-Track Betting Corporation (OTB)

Derivation of Unfunded Actuarial Accrued Liability

1. Unfunded Actuarial Accrued Liability at June 30, 2005	\$107,598,820
2. Frozen Entry Age Normal Cost	7,932,074
3. Interest on 1. and 2. @ 4.00%	4,621,236
4. Adjustments, if any¹	0
5. Employer Contributions	4,627,000
6. Preliminary Unfunded Actuarial Accrued Liability at June 30, 2006 (1.+2.+3.+4.-5.)	115,525,130
7. Change due to Refinements²	12,128,561
8. Change in Medicare Part B Premium Assumption³	0
9. Unfunded Actuarial Accrued Liability at June 30, 2006 (6.+7.+8.)	\$127,653,691

¹ None.

² Refinements in assumed medical plan participation and coverage, modifications and improvements in calculations and census data reclassification.

³ Change in income-related Medicare Part B premium assumption.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Off-Track Betting Corporation (OTB)

Schedule of Unfunded Actuarial Accrued Liability Bases

Base	Date Established	Original Amount	Amortization Period	Balance
1. Transition Liability	June 30, 2005	\$ 107,598,820	1-Year	\$ 115,525,130
2. Refinements	June 30, 2006	\$ 12,128,561	1-Year	\$ 12,128,561
3. Change in Medicare Part B Assumption	June 30, 2006	\$ <u>0</u>	1-Year	\$ <u>0</u>
TOTAL		\$ 119,727,381		\$ 127,653,691

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City School Construction Authority (SCA)

Summary of Data

	NYCERS	BERS	TOTAL
1. Actives			
a. Number	46	386	432
b. Salary	\$4,100,251	\$32,406,053	\$36,506,304
c. Average Age	49.37	50.15	50.07
d. Average Service	13.76	10.01	10.41
e. Average Salary	\$89,136	\$83,954	\$84,505
f. Present Value of Future Salary	\$47,784,294	\$349,045,614	\$396,829,908
2. Inactives			
a. Number	1	115	116
b. Average Age	62.00	51.07	51.16
c. Average Service	30.00	7.06	7.26
3. Deferreds (Includes Deferred Retirees, if any)			
a. Number	3	17	20
b. Average Age	51.67	51.76	51.75
4. Retirees			
a. Total*			
i. Number	22	93	115
ii. Average Age	64.77	67.11	66.66
b. By Benefit			<u>Participant / Spouse</u>
i. Pre-Medicare**			NR / NR
ii. Medicare Eligible**			NR / NR
iii. Welfare Fund**			115 / NA
iv. Medicare Part B [#]			NR / NR

* Retirees eligible for at least one benefit from SCA.

** Retirees currently eligible for benefit from SCA.

Retirees eligible for benefit from SCA now or in the future.

NR Benefit not the responsibility of SCA.

NA Benefit not applicable to spouses.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City School Construction Authority (SCA)

Development of Normal Cost

1. Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Total
a. Active ¹	\$0	\$0	\$18,946,559	\$0	\$18,946,559
b. Deferred ²	0	0	733,079	0	733,079
c. Retired	<u>0</u>	<u>0</u>	<u>3,376,267</u>	<u>0</u>	<u>3,376,267</u>
d. TOTAL	\$0	\$0	\$23,055,905	\$0	\$23,055,905
2. Market Value of Assets					\$0
3. Unfunded Frozen Entry Age Actuarial Accrued Liability					\$16,039,618
4. Present Value of Future Normal Costs [1.d - 2. - 3.]					\$7,016,287
5. Present Value of Future Salary					\$396,829,908
6. Normal Cost Percentage [4. / 5.]					1.768%
7. Salary of Active Participants					\$36,506,304
8. Frozen Entry Age Normal Cost [6. * 7.]					\$645,431

¹ Includes Inactives, if any.

² Includes Deferred Retirees, if any.

New York City Health Benefits Program**June 30, 2006 OPEB Actuarial Valuation****New York City School Construction Authority (SCA)****Development of the Annual Required Contribution (ARC)
For the Fiscal Year Ending June 30, 2007**

1. Normal Cost at June 30, 2006	\$645,431
2. Amortization of Unfunded Actuarial Accrued Liability - BOY	<u>16,039,618</u>
3. Subtotal	\$16,685,049
4. Interest to June 30, 2007 at 4.0%	<u>667,402</u>
5. Annual Required Contribution (ARC)	\$17,352,451

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

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, 2007

1. Annual OPEB Cost (AOC)

a. Net OPEB Obligation at June 30, 2006 ¹	\$11,081,922
b. Annual Required Contribution (ARC)	
i. Normal Cost	\$645,431
ii. UAAL Amortization Payment	16,039,618
iii. Interest to End of Year	<u>667,402</u>
iv. Total	\$17,352,451
c. ARC Adjustment	\$11,525,199
d. Interest on Net OPEB Obligation	\$443,277
e. Fiscal Year 2007 Annual OPEB Cost (AOC) (1b.iv.-1c.+1d.)	\$6,270,529

2. Net OPEB Obligation (NOO)

a. Net OPEB Obligation at June 30, 2006	\$11,081,922
b. Fiscal Year 2007 Annual OPEB Cost (AOC)	\$6,270,529
c. Fiscal Year 2007 Employer Contributions	
i. PAYG	NV
ii. To NYC Retiree Health Benefits Trust	<u>0</u>
iii. Total	NV
d. Net OPEB Obligation (NOO) at June 30, 2007 (2a.+ 2b.-2c.iii.)	NV

¹ Provided by SCA on July 24, 2007.

NV Not verified. To be supplied by accountant.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City School Construction Authority (SCA)

**Required Supplementary Information (RSI)
and Additional Note Disclosure
For the Fiscal Year Ending June 30, 2007**

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Frozen Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2006	\$0	\$16,039,618	\$16,039,618	0.0%	\$36,506,304	43.9%
June 30, 2005 ¹	\$0	\$9,936,653	\$9,936,653	0.0%	\$33,827,738	29.4%

¹ Provided by SCA on July 24, 2007

Additional Note Disclosure Annual OPEB Cost and Net OPEB Obligations

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2007	ND	ND	ND
June 30, 2006	NA	NA	NA

ND Not Determined. To be completed by accountant.

NA Not Available.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City School Construction Authority (SCA)

Pay-As-You-Go Amounts

For the Fiscal Year Ending June 30, 2007

1. Total

NA

NA Not Available. To be supplied by accountant.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City School Construction Authority (SCA)

Derivation of Unfunded Actuarial Accrued Liability

1. Unfunded Actuarial Accrued Liability at June 30, 2005	\$9,936,653
2. Frozen Entry Age Normal Cost	719,042
3. Interest on 1. and 2. @ 4.00%	426,228
4. Adjustments, if any¹	0
5. Employer Contributions	0
6. Preliminary Unfunded Actuarial Accrued Liability at June 30, 2006 (1.+2.+3.+4.-5.)	11,081,923
7. Change due to Refinements²	4,957,695
8. Change in Medicare Part B Premium Assumption³	0
9. Unfunded Actuarial Accrued Liability at June 30, 2006 (6.+7.+8.)	\$16,039,618

¹ None.

² Refinements in assumed medical plan participation and coverage, modifications and improvements in calculations and census data reclassification.

³ Change in income-related Medicare Part B premium assumption.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City School Construction Authority (SCA)

Schedule of Unfunded Actuarial Accrued Liability Bases

Base	Date Established	Original Amount	Amortization Period	Balance
1. Transition Liability	June 30, 2005	\$ 9,936,653	1-Year	\$ 11,081,923
2. Refinements	June 30, 2006	\$ 4,957,695	1-Year	\$ 4,957,695
3. Change in Medicare Part B Assumption	June 30, 2006	\$ <u>0</u>	1-Year	\$ <u>0</u>
TOTAL		\$ 14,894,348		\$ 16,039,618

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Municipal Water Finance Authority (WFA)

Summary of Data

	NYCERS	BERS	TOTAL
1. Actives			
a. Number	2	1	3
b. Salary	\$161,270	\$144,885	306,155
c. Average Age	41.00	63.00	48.33
d. Average Service	3.00	13.00	6.33
e. Average Salary	\$80,635	\$144,885	102,052
f. Present Value of Future Salary	\$2,195,451	\$564,253	2,759,704
2. Inactives			
a. Number	2	0	2
b. Average Age	44.50	NA	44.50
c. Average Service	3.50	NA	3.50
3. Deferreds (Includes Deferred Retirees, if any)			
a. Number	0	0	0
b. Average Age	NA	NA	NA
4. Retirees			
a. Total*			
i. Number	1	0	1
ii. Average Age	70.00	NA	70.00
b. By Benefit			<u>Participant / Spouse</u>
i. Pre-Medicare**			0 / 0
ii. Medicare Eligible**			1 / 0
iii. Welfare Fund**			1 / NA
iv. Medicare Part B [#]			NR / NR

- * Retirees eligible for at least one benefit from WFA.
- ** Retirees currently eligible for benefit from WFA.
- # Retirees eligible for benefit from WFA now or in the future.
- NA Benefit not applicable to spouses.
- NR Benefit not the responsibility of WFA.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Municipal Water Finance Authority (WFA)

Development of Normal Cost

1. Total Present Value of Projected Benefits	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Total
a. Active ¹	\$184,780	\$189,774	\$184,128	\$0	\$558,682
b. Deferred ²	0	0	0	0	0
c. Retired	<u>0</u>	<u>13,952</u>	<u>29,421</u>	<u>0</u>	<u>43,373</u>
d. TOTAL	\$184,780	\$203,726	\$213,549	\$0	\$602,055
2. Market Value of Assets					\$0
3. Unfunded Frozen Entry Age Actuarial Accrued Liability					\$172,974
4. Present Value of Future Normal Costs [1.d - 2. - 3.]					\$429,081
5. Present Value of Future Salary					\$2,759,704
6. Normal Cost Percentage [4. / 5.]					15.548%
7. Salary of Active Participants					\$306,155
8. Frozen Entry Age Normal Cost [6. * 7.]					\$47,601

¹ Includes Inactives, if any.

² Includes Deferred Retirees, if any.

New York City Health Benefits Program**June 30, 2006 OPEB Actuarial Valuation****New York City Municipal Water Finance Authority (WFA)****Development of the Annual Required Contribution (ARC)
For the Fiscal Year Ending June 30, 2007**

1. Normal Cost at June 30, 2006	\$47,601
2. Amortization of Unfunded Actuarial Accrued Liability - BOY	<u>172,974</u>
3. Subtotal	\$220,575
4. Interest to June 30, 2007 at 4.0%	<u>8,823</u>
5. Annual Required Contribution (ARC)	\$229,398

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

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, 2007

1. Annual OPEB Cost (AOC)	
a. Net OPEB Obligation at June 30, 2006	\$398,010
b. Annual Required Contribution (ARC)	
i. Normal Cost	\$47,601
ii. UAAL Amortization Payment	172,974
iii. Interest to End of Year	<u>8,823</u>
iv. Total	\$229,398
c. ARC Adjustment	\$413,930
d. Interest on Net OPEB Obligation	\$15,920
e. Fiscal Year 2007 Annual OPEB Cost (AOC) (1b.iv.-1c.+1d.)	(\$168,612)
2. Net OPEB Obligation (NOO)	
a. Net OPEB Obligation at June 30, 2006	\$398,010
b. Fiscal Year 2007 Annual OPEB Cost (AOC)	(\$168,612)
c. Fiscal Year 2007 Employer Contributions	
i. PAYG	NV
ii. To NYC Retiree Health Benefits Trust	<u>0</u>
iii. Total	NV
d. Net OPEB Obligation (NOO) at June 30, 2007 (2a.+ 2b.-2c.iii.)	NV

NV Not verified. To be supplied by accountant.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Municipal Water Finance Authority (WFA)

**Required Supplementary Information (RSI)
and Additional Note Disclosure
For the Fiscal Year Ending June 30, 2007**

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Frozen Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2006	\$0	\$172,974	\$172,974	0.0%	\$306,155	56.5%
June 30, 2005	\$0	\$308,348	\$308,348	0.0%	\$1,041,223	29.6%

Additional Note Disclosure Annual OPEB Cost and Net OPEB Obligations

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2007	ND	ND	ND
June 30, 2006*	\$398,010	0.0%	\$398,010

ND Not Determined. To be completed by accountant.

* As published.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Municipal Water Finance Authority (WFA)

Pay-As-You-Go Amounts

For the Fiscal Year Ending June 30, 2007

1. Total

\$0 *

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Municipal Water Finance Authority (WFA)

Derivation of Unfunded Actuarial Accrued Liability

1. Unfunded Actuarial Accrued Liability at June 30, 2005	\$308,348
2. Frozen Entry Age Normal Cost	74,354
3. Interest on 1. and 2. @ 4.00%	15,308
4. Adjustments, if any¹	0
5. Employer Contributions	0
6. Preliminary Unfunded Actuarial Accrued Liability at June 30, 2006 (1.+2.+3.+4.-5.)	398,010
7. Change due to Refinements²	(225,036)
8. Change in Medicare Part B Premium Assumption³	0
9. Unfunded Actuarial Accrued Liability at June 30, 2006 (6.+7.+8.)	\$172,974

¹ None.

² Refinements in assumed medical plan participation and coverage, modifications and improvements in calculations and census data reclassification.

³ Change in income-related Medicare Part B premium assumption.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation

New York City Municipal Water Finance Authority (WFA)

Schedule of Unfunded Actuarial Accrued Liability Bases

Base	Date Established	Original Amount	Amortization Period	Balance
1. Transition Liability	June 30, 2005	\$ 308,348	1-Year	\$ 398,010
2. Refinements	June 30, 2006	\$ (225,036)	1-Year	\$ (225,036)
3. Change in Medicare Part B Assumption	June 30, 2006	\$ <u>0</u>	1-Year	\$ <u>0</u>
TOTAL		\$ 83,312		\$ 172,974

New York City Health Benefits Program
June 30, 2006 OPEB Actuarial Valuation
GASB 45 Results for the City of New York (Excluding Component Units)
Summary of Data
By System Not Including Component Units ¹

	NYCERS	TRS	BERS	POLICE	FIRE	TOTAL
1. Actives						
a. Number	91,538	108,774	22,660	35,194	11,641	269,807
b. Salary	\$5,140,470,874	\$6,905,865,214	\$714,170,578	\$2,816,928,533	\$932,730,174	\$16,510,165,373
c. Average Age	46.23	43.88	50.36	35.98	38.08	43.94
d. Average Service	12.03	9.98	8.81	10.78	11.28	10.74
e. Average Salary	\$56,157	\$63,488	\$31,517	\$80,040	\$80,125	\$61,193
f. Present Value of Future Salary	\$59,898,686,337	\$120,834,083,512	\$8,618,811,172	\$29,902,986,716	\$13,024,692,216	\$232,279,259,953
2. Inactives						
a. Number	27,325	10,437	3,068	2,405	31	43,266
b. Average Age	44.57	38.01	47.12	34.86	39.26	42.63
c. Average Service	5.31	4.79	7.09	6.74	9.97	5.40
3. Deferreds (Includes Deferred Retirees, if any)						
a. Number	4,409	5,769	248	752	24	11,202
b. Average Age	49.75	48.71	54.62	37.96	40.21	48.51
4. Retirees						
a. Total*						
i. Number	60,382	61,288	11,756	41,326	16,264	191,016
ii. Average Age	69.35	70.10	73.46	59.72	64.73	67.37
b. By Benefit	<u>Participant / Spouse</u>					
i. Pre-Medicare**	21,341 / 15,656	20,840 / 9,264	1,967 / 1,064	25,278 / 21,861	6,781 / 7,256	76,207 / 55,101
ii. Medicare Eligible**	40,270 / 12,833	40,448 / 12,354	9,883 / 3,122	16,048 / 8,170	9,483 / 4,917	116,132 / 41,396
iii. Welfare Fund**	59,194 / NA	59,512 / NA	11,245 / NA	39,394 / NA	14,808 / NA	184,153 / NA
iv. Medicare Part B [#]	80,804 / 33,791	63,552 / 22,713	11,893 / 4,195	41,326 / 30,031	16,264 / 12,173	213,839 / 102,903
	TIAA	LODW				
1. Actives						
a. Number	7,630	0				
b. Salary	\$592,108,958	0				
c. Average Age	51.19	NA				
d. Average Service	15.05	NA				
e. Average Salary	\$77,603	NA				
f. Present Value of Future Salary	\$7,841,468,160	0				
2. Inactives						
a. Number	206	0				
b. Average Age	52.43	NA				
c. Average Service	16.89	NA				
3. Deferreds (Includes Deferred Retirees, if any)						
a. Number	359 ²	0				
b. Average Age	40.42	NA				
4. Retirees						
a. Total*						
i. Number	1,756	761				
ii. Average Age	71.74	73.38				
b. By Benefit	<u>Participant / Spouse</u>	<u>Participant / Spouse</u>				
i. Pre-Medicare**	0 / 0	111 / 0				
ii. Medicare Eligible**	0 / 0	650 / 6				
iii. Welfare Fund**	0 / 0	0 / NA				
iv. Medicare Part B [#]	1,756 / 872	761 / 6				

1 City results also include Medicare Part B coverage for 36,100 actives, 1,453 inactives, 22,822 retirees and 1,226 deferred participants in HHC, OTB, SCA, WFA and CUNY Senior Colleges and Health Insurance coverage for 432 actives, 116 inactives, 1,322 retirees and 20 deferred participants in HSG (Housing Police retirees only) and SCA and Welfare Fund coverage for 1,207 retirees in HSG (Housing Police retirees only).

2 Estimate due to lack of data.

* Retirees eligible for at least one benefit.

** Retirees currently eligible for benefit.

Retirees eligible for benefit now or in the future.

NA Benefit not applicable to spouses.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 45 Results for the City of New York (Excluding Component Units) Development of Normal Cost

1. Total Present Value of Projected Benefits ¹	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Total
a. Active ²	\$25,014,625,034	\$15,321,649,964	\$15,038,307,451	\$14,649,916,389	\$70,024,498,838
b. Deferred ³	952,988,608	590,109,334	609,580,873	565,742,033	2,718,420,848
c. Retired	<u>9,098,878,591</u>	<u>7,405,521,908</u>	<u>6,291,743,760</u>	<u>6,419,091,210</u>	<u>29,215,235,469</u>
d. TOTAL	\$35,066,492,233	\$23,317,281,206	\$21,939,632,084	\$21,634,749,632	\$101,958,155,155
2. Market Value of Assets					\$1,001,331,648
3. Unfunded Frozen Entry Age Actuarial Accrued Liability					\$55,058,668,676
4. Present Value of Future Normal Costs [1.d - 2. - 3.]					\$45,898,154,831
5. Present Value of Future Salary					\$232,279,259,953
6. Normal Cost Percentage [4. / 5.]					19.760%
7. Salary of Active Participants					\$16,510,165,373
8. Frozen Entry Age Normal Cost [6. * 7.]					\$3,262,408,678

¹ City results also include Medicare Part B coverage for 36,100 actives, 1,453 inactive, 22,822 retirees and 1,226 deferred participants in HHC, OTB, SCA, WFA and CUNY Senior Colleges and Health Insurance coverage for 432 actives, 116 inactive, 1,322 retirees and 20 deferred participants in HSG (Housing Police retirees only) and SCA and Welfare Fund coverage for 1,207 retirees in HSG (Housing Police retirees only).

² Includes Inactives, if any.

³ Includes Deferred Retirees, if any.

New York City Health Benefits Program**June 30, 2006 OPEB Actuarial Valuation
GASB 45 Results for the City of New York (Excluding Component Units)
Development of the Annual Required Contribution (ARC)
For the Fiscal Year Ending June 30, 2007**

1. Normal Cost at June 30, 2006	\$3,262,408,678
2. Amortization of Unfunded Actuarial Accrued Liability - BOY	<u>55,058,668,676</u>
3. Subtotal	\$58,321,077,354
4. Interest to June 30, 2007 at 4.0%	<u>2,332,843,094</u>
5. Annual Required Contribution (ARC)	\$60,653,920,448

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 45 Results for the City of New York (Excluding Component Units) Development of the Annual OPEB Cost (AOC) and Development of the Net OPEB Obligation (NOO)

For the Fiscal Year Ending June 30, 2007

1. Annual OPEB Cost (AOC)

a. Net OPEB Obligation at June 30, 2006

i. City as determined in June 30, 2006 Report	\$53,483,031,234
ii. Redirected from SCA*	<u>\$12,320,655</u>
iii. Total	\$53,495,351,889

b. Annual Required Contribution (ARC)

i. Normal Cost	\$3,262,408,678
ii. UAAL Amortization Payment	55,058,668,676
iii. Interest to End of Year	<u>2,332,843,094</u>
iv. Total	\$60,653,920,448

c. ARC Adjustment \$55,635,165,965

d. Interest on Net OPEB Obligation \$2,139,814,076

e. Fiscal Year 2007 Annual OPEB Cost (AOC) \$7,158,568,559
(1b.iv.-1c.+1d.)

2. Net OPEB Obligation (NOO)

a. Net OPEB Obligation at June 30, 2006 \$53,495,351,889

b. Fiscal Year 2007 Annual OPEB Cost (AOC) \$7,158,568,559

c. Fiscal Year 2007 Employer Contributions** \$2,910,499,746

d. Net OPEB Obligation (NOO) at June 30, 2007 \$57,743,420,702
(2a.+ 2b.-2c.)

* Adjustment made subsequent to publishing of June 30, 2006 Report, but prior to SCA financial reporting.

** Amount provided by OMB on October 3, 2007.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 45 Results for the City of New York (Excluding Component Units)

Required Supplementary Information (RSI) and Additional Note Disclosure For the Fiscal Year Ending June 30, 2007

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Frozen Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2006	\$1,001,331,648	\$56,060,000,324	\$55,058,668,676	1.8%	\$16,510,165,373	333.5%
June 30, 2005	\$0	\$50,523,014,097	\$50,523,014,097	0.0%	\$15,703,554,657	321.7%

Additional Note Disclosure Annual OPEB Cost and Net OPEB Obligations

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2007	ND	ND	ND
June 30, 2006*	\$55,690,322,000	3.9%	\$53,507,451,000

ND Not Determined. To be completed by accountant.

* As published. Includes amounts for ECF and SCA.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 45 Results for the City of New York (Excluding Component Units) Pay-As-You-Go Amounts

For the Fiscal Year Ending June 30, 2007

1. Total	\$0 *
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* All amounts are paid into Trusts (i.e., NYCRHBT, Management Benefits Fund and Stabilization Fund).

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 45 Results for the City of New York (Excluding Component Units) Derivation of Unfunded Actuarial Accrued Liability

1. Unfunded Actuarial Accrued Liability at June 30, 2005	\$50,523,014,097
2. Frozen Entry Age Normal Cost	3,001,891,508
3. Interest on 1. and 2. @ 4.00%	2,140,996,224
4. Adjustments if any¹	0
5. Employer Contributions	2,182,870,595
6. Preliminary Unfunded Actuarial Accrued Liability at June 30, 2006 (1.+2.+3.+4.-5.)	53,483,031,234
7. Change due to Refinements²	852,676,937
8. Change in Medicare Part B Premium Assumption³	722,960,505
9. Unfunded Actuarial Accrued Liability at June 30, 2006 (6.+7.+8.)	\$55,058,668,676

¹ None.

² Refinements in assumed medical plan participation and coverage, modifications and improvements in calculations and census data reclassification.

³ Change in income-related Medicare Part B premium assumption.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 45 Results for the City of New York (Excluding Component Units) Schedule of Unfunded Actuarial Accrued Liability Bases

Base	Date Established	Original Amount	Amortization Period	Balance
1. Transition Liability	June 30, 2005	\$ 50,523,014,097	1-Year	\$ 53,483,031,234
2. Refinements	June 30, 2006	\$ 852,676,937	1-Year	\$ 852,676,937
3. Change in Medicare Part B Assumption	June 30, 2006	<u>\$ 722,960,505</u>	1-Year	<u>\$ 722,960,505</u>
TOTAL		\$ 52,098,651,539		\$ 55,058,668,676

New York City Health Benefits Program
June 30, 2006 OPEB Actuarial Valuation
GASB 43 Results for the City of New York (Excluding Component Units)
Summary of Data
By System Not Including Component Units ¹

	NYCERS	TRS	BERS	POLICE	FIRE	TOTAL
1. Actives						
a. Number	91,538	108,774	22,660	35,194	11,641	269,807
b. Salary	\$5,140,470,874	\$6,905,865,214	\$714,170,578	\$2,816,928,533	\$932,730,174	\$16,510,165,373
c. Average Age	46.23	43.88	50.36	35.98	38.08	43.94
d. Average Service	12.03	9.98	8.81	10.78	11.28	10.74
e. Average Salary	\$56,157	\$63,488	\$31,517	\$80,040	\$80,125	\$61,193
f. Present Value of Future Salary	\$59,898,686,337	\$120,834,083,512	\$8,618,811,172	\$29,902,986,716	\$13,024,692,216	\$232,279,259,953
2. Inactives						
a. Number	27,325	10,437	3,068	2,405	31	43,266
b. Average Age	44.57	38.01	47.12	34.86	39.26	42.63
c. Average Service	5.31	4.79	7.09	6.74	9.97	5.40
3. Deferreds (Includes Deferred Retirees, if any)						
a. Number	4,409	5,769	248	752	24	11,202
b. Average Age	49.75	48.71	54.62	37.96	40.21	48.51
4. Retirees						
a. Total*						
i. Number	60,382	61,288	11,756	41,326	16,264	191,016
ii. Average Age	69.35	70.10	73.46	59.72	64.73	67.37
b. By Benefit	<u>Participant / Spouse</u>					
i. Pre-Medicare**	21,341 / 15,656	20,840 / 9,264	1,967 / 1,064	25,278 / 21,861	6,781 / 7,256	76,207 / 55,101
ii. Medicare Eligible**	40,270 / 12,833	40,448 / 12,354	9,883 / 3,122	16,048 / 8,170	9,483 / 4,917	116,132 / 41,396
iii. Welfare Fund**	59,194 / NA	59,512 / NA	11,245 / NA	39,394 / NA	14,808 / NA	184,153 / NA
iv. Medicare Part B [#]	80,804 / 33,791	63,552 / 22,713	11,893 / 4,195	41,326 / 30,031	16,264 / 12,173	213,839 / 102,903
TIAA						
1. Actives						
a. Number	7,630	0				
b. Salary	\$592,108,958	0				
c. Average Age	51.19	NA				
d. Average Service	15.05	NA				
e. Average Salary	\$77,603	NA				
f. Present Value of Future Salary	\$7,841,468,160	0				
2. Inactives						
a. Number	206	0				
b. Average Age	52.43	NA				
c. Average Service	16.89	NA				
3. Deferreds (Includes Deferred Retirees, if any)						
a. Number	359 ²	0				
b. Average Age	40.42	NA				
4. Retirees						
a. Total*						
i. Number	1,756	761				
ii. Average Age	71.74	73.38				
b. By Benefit	<u>Participant / Spouse</u>	<u>Participant / Spouse</u>				
i. Pre-Medicare**	0 / 0	111 / 0				
ii. Medicare Eligible**	0 / 0	650 / 6				
iii. Welfare Fund**	0 / 0	0 / NA				
iv. Medicare Part B [#]	1,756 / 872	761 / 6				

1 City results also include Medicare Part B coverage for 36,100 actives, 1,453 inactives, 22,822 retirees and 1,226 deferred participants in HHC, OTB, SCA, WFA and CUNY Senior Colleges and Health Insurance coverage for 432 actives, 116 inactives, 1,322 retirees and 20 deferred participants in HSG (Housing Police retirees only) and SCA and Welfare Fund coverage for 1,207 retirees in HSG (Housing Police retirees only).

2 Estimate due to lack of data.

* Retirees eligible for at least one benefit.

** Retirees currently eligible for benefit.

Retirees eligible for benefit now or in the future.

NA Benefit not applicable to spouses.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 43 Results for the City of New York (Excluding Component Units) Development of Normal Cost

1. Total Present Value of Projected Benefits ¹	Pre-Medicare	Medicare	Welfare Funds	Part B Premium	Total
a. Active ²	\$24,620,693,931	\$15,080,364,138	\$14,801,483,712	\$14,419,209,044	\$68,921,750,825
b. Deferred ³	937,980,913	580,816,274	599,981,174	556,832,710	2,675,611,071
c. Retired	<u>8,955,589,164</u>	<u>7,288,899,516</u>	<u>6,192,661,181</u>	<u>6,318,003,159</u>	<u>28,755,153,020</u>
d. TOTAL	\$34,514,264,008	\$22,950,079,928	\$21,594,126,067	\$21,294,044,913	\$100,352,514,916
2. Market Value of Assets					\$1,001,331,648
3. Unfunded Frozen Entry Age Actuarial Accrued Liability					\$54,169,856,037
4. Present Value of Future Normal Costs [1.d - 2. - 3.]					\$45,181,327,231
5. Present Value of Future Salary					\$232,279,259,953
6. Normal Cost Percentage [4. / 5.]					19.451%
7. Salary of Active Participants					\$16,510,165,373
8. Frozen Entry Age Normal Cost [6. * 7.]					\$3,211,392,267

¹ City results also include Medicare Part B coverage for 36,100 actives, 1,453 inactive, 22,822 retirees and 1,226 deferred participants in HHC, OTB, SCA, WFA and CUNY Senior Colleges and Health Insurance coverage for 432 actives, 116 inactive, 1,322 retirees and 20 deferred participants in HSG (Housing Police retirees only) and SCA and Welfare Fund coverage for 1,207 retirees in HSG (Housing Police retirees only).

² Includes Inactives, if any.

³ Includes Deferred Retirees, if any.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation
GASB 43 Results for the City of New York (Excluding Component Units)
Development of the Annual Required Contribution (ARC)
For the Fiscal Year Ending June 30, 2007

1. Normal Cost at June 30, 2006	\$3,211,392,267
2. Amortization of Unfunded Actuarial Accrued Liability - BOY	<u>54,169,856,037</u>
3. Subtotal	\$57,381,248,304
4. Interest to June 30, 2007 at 4.0%	<u>2,295,249,932</u>
5. Annual Required Contribution (ARC)	\$59,676,498,236

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 43 Results for the City of New York (Excluding Component Units)

Required Supplementary Information (RSI)

For the Fiscal Year Ending June 30, 2007

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Frozen Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2006	\$1,001,331,648	\$55,171,187,685	\$54,169,856,037	1.8%	\$16,510,165,373	328.1%
June 30, 2005	\$0	\$50,523,014,097	\$50,523,014,097	0.0%	\$15,703,554,657	321.7%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
June 30, 2007	\$59,676,498,236	4.8%
June 30, 2006	\$55,665,901,829	3.9%

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 43 Results for the City of New York (Excluding Component Units) Pay-As-You-Go Amounts

For the Fiscal Year Ending June 30, 2007

1. Total

\$0 *

* All amounts are paid into NYCRHBT.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation GASB 43 Results for the City of New York (Excluding Component Units) Derivation of Unfunded Actuarial Accrued Liability

1. Unfunded Actuarial Accrued Liability at June 30, 2005	\$50,523,014,097
2. Frozen Entry Age Normal Cost	3,001,891,508
3. Interest on 1. and 2. @ 4.00%	2,140,996,224
4. Adjustments, if any¹	0
5. Employer Contributions²	2,182,870,595
6. Preliminary Unfunded Actuarial Accrued Liability at June 30, 2006 (1.+2.+3.+4.-5.)	53,483,031,234
7. Change due to Refinements³	(24,750,497)
8. Change in Medicare Part B Premium Assumption⁴	711,575,300
9. Unfunded Actuarial Accrued Liability at June 30, 2006 (6.+7.+8.)	\$54,169,856,037

¹ None.

² Includes \$1,182,870,595 in benefits paid directly by the City.

³ Refinements in assumed medical plan participation and coverage, modifications and improvements in calculations and census data reclassification.

⁴ Change in income-related Medicare Part B premium assumption.

New York City Health Benefits Program

June 30, 2006 OPEB Actuarial Valuation
GASB 43 Results for the City of New York (Excluding Component Units)
Schedule of Unfunded Actuarial Accrued Liability Bases

Base	Date Established	Original Amount	Amortization Period	Balance
1. Transition Liability	June 30, 2005	\$ 50,523,014,097	1-Year	\$ 53,483,031,234
2. Refinements	June 30, 2006	\$ (24,750,497)	1-Year	\$ (24,750,497)
3. Change in Medicare Part B Assumption	June 30, 2006	<u>\$ 711,575,300</u>	1-Year	<u>\$ 711,575,300</u>
TOTAL		\$ 51,209,838,900		\$ 54,169,856,037

APPENDIX D

**APPENDIX D
NEW YORK CITY HEALTH BENEFITS PROGRAM**

DETAILS OF ACTUARIAL ASSUMPTIONS AND CERTAIN METHODS

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2006 and the June 30, 2005 OPEB actuarial valuations are classified as those used in the NYCRS valuations and those specific to the OPEB valuations.

NYCRS Valuations

The actuarial assumptions used to value the NYCRS 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 NYCRS 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").

These demographic assumptions are unchanged from the June 30, 2005 OPEB actuarial valuation.

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 in the actuarial valuation of ECF and CUNY TIAA members are set forth in Appendices E and F, respectively.

OPEB Valuations

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

Valuation Date.....	June 30, 2006.
Discount Rate.....	4.0% per annum. ¹
Per-Capita Claims Costs.....	HIP HMO and GHI/EBCBS benefit costs reflect age adjusted premiums, with age adjustments from assumed average age of covered population. Insured premiums without age adjustment for other coverage. Premiums assumed to include administrative costs.

For the June 30, 2005 valuation, the HIP HMO premium rate was used for all non-Medicare-eligible retirees and dependents with basic medical coverage. The Mental Health/Substance Abuse rider is reflected for pre-Medicare 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.

For the June 30, 2006 valuation, Fiscal Year 2007 monthly employer premium contributions were reported by OLR. In most cases the premium contributions remained the same throughout the year. HIP HMO Medicare rates varied by month and by specific Plan option. These variations are the result of differing Medicare Advantage reimbursements. We blended the various monthly rates by proportion of enrollment. The GHI/EBCBS rates increased during September 2006 and the increased premium rate is reflected in the calculations.

¹ 2.5% CPI, 1.5% real rate of return on short-term investments.

Initial monthly premium rates used in valuations are shown in the following tables:

Plan	Monthly Rate for Fiscal Year 2006 ¹	
	Basic	MH/SA Rider ²
HIP HMO		
Non-Medicare Single	\$ 286.86	\$ 5.04
Non-Medicare Family	\$ 702.83	\$ 12.34
Medicare	\$ 58.15	NA
GHI/EBCBS Senior Care	\$ 140.23	NA

Plan	Monthly Rate for Fiscal Year 2007 ³	
	Basic	MH/SA Rider
HIP HMO		
Non-Medicare Single	\$ 311.67	NA
Non-Medicare Family	\$ 763.57	NA
Medicare	\$ 57.88	NA
GHI/EBCBS		
Non-Medicare Single	\$ 306.51	NA
Non-Medicare Family	\$ 796.94	NA
Medicare	\$ 146.90	NA
Others		
Non-Medicare Single	\$ 311.67	NA
Non-Medicare Family	\$ 763.57	NA
Medicare	\$ 146.90	NA

¹ Used for June 30, 2005 actuarial valuation.

² Included in June 30, 2005 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.

³ Used in June 30, 2006 actuarial valuation.

Welfare Funds..... Reported annual 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 2007 used for future retirees.

Contributions assumed to increase by Medicare Plans trend rates.

For Welfare Fund contribution amounts reflected in the June 30, 2005 actuarial valuation, see "Report on the First Annual Actuarial Valuation of Other Postemployment Benefits Provided under the New York City Health Benefits Program" dated October 11, 2006.

Medicare Part B Premiums.....	Calendar Year	Monthly Premium
	2005	\$78.20
	2006	\$88.50
	2007	\$93.50*

* Reflected only in June 30, 2006 actuarial valuation.

2007 Medicare Part B premium assumed to increase by Part B trend rates.

For the June 30, 2006 valuation, overall Part B premium amounts assumed to increase by the following percentages to reflect the income-related increases in Part B premiums effective 2007 and later.

Fiscal Year Beginning	Part B Increase
6/30/2006	0.7%
6/30/2007	2.2%
6/30/2008	3.7%
6/30/2009	4.5%
6/30/2010	4.6%

Increasing by 0.1% each year thereafter.

For the June 30, 2005 valuation, no retiree assumed to have income in excess of threshold which would result in increasing Medicare Part B premium above 25% of Part B costs.

The actual 2008 Medicare Part B premium, which was announced on October 1, 2007, just prior to issuance of this Report, was not reflected in the June 30, 2006 valuation.

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.

For the June 30, 2006 actuarial valuation, rates shown for 2007 were not reflected since actual values for the Fiscal Year 2007 per capita costs, Fiscal Year 2007 Welfare Fund contributions and Calendar Year 2007 Medicare Part B premium amounts were used.

Age-Related Morbidity..... Assumed increases in premiums 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%

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.

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 in the June 30, actuarial valuation for the following portion of retirees:

	<u>Valuation as of June 30</u>	
	<u>2006</u>	<u>2005</u>
NYCERS	35%	35%
TRS	45%	45%
BERS	45%	45%
POLICE	15%	15%
FIRE	20%	25%

Participation..... Active participation assumptions based on current retiree elections. Actual elections for current retirees. Portions of current retirees not eligible for Medicare are assumed to change elections upon attaining age 65 based on patterns of elections of Medicare-eligible retirees. Detailed assumptions appear in the following tables:

Plan Participation Assumptions					
Benefits	June 30, 2006 Valuation				
	NYCERS	TRS	BERS	POLICE	FIRE
Pre-Medicare					
-GHI/EBCBS	65%	83%	73%	76%	71%
-HIP HMO	22%	6%	16%	13%	16%
-Other HMO	8%	4%	3%	9%	12%
-Waiver	5%	7%	8%	2%	1%
Medicare					
-GHI	72%	87%	78%	82%	77%
-HIP HMO	21%	9%	16%	12%	16%
-Other HMO	4%	2%	2%	4%	6%
-Waiver	3%	2%	4%	2%	1%
Post-Medicare Migration					
-Other HMO to GHI	50%	0%	33%	50%	50%
-HIP HMO to GHI	0%	0%	0%	0%	0%
-Pre-Med. Waiver					
** to GHI @ 65	13%	35%	50%	0%	0%
** to HIP @ 65	13%	35%	0%	0%	0%

Plan Participation Assumptions					
Benefits	June 30, 2005 Valuation				
	NYCERS	TRS	BERS	POLICE	FIRE
Pre-Medicare					
-GHI/EBCBS	63%	83%	67%	73%	71%
-HIP HMO	20%	6%	20%	13%	16%
-Other HMO	12%	4%	5%	9%	12%
-Waiver	5%	7%	8%	5%	1%
Medicare					
-GHI	70%	87%	85%	76%	77%
-HIP HMO	20%	9%	10%	13%	16%
-Other HMO	7%	2%	2%	9%	6%
-Waiver	3%	2%	3%	2%	1%
Post-Medicare Migration					
-Other HMO to GHI	50%	0%	0%	50%	50%
-HIP HMO to GHI	0%	0%	50%	0%	0%
-Pre-Med. Waiver					
** to GHI @ 65	13%	35%	38%	30%	1%
** to HIP @ 65	13%	35%	38%	30%	1%

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.

Dependent Coverage Assumptions					
Group	June 30, 2006 Valuation				
	NYCERS	TRS	BERS	POLICE	FIRE
Male					
-Single Coverage	30%	45%	35%	15%	10%
-Spouse	40%	35%	55%	15%	20%
-Child/No Spouse	5%	5%	2%	5%	5%
-Spouse and Child	25%	15%	8%	65%	65%
Total	100%	100%	100%	100%	100%
Female					
-Single Coverage	70%	60%	60%	45%	10%
-Spouse	20%	32%	35%	10%	20%
-Child/No Spouse	5%	3%	2%	25%	5%
-Spouse and Child	5%	5%	3%	20%	65%
Total	100%	100%	100%	100%	100%

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

Dependent Coverage Assumptions					
Group	June 30, 2005 Valuation				
	NYCERS	TRS	BERS	POLICE	FIRE
Male					
-Single Coverage	30%	45%	35%	15%	10%
-Spouse	40%	35%	55%	15%	35%
-Child/No Spouse	5%	5%	2%	5%	5%
-Spouse and Child	25%	15%	8%	65%	50%
Total	100%	100%	100%	100%	100%
Female					
-Single Coverage	70%	60%	60%	45%	10%
-Spouse	20%	32%	35%	10%	35%
-Child/No Spouse	5%	3%	2%	25%	5%
-Spouse and Child	5%	5%	3%	20%	50%
Total	100%	100%	100%	100%	100%

For accidental death, 85% of POLICE and FIRE members are assumed to have family coverage.

Demographic Assumptions..... The same assumptions that were used to value the pension benefits of the NYCERS for determining employer contributions for Fiscal Years beginning 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 HMO's, including HIP, since these individuals pay their full community rate. However, the City's costs under the experience-rated GHI/EBCBS coverage is affected by the claims for COBRA-covered individuals.

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 assumption in the June 30, 2006 actuarial valuations of a lump sum COBRA cost of \$500 for terminations during Fiscal Year 2007 (\$450 lump sum cost during Fiscal Year 2006 was assumed in the June 30, 2005 actuarial valuation). The \$500 (\$450) lump sum amount is increased by the HCCTR for future years but is not adjusted for age-related morbidity.

Stabilization Fund.....	For June 30, 2006 valuation, a 1.6% load on all City GASB45 obligations only. For June 30, 2005 valuation, a 0.25% load on all Benefit costs.
Educational Construction Fund.....	The actuarial assumptions used for determining obligations for ECF are shown in Appendix E.
CUNY TIAA.....	The actuarial assumptions used for determining obligations for CUNY TIAA are shown in Appendix F.

APPENDIX E

APPENDIX E - EDUCATIONAL CONSTRUCTION FUND

ACTUARIAL ASSUMPTIONS AND METHODS AND PLAN PROVISIONS

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.

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 2007 Participating Agency rates for the Empire Plan "Core Plus Enhancements" offering, as follows:
 - o Plan Prime (Pre-Medicare)
 - Individual - \$564.84 monthly
 - Family - \$1,198.07 monthly
 - o Med Prime (Medicare)
 - Individual - \$333.18 monthly
 - Family - One Medicare - \$966.44 monthly
 - Family - Two Medicares - \$734.81 monthly

- 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. Per capita Plan costs for Fiscal Year 2006 were consistent with the premiums indicated in Exhibit 2-1 of the State Report.

- 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: For the June 30, 2006 valuation 4.0% per annum. For the June 30, 2005 valuation, 4.155% per annum. The valuation interest rate for this group was altered to be consistent with the other Component Unit calculations in this Report.

- Trend: Covered medical, dental and Part B premiums are assumed to increase by the following percentages. The valuation trend for this group was altered to be consistent with the other Component Unit calculations in this Report.

ECF HCCTR Assumptions		
Year Ending*	Valuation June 30, 2006	Valuation June 30, 2005
2007	NA	10.0%
2008	9.5%	9.0%
2009	9.0%	8.0%
2010	8.5%	7.0%
2011	8.0%	6.0%
2012	7.5%	5.0%
2013	7.0%	5.0%
2014	6.5%	5.0%
2015	6.0%	5.0%
2016	5.5%	5.0%
2017 and later	5.0%	5.0%

* Fiscal Year for all benefits assumed.

- Medicare Part B Premiums: No income-related premium increase reflected because the OA understands that NYSHIP will not reimburse these amounts.
- 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 F

APPENDIX F - CUNY TIAA

ACTUARIAL ASSUMPTIONS AND METHODS AND PLAN PROVISIONS

Employees and retirees of The City University of New York ("CUNY") are eligible for the same health benefits (both in active service and in retirement, if eligible) as employees and retirees of the City. The health benefits are administered by OLR. The City is responsible for the cost of all OPEB benefits for Community College retirees who retired under one of the NYCERS and for Medicare Part B premiums for Senior College retirees who retired under one of the NYCERS and for all CUNY TIAA retirees.

The actuarial assumptions used for CUNY members of the NYCERS are the same as those used for City members of the applicable retirement systems. According to the data provided by OLR, there are CUNY employees covered by NYCERS, TRS and BERS.

CUNY provided Buck with snapshot data of active City (Community College) and State (Senior College) employees as of June 30, 2002, 2003, 2004, 2005 and 2006 and provided a file of all terminations during the period July 1, 2001 through June 30, 2006. Based on the data provided, assumptions were developed for rates of termination (withdrawal) and retirement for TIAA members of CUNY. The assumptions used for mortality, disability and rates of salary increase are the same as those used for TRS. The table on the following page outlines these demographic assumptions.

Except as noted below, all other assumptions (e.g., discount rate, per capita claims costs, health care trend rates, Medicare Part B premiums, age-related morbidity) are the same as those used for members of TRS.

Dependent Coverage 65% of future retirees assumed to be married with spousal coverage. Dependent coverage is assumed to terminate when a retiree dies.

Demographic Assumptions Same as the used for TRS, except:

Withdrawal		Retirement	
Years of Service	Probability	Age	Probability
0	15.0%	55	2.0%
1	12.0%	56	2.0%
2	11.0%	57	2.0%
3	10.0%	58	2.0%
4	9.0%	59	2.0%
5	7.0%	60	3.0%
6	6.0%	61	3.0%
7	6.0%	62	4.0%
8	6.0%	63	5.0%
9	4.0%	64	6.0%
10	4.0%	65	10.0%
11	3.0%	66	5.0%
12	3.0%	67	5.0%
13	2.0%	68	5.0%
14-19	2.0%	69	10.0%
20+	1.0%	70	100.0%

The following is an outline of the eligibility provisions for OPEB benefits for CUNY TIAA participants:

Retirement with immediate OPEB eligibility:

- Hired before July 1, 1976: age 55 with 10 years of service
- Hired between July 1, 1976 and August 31, 1985: age 62 with 15 years service
- Hired on or after September 1, 1985: age 62 with 15 years of service.

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

Termination with deferred OPEB eligibility:

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

Exception for ECP employees: terminate with 10 years of service, payable at 55 with no subsequent full-time employment at another institution of post secondary education.

Note: The actuarial valuation also assumes:

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

Disability Retirement:

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

Data used and assumptions made:

Data for CUNY TIAA retirees were provided by OLR. Gender was not provided on the data. Retirees were assumed to be female.

Data for active CUNY TIAA members as of June 30, 2006 were provided by CUNY. The 55 active employees who were identified as covered by the Cultural Institutions Retirement System ("CIRS") were valued using the CUNY TIAA provisions.

CUNY does not maintain a database of terminated employees who will be entitled to OPEB benefits in the future. Based on the data provided for the experience study to develop assumptions, Buck identified 123 employees who terminated in the last four years and will be eligible for OPEB benefits. Based on this information, Buck estimated the number, demographic distribution and liability of possible terminated members entitled to future OPEB benefits.

CUNY TIAA Community College Retirees:

- The actuarial valuation for CUNY includes liability only for Medicare Part B premium reimbursement for TIAA retirees whether from Senior or Community Colleges. We understand that currently all medical costs for TIAA retirees are being billed to CUNY along with the Senior College retirees rather than being paid by the City, with no distinction being made between Senior and Community Colleges. However, administrative staff at CUNY expressed their belief that basic medical and welfare contribution costs for CUNY Community College TIAA retirees should be paid by the City rather than charged to the Senior Colleges, and were unaware that this distinction had not previously been made. If the City were to be found in the future to be responsible for the cost of basic medical and welfare fund benefits for CUNY Community College TIAA retirees, the value of the benefits will be reflected in a future valuation.

APPENDIX G

APPENDIX G - ACKNOWLEDGEMENTS

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