

OPEB Update

Alameda, CA

June 4, 2024



OPEB

Other Post-Employment Benefits (OPEB)

- Includes
 - Retiree Health Benefits
 - Retiree Dental Benefits
 - Retiree Vision Benefits
 - Retiree Life Insurance Benefits
- Excludes
 - Pensions
 - Severance Pay
- The City provides Retiree Health Benefits and Retiree Dental Benefits to former employees

Retiree Health Benefits for Safety Members

Retirement Date Cut-off	Hire Date Cut-off	Service at Retirement	Employer Subsidy
Prior to 1/1/2011	Prior to 7/1/1995	<15	PEMHCA minimum
		15+	Full premium for the retiree and spouse
	On/after 7/1/1995	<20	PEMHCA minimum
		20+	Full premium for the retiree and spouse
On/after 1/1/2011	On/before 6/7/2011	5+	Up to the higher of Kaiser or Blue Shield Region 1 two-party rates (retiree and spouse at the time of retirement)
		<10	PEMHCA minimum
	After 6/7/2011	10+	Up to the higher of Kaiser or Blue Shield Region 1 single party rate

Retiree Dental Benefits for Safety Members

	<i>Safety Dental</i>	<i>Safety Dental</i>
<i>Hire Date</i>	On or Before 6/7/2011	On or After 6/8/2011
<i>Eligibility</i>	Retire directly from City employment with 5 or more years of City service	Retire directly from City employment with 10 or more years of City service
<i>Benefit</i>	Full Dental Coverage	Full Dental Coverage

Retiree Health Benefits for Miscellaneous Members

- If retire directly from Alameda, and eligible to retire from CalPERS
 - PEMHCA minimum
- No retiree dental benefit subsidy

OPEB (Pre-2019) – Where Are We Now?

Report Date
June 30, 2023

Unfunded
Liability

\$43,988,923

Funded
Percentage

10.1%

Measurement Date
June 30, 2023

Benefit Payments
Explicit FY 23-24

\$3,026,416

Benefit Payments
Implicit
FY 23-24

\$809,608

OPEB (Post-2019) – Where Are We Now?

Report Date
June 30, 2023

Unfunded
Liability

\$21,484,930

Funded
Percentage

43.2%

Measurement Date
June 30, 2023

Benefit Payments
Explicit FY 23-24

\$1,101,915

Benefit Payments
Implicit
FY 23-24

\$176,112

Current Funding Projection

Current Funding Policy

- City Contributions
 - Pays City portion of Retiree Health Care Premiums from General Fund
 - 115 Trust
 - Initial Contribution: \$5 million in January 2016
 - Additional Contributions of \$250,000 each January from 2017 through 2025
 - Assets in Trust are not to be used to pay Retiree Health Care Premiums prior to January 1, 2019

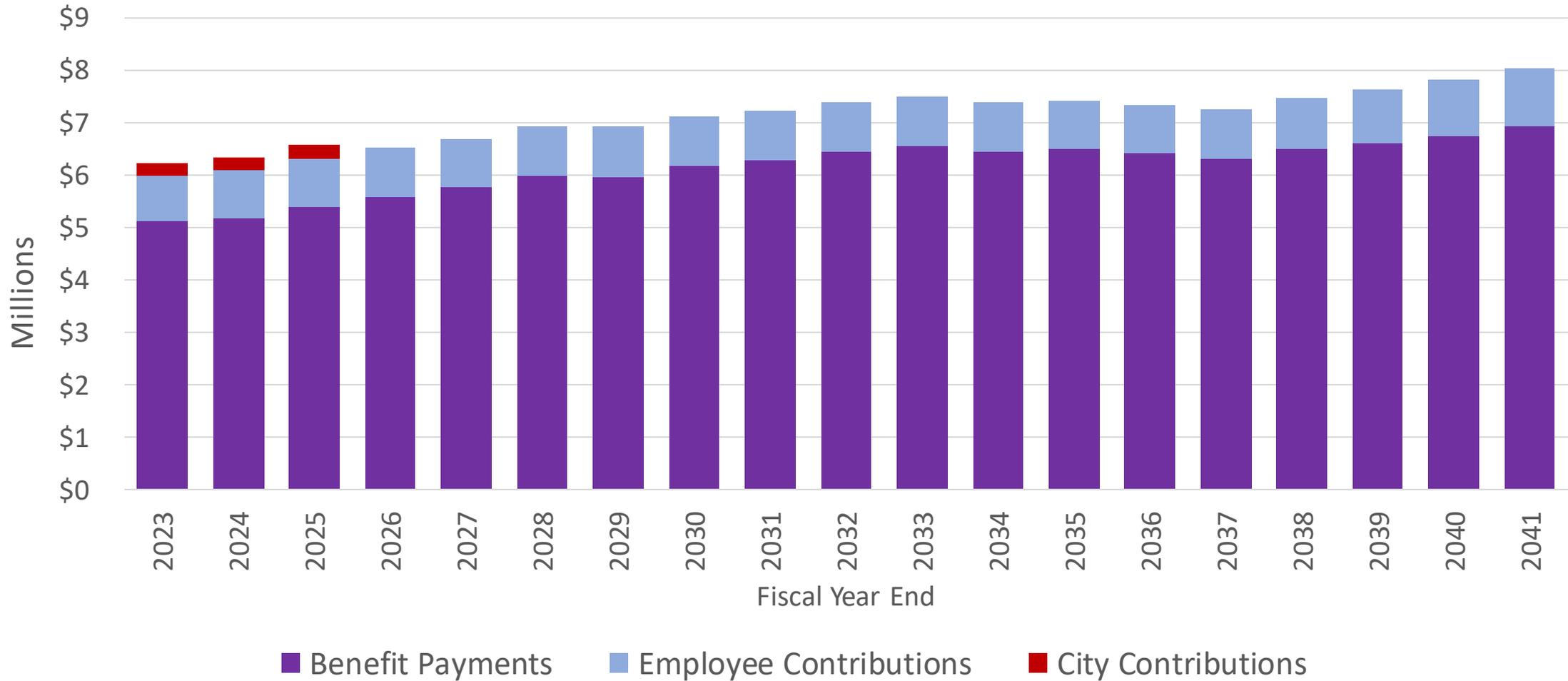
Current Funding Policy

- Employee Contributions to 115 Trust
 - Hired on or before June 7, 2011:
 - 2016: 2%
 - 2017: 3%
 - 2018 & later: 4%
 - Hired after June 7, 2011
 - 2016: 1%
 - 2017 & later: 2%

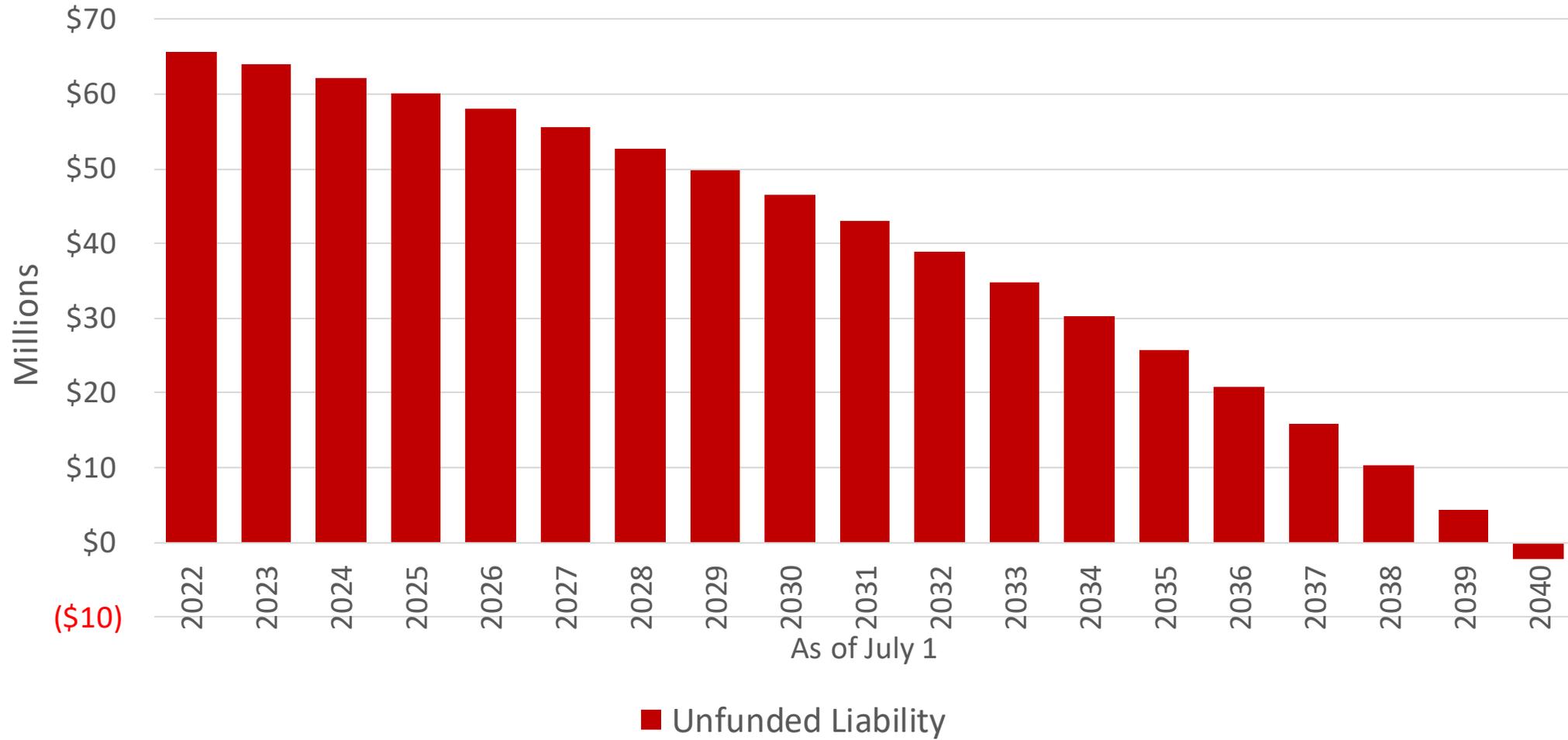
Projecting Unfunded Liability

- Discount Rate
 - Pre-2019 increased to 5.55% beginning with 2022 valuation
 - Post-2019 increased to 6.50% beginning with 2022 valuation

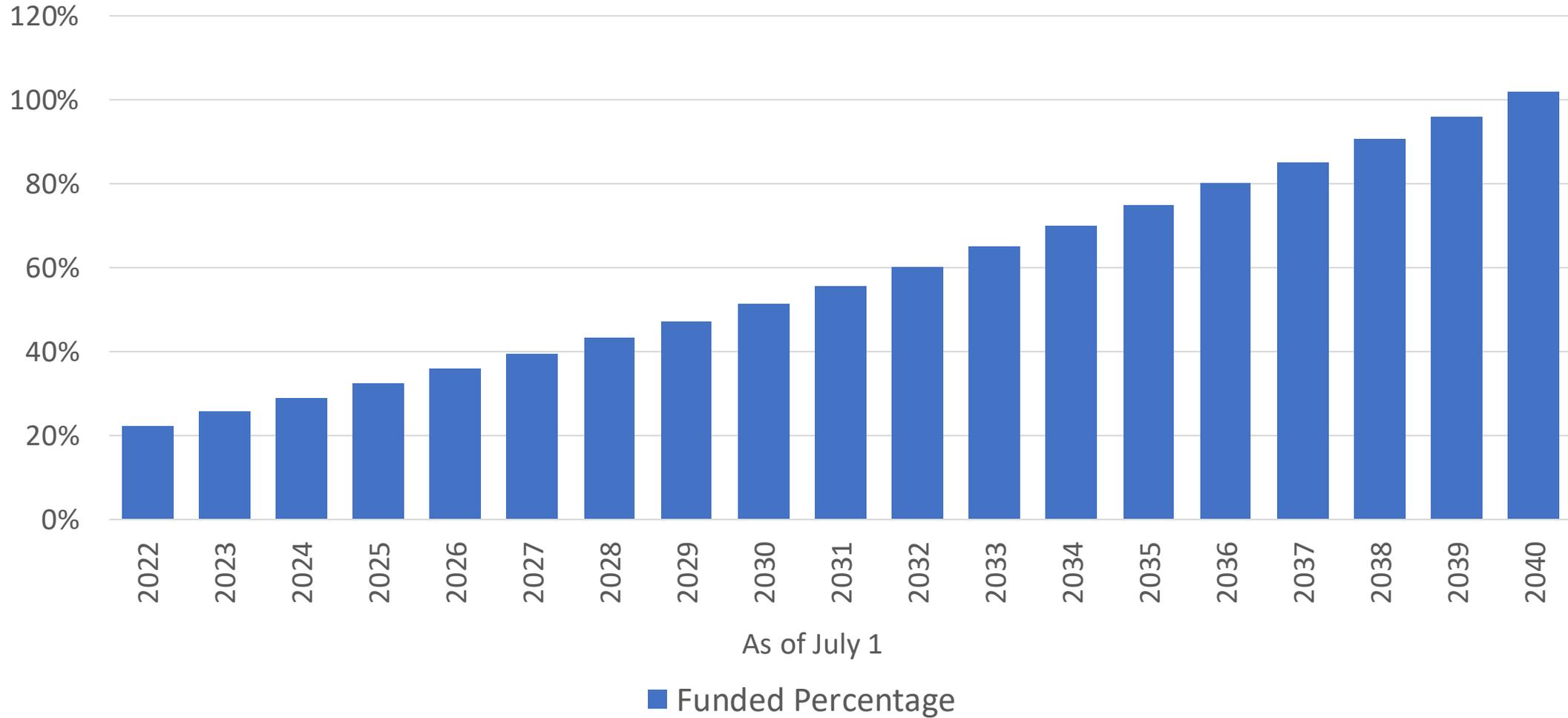
Contributions



Projected Unfunded Liability



Funded Percentage



Questions



Disclaimer

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