

# 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>
<b><i>Hire Date</i></b>	On or Before 6/7/2011	On or After 6/8/2011
<b><i>Eligibility</i></b>	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
<b><i>Benefit</i></b>	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

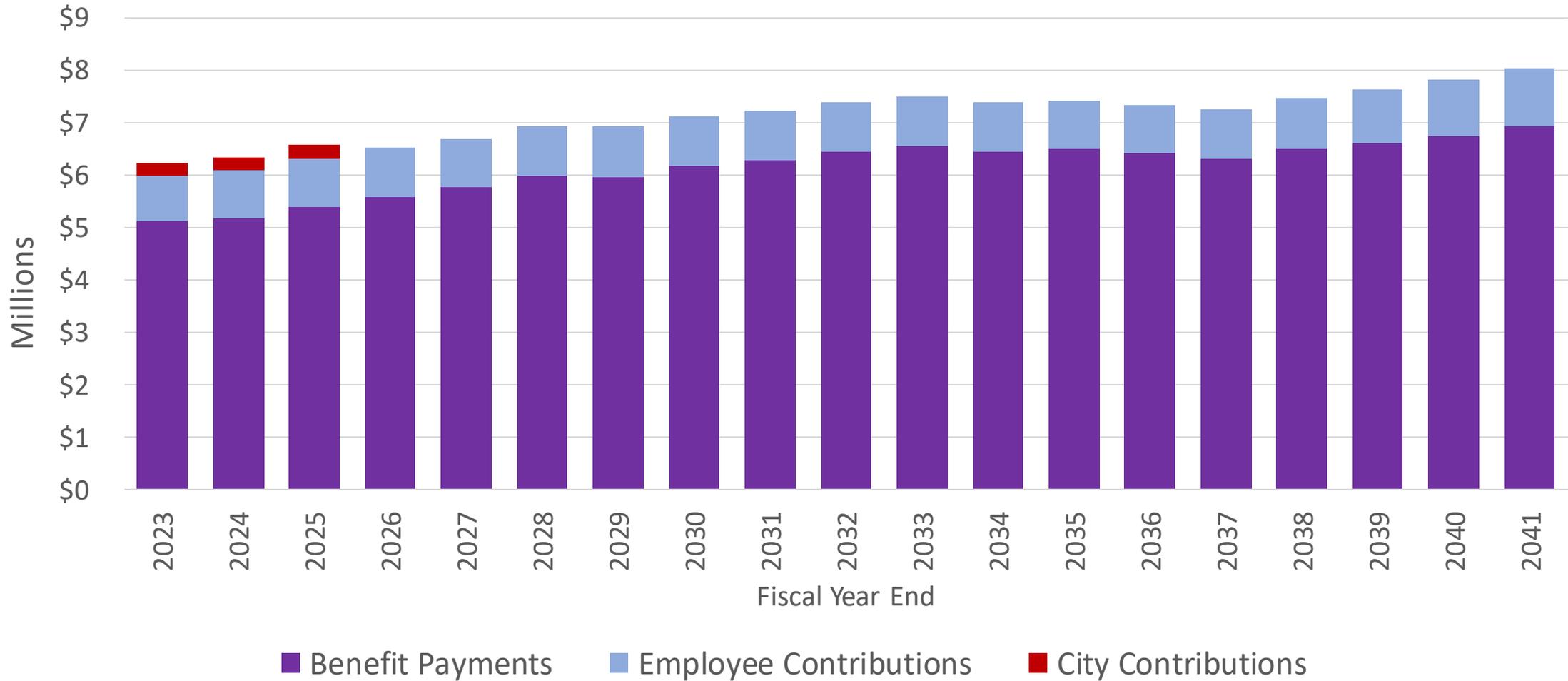
# Current Funding Policy

- 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%

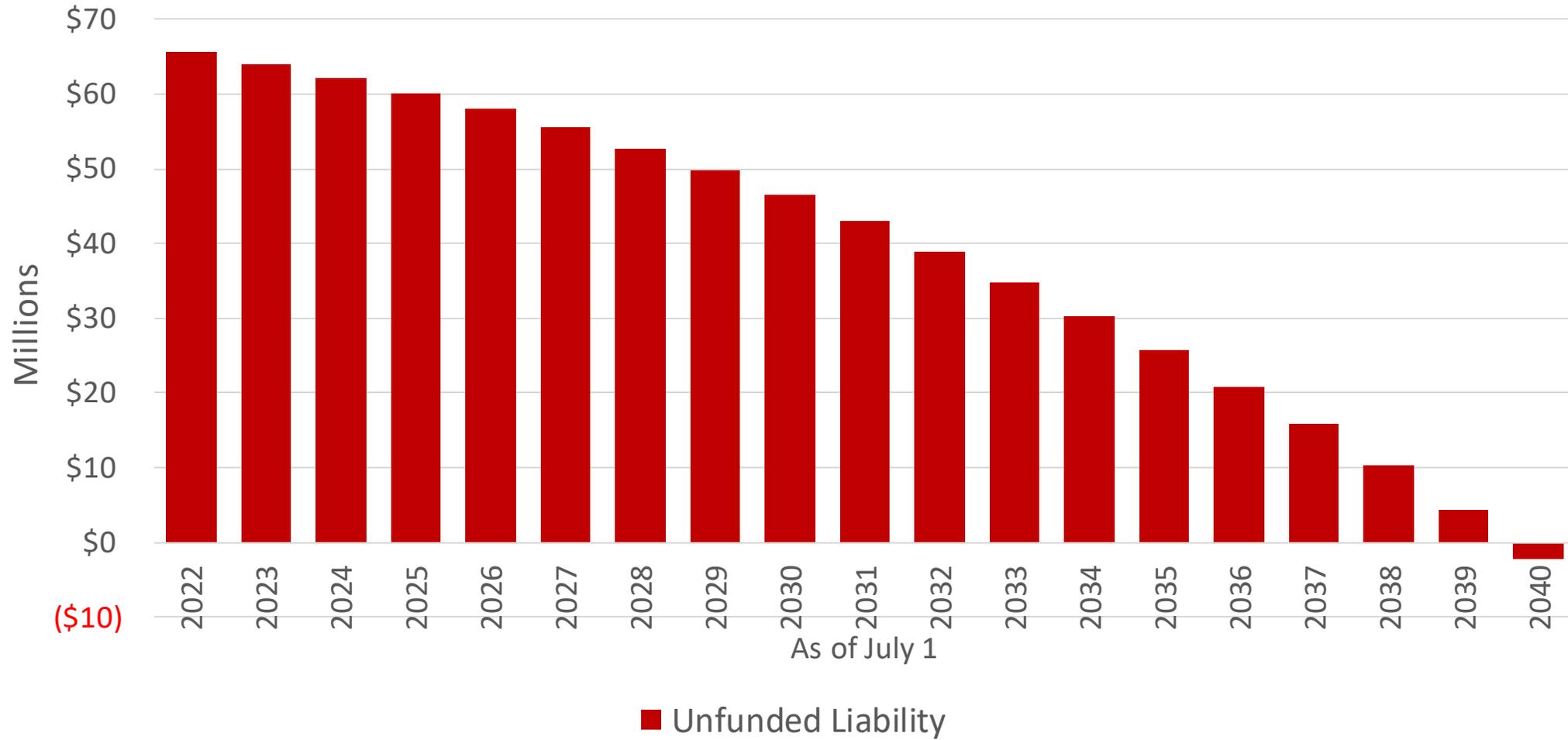
# Projecting Unfunded Liability

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

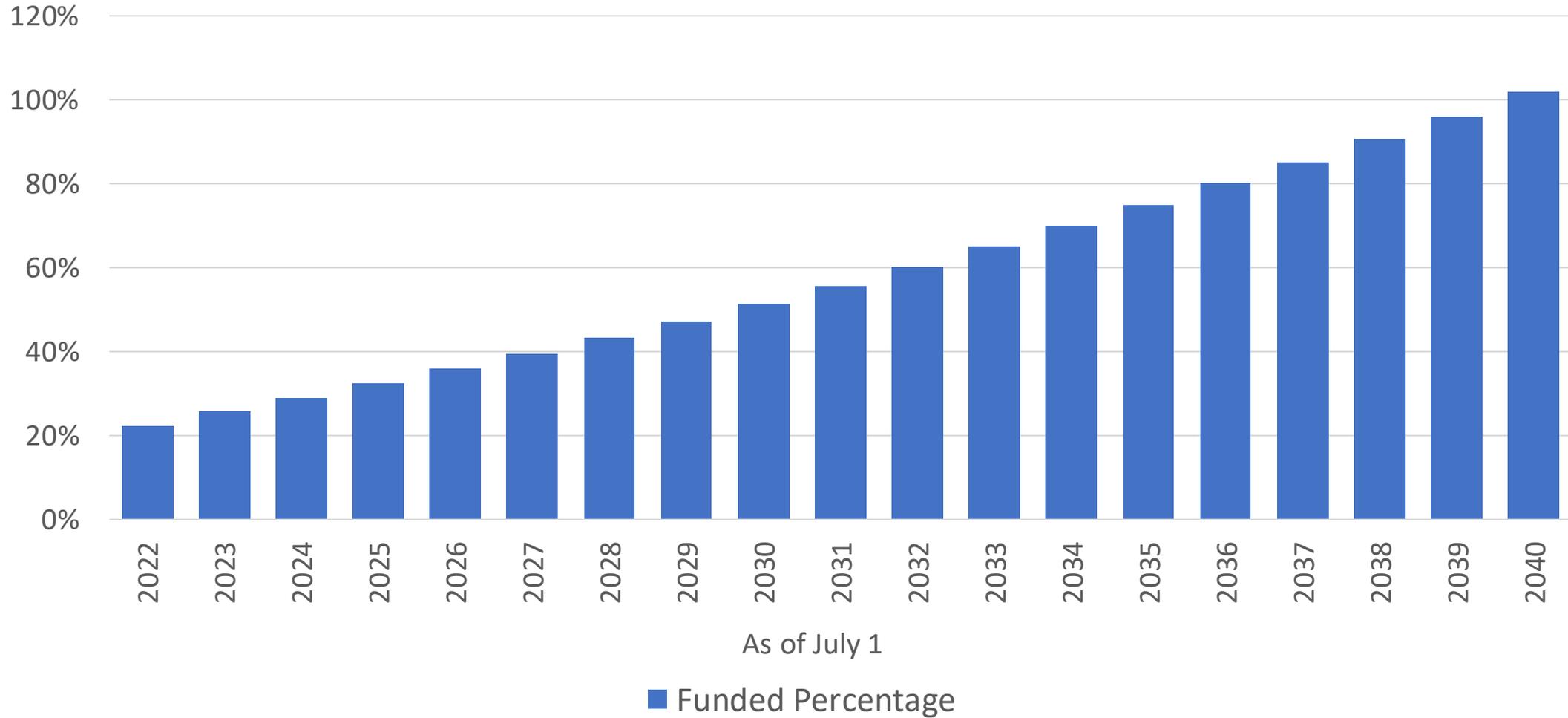
# Contributions



# Projected Unfunded Liability



# Funded Percentage



# Questions



# Disclaimer

While tested against actuarial valuation results, the software results will not necessarily match actuarial valuation results, as no two actuarial models are identical. The software offers financially sound projections and analysis; however, outputs do not guarantee compliance with standards under the Government Accounting Standards Board or Generally Accepted Accounting Principles. The software and this presentation are not prepared in accordance with standards as promulgated by the American Academy of Actuaries, nor do outputs or this presentation constitute Statements of Actuarial Opinion. GovInvest has used census data, plan provisions, and actuarial assumptions provided by Customer and/or Customer's actuary to develop the software for Customer. GovInvest has relied on this information without audit.