

# Bay County Retiree Health Care Plan

Actuarial Valuation Report

For County Employers Other Than BABH

as of December 31, 2023



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January 7, 2025

Bay County Voluntary Employees' Beneficiary  
Association (VEBA) – Board of Trustees  
Bay City, Michigan

**Re: Bay County Retiree Health Care Plan – Excluding BABH Actuarial Funding Valuation  
as of December 31, 2023**

Dear Board Members:

The results of the December 31, 2023 Biennial Actuarial Funding Valuation of the Bay County Voluntary Employees' Beneficiary Association – Excluding BABH are presented in this report.

This report was prepared at the request of the Board and is intended for use by the VEBA, Bay County, each Employer, and those designated or approved by the Board. This report may be provided to parties other than the VEBA, only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Plan's funding progress and to determine the Actuarially Determined Contribution for the fiscal years ending December 31, 2026 and December 31, 2027. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different. This report does not include actuarial information needed to satisfy reporting requirements under Governmental Accounting Standards Board (GASB) Statement No. 75.

This valuation assumed the continuing ability of the plan sponsors to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsors are actually able to do so is outside our scope of expertise and was not performed.

Results presented in this report are developed using the actuarial assumptions and methods disclosed in this report. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. This report does not include a robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of the investment and other significant risks that may have a material effect on the plan's financial condition.

The findings in this report are based on information furnished by Bay County and each Employer concerning retiree health care benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by Bay County and the Employers.

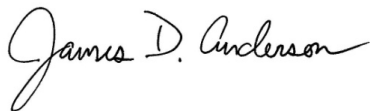
This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of this report titled Actuarial Cost Methods and Actuarial Assumptions.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

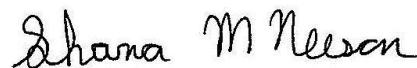
This report has been prepared by actuaries who have substantial experience valuing public employee retiree health programs. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Bay County Retiree Health Care Plan – Excluding BABH as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

James D. Anderson and Shana M. Neeson are Members of the American Academy of Actuaries (MAAA). These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company



James D. Anderson, FSA, EA, FCA, MAAA



Shana M. Neeson, ASA, FCA, MAAA

JDA/SMN:sc



# EXECUTIVE SUMMARY

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# Executive Summary

## Actuarially Determined Contribution

We have calculated the Actuarially Determined Contribution for the fiscal years ending December 31, 2026 and December 31, 2027 under an interest rate assumption of 7.00%. Below is a summary of the results. The Actuarially Determined Contributions and estimated claims and premiums shown below include the impact of any implicit rate subsidy present in your pre-65 rates.

<b>Fiscal Year Ending</b>	<b>Actuarially Determined Contribution</b>	<b>Estimated Claims and Premiums Paid for Retirees</b>
December 31, 2026	\$ 2,329,355	\$ 5,128,673
December 31, 2027	2,294,308	5,281,616

For additional details please see the section titled "Valuation Results."

## Liabilities and Assets – as of December 31, 2023

1. Present Value of Future Benefit Payments	\$80,755,287
2. Actuarial Accrued Liability	73,727,243
3. Plan Assets	67,668,927
4. Unfunded Actuarial Accrued Liability (2) – (3)	6,058,316
5. Funded Ratio (3)/(2)	91.8%

The Present Value of Future Benefit Payments (PVFB) is the present value of all benefits projected to be paid from the plan for past and future service to current members. The Actuarial Accrued Liability is the portion of the PVFB allocated to past service by the Plan's funding method (see the section titled "Actuarial Cost Methods and Actuarial Assumptions").

## **SECTION A**

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### **VALUATION RESULTS**

## Bay County Retiree Health Care Plan – Excluding BABH Results by Division as of December 31, 2023

	General County	DWS	Library	Medical Care Facility	Sheriff's Department	Road Commission	Total
A. Present Value of Future Benefits							
i) Retirees and Beneficiaries	\$ 14,382,474	\$ 7,155,869	\$ 1,317,732	\$ 9,433,426	\$ 5,944,795	\$ 11,513,047	\$ 49,747,343
ii) Vested Terminated Members	0	0	0	0	0	0	0
iii) Active Members	<u>9,470,842</u>	<u>5,361,431</u>	<u>1,673,311</u>	<u>5,107,723</u>	<u>3,014,632</u>	<u>6,380,005</u>	<u>31,007,944</u>
Total Present Value of Future Benefits	23,853,316	12,517,300	2,991,043	14,541,149	8,959,427	17,893,052	80,755,287
B. Present Value of Future Normal Costs	1,485,512	2,356,406	512,408	554,657	586,611	1,532,450	7,028,044
C. Actuarial Accrued Liability (A.-B.)	22,367,804	10,160,894	2,478,635	13,986,492	8,372,816	16,360,602	73,727,243
D. Actuarial Value of Assets	23,194,395	10,043,709	3,349,711	19,099,001	7,210,333	4,771,778	67,668,927
E. Unfunded Actuarial Accrued Liability (C.-D.)	(826,591)	117,185	(871,076)	(5,112,509)	1,162,483	11,588,824	6,058,316
F. Funded Ratio (D./C.)	103.7%	98.8%	135.1%	136.6%	86.1%	29.2%	91.8%
<b>G. Fiscal Year Ending December 31, 2026</b>							
i) Employer Normal Cost	\$ 298,384	\$ 303,515	\$ 73,193	\$ 97,936	\$ 94,475	\$ 224,723	
ii) Amortization of UAAL*	<u>(96,829)</u>	<u>11,364</u>	<u>(102,040)</u>	<u>(646,910)</u>	<u>136,177</u>	<u>1,357,546</u>	
Actuarially Determined Contribution	\$ <b>201,555</b>	\$ <b>314,879</b>	\$ <b>0</b>	\$ <b>0</b>	\$ <b>230,652</b>	\$ <b>1,582,269</b>	\$ <b>2,329,355</b>
<b>H. Fiscal Year Ending December 31, 2027</b>							
Actuarially Determined Contribution	\$ <b>174,073</b>	\$ <b>324,326</b>	\$ <b>0</b>	\$ <b>0</b>	\$ <b>224,678</b>	\$ <b>1,571,231</b>	\$ <b>2,294,308</b>

\* The Unfunded Actuarial Accrued Liabilities (UAAL) were amortized over a closed period for all Employers. The UAAL was amortized for each Employer as follows for the fiscal year ending December 31, 2026 and decreasing by one each year thereafter:

Employer	Method	Period
GeneralCounty	Level Dollar	16 years
DWS	Level Percent of Payroll	16 years
Library	Level Dollar	16 years
Medical Care Facility	Level Dollar	14 years
Sheriff'sDepartment	Level Dollar	16 years
RoadCommission	Level Dollar	16 years

The long-term rate of investment return used in this valuation is 7.00%.





## Comments

**Comment A:** The Actuarial Accrued Liability and Present Value of Future Benefit Payments (PVFB) increased since the prior valuation. However, the Actuarially Determined Contribution decreased since the prior valuation.

Reasons for the increase in liability and PVFB include, but are not limited to the following:

- Unfavorable post-65 claims and premium experience for the MCF;
- An assumption change: Implementation of assumption changes adopted from the five-year experience study ending December 31, 2021, issued August 31, 2023; and
- An assumption change: Adjustment to the health care cost trend rates.

Partially offsetting these factors was favorable experience due to:

- Favorable pre-65 claims and premium experience for all divisions;
- Favorable post-65 claims and premium experience for all divisions except the MCF; and
- Benefit changes: Department of Water and Sewer and Road Commission employees retiring after 1/1/2023 are no longer eligible for Life Insurance in retirement.

The impact of the assumption changes noted above increased the liabilities by approximately \$6,760,000. The impact of the benefit changes noted above decreased the liabilities by approximately \$43,000.

The factors listed above impacted the Actuarially Determined Contribution and the overall total contribution decreased since the prior valuation, primarily due to extending the Road Commission amortization period to 16 years.

**Comment B:** One of the key assumptions used in any valuation of the cost of postemployment benefits is the rate of return on the assets that will be used to pay Plan benefits. Higher assumed investment returns will result in a lower Actuarially Determined Contribution. Lower returns will tend to increase the Actuarially Determined Contribution. We have calculated the liability and the resulting Actuarially Determined Contribution using an assumed annual rate of investment return of 7.00%. The investment return assumption should not exceed reasonable market expectations.

**Comment C:** The plan sponsor is required by GASB to perform actuarial valuations at least biennially or more frequently if significant changes in the OPEB are made in the interim.

**Comment D:** The contribution amounts shown include amortization of the unfunded actuarial accrued liability over a closed 14-year period for Medical Care Facility, and a closed 16-year period for all other groups for the fiscal year ending December 31, 2026 and decreasing by one each year thereafter. For this valuation, assets represent 91.8% of accrued liabilities; for the last valuation, the ratio was 91.8%. Given the funded status of all groups except the Road Commission, the applicable employers should consider starting to pay benefits from the trust, if the Plan document allows.

**Comment E:** The asset split between the various groups was provided by the County.



## Comments

**Comment F:** This valuation covers the retiree health benefits provided by all units of the Bay County Voluntary Employees' Beneficiary Association, excluding the Bay-Arenac Behavioral Health Authority. These benefits differ between the various groups but in general include: medical, dental, vision, prescription drug coverage and life insurance.

**Comment G:** The GASB issued Statement Nos. 74 and 75 for OPEB valuations. GASB Statement No. 74 for the plan OPEB disclosures was effective for fiscal years beginning after June 15, 2016. GASB Statement No. 75 for employer OPEB disclosures was effective for employer fiscal years beginning after June 15, 2017. The GASB implementation guides for Statement Nos. 74 and 75 provide additional clarification related to the implementation of these Statements. It is our understanding that the County needs to comply with GASB Statement No. 75 for each measurement date ending December 31<sup>st</sup>. The basis for the December 31, 2024 and December 31, 2025 GASB Statement No. 75 reporting information is expected to be this valuation (as of December 31, 2023), where roll-forward techniques will be applied.

**Comment H:** The Michigan State Treasurer has established uniform actuarial assumptions as required by Public Act 202 (PA 202) of 2017 for use with annual Form 5572 (Retirement System Annual Report). The use of the uniform assumptions for reporting purposes is required for each future fiscal year ending December 31<sup>st</sup>. Consistent with past practice, GRS plans to provide the necessary PA 202 uniform assumption information as part of the GASB Statement No. 75 reports.

**Comment I:** Unless otherwise indicated, a funded status measurement presented in this report is based upon the actuarial accrued liability and the market value of assets. Unless otherwise indicated, with regards to any funded status measurements presented in this report:

- The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations;
- A funded status measurement of 100% is not synonymous with no required future contributions. If the funded status were 100%, the Plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit). In the instance of the Library and the Medical Care Facility, the contribution requirement is \$0 because the over funding credit is more than sufficient to offset the normal cost contribution; and
- The measurement is inappropriate for assessing the need for or the amount of future employer contributions.

## **SECTION B**

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### **RETIREE PREMIUM RATE DEVELOPMENT**

# Retiree Premium Rate Development

Initial retiree premiums rates were developed for each class of retirees (pre-65 and post-65), and separately for each of the following Bay County Divisions:

1. Library (fully-insured)
2. Bay Medical Care Facility (self-insured)
3. Road Commission (partially fully-insured and self-insured)
4. Department of Water and Sewer (partially fully-insured and self-insured)
5. General and Sheriff's Divisions (partially fully-insured and self-insured)

## Library

Initial premium rates were developed for the two classes of retirees (pre-65 and post-65). The February 1, 2024 Blue Cross Blue Shield and the January 1, 2024 Express Scripts fully-insured rates provided by Bay County Library were utilized to determine the appropriate premium rates. The pre-65 fully-insured premiums are blended rates based on the combined experience of active and pre-65 retired members; therefore, there is an implicit employer subsidy for the non-Medicare eligible retirees since the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees. The true per capita cost for the pre-65 retirees is developed by adjusting the demographic differences between the active employees and retirees to reflect this implicit rate subsidy for the retirees. The pre-65 rates include an adjustment for the HRA benefit that covers 80% of the in-network deductible.

For the post-65 retirees, the fully-insured premium rate was used as the basis of the initial per capita cost without adjustments since the rate reflects the demographics of the post-65 retiree group. The Express Scripts Medicare Part D fully-insured rate is effective for three years beginning January 1, 2024. No further adjustments were made to the rate in connection with any Inflation Reduction Act provisions.

For the current active employees, the only group/division available upon retirement is BCBS division 0008 pre-65 and The Benistar plan post-65 with Express Scripts Group Medicare Part D Program.



# Retiree Premium Rate Development

## Medical Care Facility

Premium rates for the Medical Care Facility were developed separately for the pre-65 self-insured portion and the post-65 Medicare Advantage fully-insured portion.

The self-insured initial premium rates were developed for pre-65 coverage only. The pre-65 rates were calculated using incurred claims and exposure data for the period of January 2021 through December 2023, adjusted for catastrophic claims and prescription drug rebates, plus the load for administration, network access fee, and stop loss premiums. The self-insured medical and prescription drug data were provided by the Medical Care Facility. Since the prescription drug claims and the medical claims exhibit different trends and claim payment patterns, we analyzed these claims separately. The experience from the active employees and their dependents was used to supplement the pre-65 retiree experience for developing the initial pre-65 retiree premium rates.

For the post-65 retirees, the January 1, 2025 fully-insured MAPD premium rates were used as the basis of the initial per capita cost without adjustments since the rate reflects the demographics of the post-65 retiree group. Because the January 1, 2025 rate was assumed to incorporate known cost sharing shifts as a result of the Inflation Reduction Act of 2022 on the standard Part D plan design (resulting in higher plan costs), no further adjustments were made, except to align the premium to the valuation date.

## Road Commission

Premium rates for the Road Commission were developed separately for the pre-65 self-insured portion and the post-65 Medicare Advantage fully-insured portion.

The self-insured initial premium rates were developed for pre-65 coverage only. The pre-65 rates were calculated using incurred claims and exposure data for the period of January 2021 through December 2023, adjusted for catastrophic claims and prescription drug rebates, plus the load for administration, network access fee, and stop loss premiums. The self-insured medical and prescription drug data were provided by the Road Commission. Since the prescription drug and medical claims exhibit different trends and claim payment patterns, we analyzed these claims separately. The experience from the active employees and their dependents was used to supplement the pre-65 retiree experience for developing the initial pre-65 retiree premium rates.

For the post-65 retirees, the January 1, 2025 fully-insured MAPD premium rates were used as the basis of the initial per capita cost without adjustments since the rate reflects the demographics of the post-65 retiree group. Because the January 1, 2025 rate was assumed to incorporate known cost sharing shifts as a result of the Inflation Reduction Act of 2022 on the standard Part D plan design (resulting in higher plan costs), no further adjustments were made, except to align the premium to the valuation date.

For current active employees, the plans available upon retirement are BCBS groups 0010, 0046, and 0050 for pre-65 participants and suffix 601 for post-65 participants. We have developed separate post-65 premium rates for future retirees to reflect suffix 600 being closed.



# Retiree Premium Rate Development

## Department of Water and Sewer – DWS

Premium rates for Department of Water and Sewer were developed separately for the self-insured and the post-65 Medicare Advantage fully-insured portion.

The self-insured initial premium rates were developed for pre-65 coverage only. The pre-65 rates were calculated by using incurred claims and exposure data for the period of January 2021 through December 2023, adjusted for catastrophic claims and prescription drug rebates, plus the load for administration, network access fee, and stop loss premiums. The self-insured medical and prescription drug data were provided by the Department of Water and Sewer. Since the prescription drug claims and the medical claims exhibit different trends and claim payment patterns, we analyzed these claims separately. The experience from the active employees and their dependents was used to supplement the pre-65 retiree experience for developing the initial pre-65 retiree premium rates.

For the post-65 retirees, the January 1, 2025 fully-insured MAPD premium rates were used as the basis of the initial per capita cost without adjustments since the rate reflects the demographics of the post-65 retiree group. Because the January 1, 2025 rate was assumed to incorporate known cost sharing shifts as a result of the Inflation Reduction Act of 2022 on the standard Part D plan design (resulting in higher plan costs), no further adjustments were made, except to align the premium to the valuation date.

For current active employees, the plans available upon retirement are BCBS groups 0025, 0026, 0052, and 0054 for pre-65 participants and suffix 601 for post-65 participants. We have developed separate post-65 premium rates for future retirees to reflect suffix 600 being closed.

## Bay County General and Sheriff

Premium rates for Bay County General and Sheriff were developed separately for the pre-65 self-insured portion and the post-65 Medicare Advantage fully-insured portion.

The self-insured initial premium rates were developed for pre-65 coverage only. The pre-65 rates were calculated by using paid claims and exposure data for the period of January 2021 through December 2023, adjusted for catastrophic claims, plus the load for administration, network access fee, and stop loss premiums. Prescription drug rebate data was analyzed; however, no adjustment was made to claims in this development due to the low levels of rebates provided. The self-insured medical and prescription drug data were provided by the County. Since the prescription drug claims and the medical claims exhibit different trends and claim payment patterns, we analyzed these claims separately as well. The experience from the active employees and their dependents was used to supplement the pre-65 retiree experience for developing the initial pre-65 retiree premium rates.

For the post-65 retirees, the January 1, 2024 through December 31, 2025 fully-insured MAPD premium rates were used as the basis of the initial per capita cost without adjustments since the rate reflects the demographics of the post-65 retiree group. Because the premium is effective through 2025, the rate was assumed to incorporate known cost sharing shifts as a result of the Inflation Reduction Act of 2022 on the standard 2025 Part D plan design (resulting in higher plan costs), no further adjustments were made, except to align the premium to the valuation date



# Retiree Premium Rate Development

## All Groups

Age graded and sex distinct premiums are utilized in this valuation. The premiums developed by the preceding processes are appropriate for the unique age and sex distribution currently existing. Over the future years covered by this valuation, the age and sex distribution will most likely change. Therefore, our process “distributes” the average premium over all age/sex combinations and assigns a unique premium for each specific age/sex combination. The age/sex specific premiums more accurately reflect the health care utilization and cost at that age.

### Future Retirees

Expected Health Care Cost by Age for Medical and Prescription Drugs						
	General County		DWS		Library	
Age	Male	Female	Male	Female	Male	Female
45	\$ 545.43	\$ 752.76	\$ 687.08	\$ 948.26	\$ 434.37	\$ 599.49
50	710.21	874.90	894.66	1,102.13	565.60	696.77
55	934.55	1,020.39	1,177.27	1,285.40	744.27	812.64
60	1,207.02	1,188.50	1,520.51	1,497.18	961.27	946.52
64	1,467.77	1,385.18	1,848.98	1,744.94	1,168.93	1,103.15
65	271.73	256.30	338.23	319.02	462.63	436.36
70	296.01	286.44	368.45	356.54	503.98	487.67
75	317.92	310.22	395.73	386.14	541.28	528.17

Expected Health Care Cost by Age for Medical and Prescription Drugs						
	Medical Care Facility		Sheriff's Department		Road Commission	
Age	Male	Female	Male	Female	Male	Female
45	\$ 524.92	\$ 724.46	\$ 545.43	\$ 752.76	\$ 502.30	\$ 693.23
50	683.51	842.01	710.21	874.90	654.05	805.72
55	899.42	982.03	934.55	1,020.39	860.65	939.70
60	1,161.65	1,143.82	1,207.02	1,188.50	1,111.58	1,094.52
64	1,412.60	1,333.11	1,467.77	1,385.18	1,351.71	1,275.65
65	102.66	96.83	271.73	256.30	325.89	307.37
70	111.84	108.22	296.01	286.44	355.01	343.52
75	120.11	117.20	317.92	310.22	381.28	372.05



# Retiree Premium Rate Development

## Current Retirees

Expected Health Care Cost by Age for Medical and Prescription Drugs						
	General County		DWS		Library	
Age	Male	Female	Male	Female	Male	Female
45	\$ 545.43	\$ 752.76	\$ 687.08	\$ 948.26	\$ 434.37	\$ 599.49
50	710.21	874.90	894.66	1,102.13	565.60	696.77
55	934.55	1,020.39	1,177.27	1,285.40	744.27	812.64
60	1,207.02	1,188.50	1,520.51	1,497.18	961.27	946.52
64	1,467.77	1,385.18	1,848.98	1,744.94	1,168.93	1,103.15
65	271.73	256.30	379.65	358.08	462.63	436.36
70	296.01	286.44	413.57	400.19	503.98	487.67
75	317.92	310.22	444.18	433.42	541.28	528.17

Expected Health Care Cost by Age for Medical and Prescription Drugs						
	Medical Care Facility		Sheriff's Department		Road Commission	
Age	Male	Female	Male	Female	Male	Female
45	\$ 524.92	\$ 724.46	\$ 545.43	\$ 752.76	\$ 502.30	\$ 693.23
50	683.51	842.01	710.21	874.90	654.05	805.72
55	899.42	982.03	934.55	1,020.39	860.65	939.70
60	1,161.65	1,143.82	1,207.02	1,188.50	1,111.58	1,094.52
64	1,412.60	1,333.11	1,467.77	1,385.18	1,351.71	1,275.65
65	102.66	96.83	271.73	256.30	349.54	329.69
70	111.84	108.22	296.01	286.44	380.78	368.46
75	120.11	117.20	317.92	310.22	408.96	399.06

The dental and vision premium rates were not “age graded” for this valuation because dental and vision claims do not vary significantly by age. The monthly dental and vision premium rates used in this valuation are shown below:

Group	Dental and Vision			
	Pre-65		Post-65	
	One-Person	Two-Person	One-Person	Two-Person
Road Commission	\$40.11	\$80.22	\$38.40	\$76.80
DWS	40.11	80.22	38.40	76.80
Medical Care Facility	36.63	73.25	35.72	71.44





# Retiree Premium Rate Development

## Health Care Cost Trend Assumption

The health care cost trend rate is the rate of change in per capita health care claims over time as a result of factors such as medical inflation, utilization of health care services, plan design, and technological improvements. It is a crucial economic assumption that is required for measuring retiree health care benefit obligations.

Retiree health care valuations use a health care cost trend assumption (trend vector) that changes over the years. The trend vector used in this valuation begins with a near-term trend assumption and declines over a time to an ultimate trend rate. The near-term rates reflect the increases in the current cost of health care goods and services. The process of trending down to a lower ultimate trend relies on the theory that premiums will moderate over the long term; otherwise, the healthcare sector would eventually consume the entire GDP. It is on this basis that we project premium rate increases will continue to exceed wage inflation for the next 15 years, but by less each year until leveling off at an ultimate rate, assumed to be 3.50% in this valuation.

While experience is often the best starting point for future costs, GRS does not rely on a group's experience in setting the near-term trend assumptions since trends vary significantly from year to year and are not credible for most groups. Therefore, professional judgment, trends from GRS' book of business and industry benchmarks (e.g., trend reports from various Pharmacy Benefit Management (PBM) organizations and national healthcare benefit consulting firms) are used in conjunction with a group's historical experience to establish the trend assumptions.

The combined medical and prescription drug per capita costs are projected to increase as shown in the table below:

Year After Valuation	Health Care Trend Inflation Rates		
	Medical/Drug		Dental/Vision
	Non-Medicare (Pre-65)	Medicare (Post-65)	
1	7.25%	6.50%	3.50%
2	7.00%	6.25%	3.50%
3	6.75%	6.00%	3.50%
4	6.50%	5.75%	3.50%
5	6.25%	5.75%	3.50%
6	6.00%	5.50%	3.50%
7	5.75%	5.25%	3.50%
8	5.50%	5.00%	3.50%
9	5.00%	4.75%	3.50%
10	4.75%	4.50%	3.50%
11	4.50%	4.25%	3.50%
12	4.25%	4.25%	3.50%
13	4.00%	4.00%	3.50%
14	3.75%	3.75%	3.50%
15	3.50%	3.50%	3.50%
16+	3.50%	3.50%	3.50%



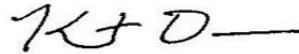
# Retiree Premium Rate Development

## Actuarial Disclosures

The premium rates used in this valuation were developed using the proprietary Excel models which, in Kurt Dosson's professional judgment, provide the initial projected costs which are consistent with the purposes of the valuation. We perform tests to ensure that the models, in their entirety, reasonably represent that which is intended to be modeled.

Aging factors used in the premium development models were developed based on the information and data from a 2013 study commissioned by the Society of Actuaries entitled "Health Care Costs – From Birth to Death."

Kurt Dosson is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to certify the per capita retiree health care rates shown on pages B-4 and B-5 as well as the health care trend rates shown on page B-6.



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Kurt Dosson, ASA, FCA, MAAA

## SECTION C

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### SUMMARY OF BENEFITS

# Bay County Retiree Health Care Plan – General County

## Summary of the Benefit Provisions as of December 31, 2023

Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit	When do retiree health benefits commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree Share of Cost for		
				Retiree	Spouse				Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
<b>Normal/Early Retirement</b>	Dispatchers: 25 yrs of svc regardless of age ** 30 yrs of svc regardless of age Age 55 with 8/10* yrs of svc ** Age 55 with 25 yrs of svc Age 60 with 8/10* yrs of svc Age 65 with 0 yrs of svc Nurses: Age 55 with 8/10* yrs of svc ** Age 55 with 30 yrs of svc Age 60 with 8 yrs of svc Age 62 with 10* yrs of svc Age 65 with 0 yrs of svc Circuit Court G.E.L.C.: Age 55 with 8/10* yrs of svc ** Age 55 with 30 yrs of svc Age 60 with 8/10* yrs of svc Age 62 with 10* yrs of svc Age 65 with 0 yrs of svc Probate Court USWA: Age 55 with 8 yrs of svc ** Age 55 with 30 yrs of svc Age 60/62* with 8 yrs of svc Age 65 with 0 yrs of svc Remaining General Groups: Age 55 with 8/10* yrs of svc ** Age 55 with 30 yrs of svc Age 60 with 8/10* yrs of svc Age 62 with 10* yrs of svc 25* yrs of svc regardless of age^ Age 65 with 0 yrs of svc	Dispatchers: Age 55 with 8/10* yrs of svc 25 yrs of svc regardless of age Age 60 with 8/10* yrs of svc Age 55 with 25 yrs of svc 30 yrs regardless of age Nurses: Age 55 with 8/10* yrs of svc Age 60 with 8 yrs of svc Circuit Court G.E.L.C.: Age 55 with 8/10* yrs of svc Age 60 with 8/10* yrs of svc Probate Court USWA: Age 55 with 8 yrs of svc Age 60 with 8 yrs of svc Remaining General Groups: Age 55 with 8/10* yrs of svc Age 60 with 8/10* yrs of svc	Immediately	Medical Prescription drug Life Insurance ** Life insurance as a retiree is provided to the following units only Non-Rep, USW FT, BCAMPS, USW-Probate**	Medical Prescription drug N/A	BCBS EHIM One America	self-insured self-insured TERM	BCBS EHIM	See Schedule A See Schedule A See Schedule F	See Schedule A See Schedule A N/A	See Schedule A See Schedule A N/A
<b>Deferred Vested Termination</b>	Dispatchers: 8/10* yrs of svc Nurses: 8/10* yrs of svc Circuit Court G.E.L.C.: 8/10* yrs of svc Probate Court USWA: 8 yrs of svc Remaining General Groups: 8/10* yrs of svc	Dispatchers: N/A Nurses: N/A Circuit Court G.E.L.C.: N/A Probate Court USWA: N/A Remaining General Groups: N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Non-Duty Disability</b>	10 or more yrs of credited svc	10 or more yrs of credited svc	Immediately	Medical Prescription drug Life Insurance	Medical Prescription drug	BCBS EHIM One America	self-insured self-insured TERM	BCBS EHIM	See Schedule A See Schedule A See Schedule F	See Schedule A See Schedule A N/A	See Schedule A See Schedule A N/A
<b>Duty Disability</b>	No age or svc requirement	No age or svc requirement	Immediately	Medical Prescription drug Life Insurance	Medical Prescription drug	BCBS EHIM One America	self-insured self-insured TERM	BCBS EHIM	See Schedule A See Schedule A See Schedule F	See Schedule A See Schedule A N/A	See Schedule A See Schedule A N/A
<b>Non-Duty Death-in-Svc</b>	10 or more yrs of credited svc	10 or more yrs of credited svc	Immediately		Medical Prescription drug	BCBS EHIM	self-insured self-insured	BCBS EHIM			See Schedule A See Schedule A
<b>Duty Death-in-Svc</b>	No age or svc requirement Benefits begin upon termination of Worker's Compensation	No age or svc requirement	Immediately		Medical Prescription drug	BCBS EHIM	self-insured self-insured	BCBS EHIM			See Schedule A See Schedule A

Medicare Reimbursement is not offered to any members.  
 @ Members hired after 1/1/2006.  
 \* Members hired after 1/1/2007.  
 % Members hired on or before 1/1/2012 only.  
 # Members hired after 1/1/2012.  
 ^ Elected Officials and Department Heads Only.  
 \*\* Eligible for retirement with a reduced pension.

General County part-time members do not qualify for retiree health care. They do not have access to the plan. Employees hired after 1/1/2012 are not eligible for health care in retirement (no medical and no prescription drug). Employees in BCAMPS, USWA General, and Probate Court USWA hired after 1/1/2020 are not eligible for life insurance in retirement. All employees retiring on or after 1/1/2023 are not eligible for life insurance in retirement.



# Bay County Retiree Health Care Plan – DWS

## Summary of the Benefit Provisions as of December 31, 2023

Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit	When do retiree health benefits commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree Share of Cost for		
				Retiree	Spouse				Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
<b>Normal/Early Retirement</b>	30 yrs of svc regardless of age	30 yrs of svc regardless of age	Immediately	Medical	Medical	BCBS	self-insured	BCBS	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C
	Age 55 with 8/10 <sup>^</sup> yrs of svc **	Age 55 with 8/10 <sup>^</sup> yrs of svc		Prescription drug	Prescription drug	BCBS	self-insured	BCBS	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C
	Age 60 with 8/10 <sup>^</sup> yrs of svc	Age 60 with 8/10 <sup>^</sup> yrs of svc		Dental	Dental	BCBS	self-insured	BCBS	Hourly - 100%, Salary See Schedule C	Hourly - N/A, Salary See Schedule C	Hourly - N/A, Salary See Schedule C
	Age 65 with 0 yrs of svc			Vision	Vision	BCBS	self-insured	BCBS	Hourly - 100%, Salary See Schedule C	Hourly - N/A, Salary See Schedule C	Hourly - N/A, Salary See Schedule C
				Life Insurance	Salary Only	The Hartford	Life	The Hartford	See Schedule I	N/A	N/A
<b>Deferred Vested Termination</b>	8/10 <sup>^</sup> yrs of svc	n/a		Medical	Medical	N/A			N/A	N/A	N/A
				Prescription drug	Prescription drug	N/A			N/A	N/A	N/A
				Dental	Dental	N/A			N/A	N/A	N/A
				Vision	Vision	N/A			N/A	N/A	N/A
				Life Insurance		N/A			N/A	N/A	N/A
<b>Non-Duty Disability</b>	10 yrs of svc	8/10 <sup>^</sup> yrs of svc	Immediately	Medical	Medical	BCBS	self-insured	BCBS	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C
				Prescription drug	Prescription drug	BCBS	self-insured	BCBS	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C
				Dental	Dental	BCBS	self-insured	BCBS	Hourly - 100%, Salary See Schedule C	Hourly - N/A, Salary See Schedule C	Hourly - N/A, Salary See Schedule C
				Vision	Vision	BCBS	self-insured	BCBS	Hourly - 100%, Salary See Schedule C	Hourly - N/A, Salary See Schedule C	Hourly - N/A, Salary See Schedule C
				Life Insurance	Salary Only	The Hartford	Life	The Hartford	See Schedule I	N/A	N/A
<b>Duty Disability</b>	No age or svc requirement	No age or svc requirement	Immediately	Medical	Medical	BCBS	self-insured	BCBS	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C
				Prescription drug	Prescription drug	BCBS	self-insured	BCBS	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C	Hourly See Schedule B, Salary See Schedule C
				Dental	Dental	BCBS	self-insured	BCBS	Hourly - 100%, Salary See Schedule C	Hourly - N/A, Salary See Schedule C	Hourly - N/A, Salary See Schedule C
				Vision	Vision	BCBS	self-insured	BCBS	Hourly - 100%, Salary See Schedule C	Hourly - N/A, Salary See Schedule C	Hourly - N/A, Salary See Schedule C
				Life Insurance		The Hartford	Life	The Hartford	See Schedule I	N/A	N/A
<b>Non-Duty Death-in-Svc</b>	10 yrs of svc	8/10 <sup>^</sup> yrs of svc	Immediately		Medical	BCBS	self-insured	BCBS			Hourly See Schedule B, Salary See Schedule C
					Prescription drug	BCBS	self-insured	BCBS			Hourly See Schedule B, Salary See Schedule C
					Dental Vision						Hourly See Schedule B, Salary See Schedule C
<b>Duty Death-in-Svc</b>	No age or svc requirement  Benefits begin upon termination of Worker's Compensation	No age or svc requirement	Immediately		Medical	BCBS	self-insured	BCBS			Hourly See Schedule B, Salary See Schedule C
					Prescription drug	BCBS	self-insured	BCBS			Hourly See Schedule B, Salary See Schedule C
					Dental Vision						Hourly See Schedule B, Salary See Schedule C

Medicare Reimbursement is not offered to any members.

<sup>^</sup> Members hired after 7/1/2008.

\*\* Eligible for retirement with a reduced pension.

DWS part-time members do not qualify for retiree health care. They do not have access to the plan. All employees retiring on or after 1/1/2023 are not eligible for life insurance in retirement.



# Bay County Retiree Health Care Plan – Library

## Summary of the Benefit Provisions as of December 31, 2023

Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit	When do retiree health benefits commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Retiree Share of Cost for		
				Retiree	Spouse			Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
<b>Normal/Early Retirement</b>	Age 55 with 8/101 yrs of svc ** Age 55 with 30 yrs of svc Age 60 with 8/101 yrs of svc Age 65 with 0 yrs of svc	Age 55 with 30 yrs of svc Age 60 with 8/101 yrs of svc	Immediately	Medical	Medical - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured	Retired age 55 with 30+ years - 50%	N/A	N/A
				Prescription drug	Prescription drug - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured	Retired between age 60 and 65 - 50%, Retired after age 65 - 0%		
				Dental - N/A Vision - N/A Life Insurance - N/A	Dental - N/A Vision - N/A	N/A N/A N/A	N/A N/A N/A	Retired age 55 with 30+ years - 50% Retired between age 60 and 65 - 50%, Retired after age 65 - 0%		
<b>Deferred Vested Termination</b>	ICEA/PERA 1203, ICEA/PERA 612, ICEA/PERA 542: 8/101 yrs of svc Remaining Library Groups: 8 yrs of svc	ICEA/PERA 1203, ICEA/PERA 612, ICEA/PERA 542: N/A Remaining Library Groups: N/A	Immediately	Medical	Medical - N/A	N/A		N/A	N/A	N/A
				Prescription drug	Prescription drug - N/A	N/A		N/A	N/A	N/A
				Dental - N/A Vision - N/A Life Insurance - N/A	Dental - N/A Vision - N/A	N/A N/A N/A		N/A N/A N/A	N/A N/A N/A	N/A N/A N/A
<b>Non-Duty Disability</b>	10 or more yrs of credited svc	ICEA/PERA 1203, ICEA/PERA 612, ICEA/PERA 542: 10 or more yrs of credited svc Remaining Library Groups: 10 or more yrs of credited svc	Immediately	Medical	Medical - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured	10 or more yrs of credited svc - 50 %	N/A	N/A
				Prescription drug	Prescription drug - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured	10 or more yrs of credited svc - 50 %	N/A	N/A
				Dental - N/A Vision - N/A Life Insurance - N/A	Dental - N/A Vision - N/A	N/A N/A N/A		N/A N/A N/A	N/A N/A N/A	N/A N/A N/A
<b>Duty Disability</b>	No age or svc requirement	ICEA/PERA 1203, ICEA/PERA 612, ICEA/PERA 542: No age or svc requirement Remaining Library Groups: 10 or more yrs of credited svc	Immediately	Medical	Medical - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured	No age or svc requirement - 50%	N/A	N/A
				Prescription drug	Prescription drug - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured	No age or svc requirement - 50%	N/A	N/A
				Dental - N/A Vision - N/A Life Insurance - N/A	Dental - N/A Vision - N/A	N/A N/A N/A		N/A N/A N/A	N/A N/A N/A	N/A N/A N/A
<b>Non-Duty Death-in-Svc</b>	10 or more yrs of credited svc	ICEA/PERA 1203, ICEA/PERA 612, ICEA/PERA 542: 10 or more yrs of credited svc Remaining Library Groups: 10 or more yrs of credited svc	Immediately	Medical - N/A	Medical - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured			N/A
				Prescription drug - N/A	Prescription drug - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured			N/A
				Dental - N/A Vision - N/A	Dental - N/A Vision - N/A	N/A N/A			N/A N/A	
<b>Duty Death-in-Svc</b>	No age or svc requirement Benefits begin upon termination of Worker's Compensation	ICEA/PERA 1203, ICEA/PERA 612, ICEA/PERA 542: No age or svc requirement Remaining Library Groups: 10 or more yrs of credited svc	Immediately	Medical - N/A	Medical - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured			N/A
				Prescription drug - N/A	Prescription drug - N/A	Pre-65: BCBS Post-65: Hartford/Benistar	fully-insured			N/A
				Dental - N/A Vision - N/A	Dental - N/A Vision - N/A	N/A N/A			N/A N/A	

Medicare Reimbursement is not offered to any members.

! Members hired after 3/1/2008.

\*\* Eligible for retirement with a reduced pension.



# Bay County Retiree Health Care Plan – Medical Care Facility

## Summary of the Benefit Provisions as of December 31, 2023

Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit	When do retiree health benefits commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree Share of Cost for		
				Retiree	Spouse				Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
<b>Normal/Early Retirement</b>	30 yrs of svc regardless of age Age 55 with 8/10 <sup>+</sup> yrs of svc ** Age 55 with 25 <sup>+</sup> yrs of svc Age 60 with 8/10 <sup>+</sup> yrs of svc Age 62 with 10 <sup>+</sup> yrs of svc Age 65 with 0 yrs of svc	Members Hired Before April 19, 2007: Age 55 with 8 yrs of svc Age 60 with 8 yrs of svc 30 yrs of svc regardless of age Members Hired After April 19, 2007: Age 55 with 25 yrs of svc 30 yrs of svc regardless of age Members Hired after January 15, 2010: Not eligible for health insurance	Immediately  To be eligible for health insurance employee must have been FT at time of retirement.	Medical Prescription drug Dental Vision  Life Insurance	Medical Prescription drug Dental Vision  N/A	BCBSM BCBSM BCBSM BCBSM  The Hartford	self-insured self-insured self-insured self-insured  Term	BCBSM BCBSM BCBSM BCBSM  The Hartford	<u>Medical and Prescription Drug</u> If retired before 1/15/2010 - None If retired after 1/15/2010 - See Below <u>Dental and Vision</u> If retired before 1/1/2001 - N/A, If retired 1/1/2001 - 1/15/2010 - 0% If retired after 1/15/2010 - See Below	<u>Medical and Prescription Drug</u> If retired before 1/15/2010 - None If retired after 1/15/2010 - See Below <u>Dental and Vision</u> If retired before 1/1/2001 - N/A, If retired 1/1/2001 - 1/15/2010 - 0% If retired after 1/15/2010 - See Below	<u>Medical and Prescription Drug</u> If retired before 1/15/2010 - None If retired after 1/15/2010 - See Below <u>Dental and Vision</u> If retired before 1/1/2001 - N/A, If retired 1/1/2001 - 1/15/2010 - 0% If retired after 1/15/2010 - See Below
<b>Deferred Vested Termination</b>	8/10 <sup>+</sup> yrs of svc **	N/A	N/A	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision N/A	N/A N/A N/A N/A N/A	N/A	N/A	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A
<b>Non-Duty Disability</b>	10 or more yrs of credited svc	10 or more yrs of credited svc  Members Hired after January 15, 2010: Not eligible for health insurance	Immediately	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	BCBSM BCBSM BCBSM BCBSM The Hartford	self-insured self-insured self-insured self-insured Term	BCBSM BCBSM BCBSM BCBSM The Hartford	<u>Medical, Prescription Drug, Dental, and Vision</u> Same as described above	<u>Medical, Prescription Drug, Dental, and Vision</u> Same as described above	<u>Medical, Prescription Drug, Dental, and Vision</u> Same as described above
<b>Duty Disability</b>	No age or svc requirement	No age or svc requirement  Members Hired after January 15, 2010: Not eligible for health insurance	Immediately	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	BCBSM BCBSM BCBSM BCBSM The Hartford	self-insured self-insured self-insured self-insured Term	BCBSM BCBSM BCBSM BCBSM The Hartford	<u>Medical, Prescription Drug, Dental, and Vision</u> Same as described above	<u>Medical, Prescription Drug, Dental, and Vision</u> Same as described above	<u>Medical, Prescription Drug, Dental, and Vision</u> Same as described above
<b>Non-Duty Death-in-Svc</b>	10 or more yrs of credited svc	10 or more yrs of credited svc  Members Hired after January 15, 2010: Not eligible for health insurance	Immediately		Medical Prescription drug Dental Vision	BCBSM BCBSM BCBSM BCBSM	self-insured self-insured self-insured self-insured	BCBSM BCBSM BCBSM BCBSM			<u>Medical, Prescription Drug, Dental, and Vision</u> Same as described above
<b>Duty Death-in-Svc</b>	No age or svc requirement Benefits begin upon termination of Worker's Compensation	Immediately  Members Hired after January 15, 2010: Not eligible for health insurance	Immediately		Medical Prescription drug Dental Vision	BCBSM BCBSM BCBSM BCBSM	self-insured self-insured self-insured self-insured	BCBSM BCBSM BCBSM BCBSM			<u>Medical, Prescription Drug, Dental, and Vision</u> Same as described above

Medicare Reimbursement is not offered to any members.  
 \*\* Eligible for retirement with a reduced pension.  
 + Members hired before 7/30/2015 only.  
 \$ Members hired on or after 7/30/2015.  
 - Members hired before 1/1/2018 (4/1/2019 for Div. 22) only.  
 ? Members hired on or after 1/1/2018 (4/1/2019 for Div. 22).

For pre-Medicare eligible retirees after 1/15/2010, coverage is equivalent to that provided to active employees, including co-pays, deductibles, etc. The retiree share of premiums are determined by the MCF based upon the retiree claims, trend, and future fixed fees. The premium share applicable to calendar year 2020 for retirees utilized the same employer cap, for all plan options, reflecting the retiree paying 100% of the difference between the illustrative rates and the cap.

Employees hired on or after 1/1/2010 are not eligible for health care in retirement. Employees hired on or after 1/1/2010 continue to be eligible for life insurance coverage upon retirement.

Medical Care Facility part-time members do not qualify for retiree health care. They do not have access to the plan; they are only eligible as provided by COBRA.



# Bay County Retiree Health Care Plan – Sheriff’s Department

## Summary of the Benefit Provisions as of December 31, 2023

Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit	When do retiree health benefits commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Retiree Share of Cost for		
				Retiree	Spouse			Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
<b>Normal/Early Retirement</b>	Road Patrol: Age 55 with 8/10* yrs of svc ** 25 yrs of svc regardless of age Age 60 with 8/10* yrs of svc Age 65 with 0 yrs of svc Road Patrol Supervisory Unit: Age 55 with 8/10 <sup>o</sup> yrs of svc ** 25 yrs of svc regardless of age Age 60 with 8/10 <sup>o</sup> yrs of svc Age 65 with 0 yrs of svc Correction Facility Officers: Age 55 with 8/10* yrs of svc ** Age 55 with 25 yrs of svc 25 yrs of svc regardless of age ** Age 60 with 8/10* yrs of svc Age 65 with 0 yrs of svc	Road Patrol: Age 55 with 8/10* yrs of svc 25 yrs of svc regardless of age Age 60 with 8/10* yrs of svc Road Patrol Supervisory Unit: Age 55 with 8/10 <sup>o</sup> yrs of svc 25 yrs of svc regardless of age Age 60 with 8/10 <sup>o</sup> yrs of svc Correction Facility Officers: Age 55 with 8/10* yrs of svc 25 yrs of svc regardless of age Age 60 with 8/10* yrs of svc	Immediately	Medical Prescription drug	Medical Prescription drug	BCBS EHIM	self-insured self-insured	See Schedule A See Schedule A	See Schedule A See Schedule A	See Schedule A See Schedule A
<b>Deferred Vested Termination</b>	Road Patrol: 8/10* yrs of svc Road Patrol Supervisory Unit: 8/10 <sup>o</sup> yrs of svc Correction Facility Officers: 8/10* yrs of svc	Road Patrol: N/A Road Patrol Supervisory Unit: N/A Correction Facility Officers: N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Non-Duty Disability</b>	10 or more yrs of credited svc	Road Patrol: 10 or more yrs of credited svc Road Patrol Supervisory Unit: 10 or more yrs of credited svc Correction Facility Officers: 10 or more yrs of credited svc	Immediately	Medical Prescription drug	Medical Prescription drug	BCBS EHIM	self-insured self-insured	See Schedule A See Schedule A	See Schedule A See Schedule A	See Schedule A See Schedule A
<b>Duty Disability</b>	No age or svc requirement	Road Patrol: No age or svc requirement Road Patrol Supervisory Unit: No age or svc requirement Correction Facility Officers: No age or svc requirement	Immediately	Medical Prescription drug	Medical Prescription drug	BCBS EHIM	self-insured self-insured	See Schedule A See Schedule A	See Schedule A See Schedule A	See Schedule A See Schedule A
<b>Non-Duty Death-in-Svc</b>	10 or more yrs of credited svc	Road Patrol: 10 or more yrs of credited svc Road Patrol Supervisory Unit: 10 or more yrs of credited svc Correction Facility Officers: 10 or more yrs of credited svc	Immediately		Medical Prescription drug	BCBS EHIM	self-insured self-insured			See Schedule A See Schedule A
<b>Duty Death-in-Svc</b>	No age or svc requirement Benefits begin upon termination of Worker's Compensation	Road Patrol: No age or svc requirement Road Patrol Supervisory Unit: No age or svc requirement Correction Facility Officers: No age or svc requirement	Immediately		Medical Prescription drug	BCBS EHIM	self-insured self-insured			See Schedule A See Schedule A

Medicare Reimbursement is not offered to any members.

@ Members hired after 1/1/2006

\* Members hired after 1/1/2007

\*\* Eligible for retirement with a reduced pension

Employees hired after 1/1/2012 are not eligible for health care in retirement.





# Bay County Retiree Health Care Plan – Road Commission

## Summary of the Benefit Provisions as of December 31, 2023

Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit	When do retiree health benefits commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree Share of Cost for		
				Retiree	Spouse				Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
<b>Normal/Early Retirement</b>	30 yrs of svc regardless of age Age 55 with 8/10* yrs of svc ** Age 60 with 8/10* yrs of svc Age 65 with 0 yrs of svc	15 yrs of svc regardless of age	Immediately	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	BCBS BCBS BCBS BCBS The Hartford	self-insured self-insured self-insured self-insured Whole Life	BCBS BCBS BCBS BCBS The Hartford	See Below See Below Yes Yes See Schedule G	See Below See Below Yes Yes N/A	See Below See Below Yes Yes N/A
<b>Deferred Vested Termination</b>	10 yrs of svc	N/A	N/A	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A	N/A	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A
<b>Non-Duty Disability</b>	10 or more yrs of credited svc	15 yrs of svc regardless of age	Immediately	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	BCBS BCBS BCBS BCBS The Hartford	self-insured self-insured self-insured self-insured Whole Life	BCBS BCBS BCBS BCBS The Hartford	See Below See Below Yes Yes See Schedule G	See Below See Below Yes Yes N/A	See Below See Below Yes Yes N/A
<b>Duty Disability</b>	No age or svc requirement	No age or svc requirement	Immediately	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	BCBS BCBS BCBS BCBS The Hartford	self-insured self-insured self-insured self-insured Whole Life	BCBS BCBS BCBS BCBS The Hartford	See Below See Below Yes Yes See Schedule G	See Below See Below Yes Yes N/A	See Below See Below Yes Yes N/A
<b>Non-Duty Death-in-Svc</b>	10 or more yrs of credited svc	15 yrs of svc regardless of age	Immediately		Medical Prescription drug Dental Vision	BCBS BCBS BCBS BCBS	self-insured self-insured self-insured self-insured	BCBS BCBS BCBS BCBS			See Below See Below Yes Yes
<b>Duty Death-in-Svc</b>	No age or svc requirement Benefits begin upon termination of Worker's Compensation	No age or svc requirement	Immediately		Medical Prescription drug Dental Vision	BCBS BCBS BCBS BCBS	self-insured self-insured self-insured self-insured	BCBS BCBS BCBS BCBS			See Below See Below Yes Yes

Medicare Reimbursement is not offered to any members.  
 \* Members hired after 1/1/2007.  
 \*\* Eligible for retirement with a reduced pension.

Deferred vested members are not eligible for life insurance.

Employees hired on or after 1/1/2016 are not eligible for health care in retirement. Employees hired on or after 1/1/2016 continue to be eligible for life insurance coverage upon retirement. All employees retiring on or after 1/1/2023 are not eligible for life insurance in retirement.

Effective 1/1/2016 retiree contributions towards coverage will be the same as active member contributions. At Medicare eligibility, the retiree and/or spouse will be moved to Medicare Advantage or equivalent with no cost.



# Bay County Retiree Health Care Plan – Excluding BABH Summary of the Benefit Provisions as of December 31, 2023

## Schedule A – General County and Sheriff’s Department For those hired on or after January 1, 2006

#	Division Name	#	Division Name
14	Circuit Court G.E.L.C	32	Road Patrol Supervisory Unit

## For those hired on or after January 1, 2007

#	Division Name	#	Division Name
1	Elected Officials and Dept. Heads	8	USWA General
2	Judges	10	Nurses
3	General County	11	Sheriff’s-Road Patrol
4	General Circuit Court	12	Sheriff’s Correctional Facility Officers
5	General District Court	13	Dispatchers
6	General Probate Court	15	District Court AFSCME
7	BCAMPS	16	Probate Court USWA

## Retiree Health Insurance Premium Contribution

Retiree Health Insurance Coverage – % paid by the employer based on years of service at retirement  
(subject to eligibility).

Years of Service	Hired Before Effective Date				Hired On or After Effective Date			
	Employer Paid (%)	Retiree Paid (%)	Employer Paid Spousal Coverage	Retiree Paid Spousal Coverage	Employer Paid (%)	Retiree Paid (%)	Employer Paid Spousal Coverage	Retiree Paid Spousal Coverage
8	85%	15%	50%	50%	N/A	N/A	N/A	N/A
9	85%	15%	50%	50%	N/A	N/A	N/A	N/A
10	85%	15%	50%	50%	55%	45%	0%	100%
11	85%	15%	50%	50%	55%	45%	0%	100%
12	85%	15%	50%	50%	55%	45%	0%	100%
13	85%	15%	50%	50%	55%	45%	0%	100%
14	85%	15%	50%	50%	55%	45%	0%	100%
15	85%	15%	50%	50%	80%	20%	0%	100%
16	85%	15%	50%	50%	80%	20%	0%	100%
17	85%	15%	50%	50%	80%	20%	0%	100%
18	85%	15%	50%	50%	80%	20%	0%	100%
19	85%	15%	50%	50%	80%	20%	0%	100%
20	85%	15%	50%	50%	85%	15%	15%	85%
21	85%	15%	50%	50%	85%	15%	15%	85%
22	85%	15%	50%	50%	85%	15%	15%	85%
23	85%	15%	50%	50%	85%	15%	15%	85%
24	85%	15%	50%	50%	85%	15%	15%	85%
25	85%	15%	50%	50%	85%	15%	40%	60%
26	85%	15%	50%	50%	85%	15%	40%	60%
27	85%	15%	50%	50%	85%	15%	40%	60%
28	85%	15%	50%	50%	85%	15%	40%	60%
29	85%	15%	50%	50%	85%	15%	40%	60%
30	85%	15%	50%	50%	85%	15%	50%	50%
31	85%	15%	50%	50%	85%	15%	50%	50%
32	85%	15%	50%	50%	85%	15%	50%	50%
33	85%	15%	50%	50%	85%	15%	50%	50%
34	85%	15%	50%	50%	85%	15%	50%	50%
35	85%	15%	50%	50%	85%	15%	50%	50%
36	85%	15%	50%	50%	85%	15%	50%	50%
37	85%	15%	50%	50%	85%	15%	50%	50%
38	85%	15%	50%	50%	85%	15%	50%	50%
39	85%	15%	50%	50%	85%	15%	50%	50%
40	85%	15%	50%	50%	85%	15%	50%	50%



# Bay County Retiree Health Care Plan – Excluding BABH

## Summary of the Benefit Provisions as of December 31, 2023

### Schedule B

#### Department of Water Sewer-Hourly Employees – Division 28

#### Retiree Health Insurance Premium Contribution

Retiree Health Insurance Coverage – % paid by the employer based on years of service at retirement (subject to eligibility)

Years of Service	Hired Before January 1, 2003				Hired Between January 1, 2003 and January 1, 2008				Hired After January 1, 2008			
	Employer Paid (%)	Retiree Paid (%)	Employer Paid Spousal Coverage	Retiree Paid Spousal Coverage	Employer Paid (%)	Retiree Paid (%)	Employer Paid Spousal Coverage	Retiree Paid Spousal Coverage	Employer Paid (%)	Retiree Paid (%)	Employer Paid Spousal Coverage	Retiree Paid Spousal Coverage
8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	100%	0%	100%	0%	50%	50%	0%	100%	25%	75%	0%	100%
11	100%	0%	100%	0%	50%	50%	0%	100%	25%	75%	0%	100%
12	100%	0%	100%	0%	50%	50%	0%	100%	25%	75%	0%	100%
13	100%	0%	100%	0%	50%	50%	0%	100%	25%	75%	0%	100%
14	100%	0%	100%	0%	50%	50%	0%	100%	25%	75%	0%	100%
15	100%	0%	100%	0%	100%	0%	0%	100%	50%	50%	0%	100%
16	100%	0%	100%	0%	100%	0%	0%	100%	50%	50%	0%	100%
17	100%	0%	100%	0%	100%	0%	0%	100%	50%	50%	0%	100%
18	100%	0%	100%	0%	100%	0%	0%	100%	50%	50%	0%	100%
19	100%	0%	100%	0%	100%	0%	0%	100%	50%	50%	0%	100%
20	100%	0%	100%	0%	100%	0%	50%	50%	75%	25%	0%	100%
21	100%	0%	100%	0%	100%	0%	50%	50%	75%	25%	0%	100%
22	100%	0%	100%	0%	100%	0%	50%	50%	75%	25%	0%	100%
23	100%	0%	100%	0%	100%	0%	50%	50%	75%	25%	0%	100%
24	100%	0%	100%	0%	100%	0%	50%	50%	75%	25%	0%	100%
25	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
26	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
27	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
28	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
29	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
30	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
31	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
32	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
33	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
34	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
35	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
36	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
37	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
38	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
39	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%
40	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%	100%



# Bay County Retiree Health Care Plan – Excluding BABH

## Summary of the Benefit Provisions as of December 31, 2023

### Schedule C

#### Department of Water Sewer-Salary Employees – Division 29 Retiree Health Insurance Premium Contribution

Retiree Health, Dental and Vision Insurance Coverage – % paid by the employer based on years of service at retirement  
(subject to eligibility)

Years of Service	Hired Before June 1, 2007				Hired After June 1, 2007			
	Employer Paid (%)	Retiree Paid (%)	Employer Paid Spousal Coverage	Retiree Paid Spousal Coverage	Employer Paid (%)	Retiree Paid (%)	Employer Paid Spousal Coverage	Retiree Paid Spousal Coverage
8	100%	0%	100%	0%	N/A	N/A	N/A	N/A
9	100%	0%	100%	0%	N/A	N/A	N/A	N/A
10	100%	0%	100%	0%	25%	75%	0%	100%
11	100%	0%	100%	0%	25%	75%	0%	100%
12	100%	0%	100%	0%	25%	75%	0%	100%
13	100%	0%	100%	0%	25%	75%	0%	100%
14	100%	0%	100%	0%	25%	75%	0%	100%
15	100%	0%	100%	0%	50%	50%	0%	100%
16	100%	0%	100%	0%	50%	50%	0%	100%
17	100%	0%	100%	0%	50%	50%	0%	100%
18	100%	0%	100%	0%	50%	50%	0%	100%
19	100%	0%	100%	0%	50%	50%	0%	100%
20	100%	0%	100%	0%	75%	25%	0%	100%
21	100%	0%	100%	0%	75%	25%	0%	100%
22	100%	0%	100%	0%	75%	25%	0%	100%
23	100%	0%	100%	0%	75%	25%	0%	100%
24	100%	0%	100%	0%	75%	25%	0%	100%
25	100%	0%	100%	0%	100%	0%	0%	100%
26	100%	0%	100%	0%	100%	0%	0%	100%
27	100%	0%	100%	0%	100%	0%	0%	100%
28	100%	0%	100%	0%	100%	0%	0%	100%
29	100%	0%	100%	0%	100%	0%	0%	100%
30	100%	0%	100%	0%	100%	0%	0%	100%
31	100%	0%	100%	0%	100%	0%	0%	100%
32	100%	0%	100%	0%	100%	0%	0%	100%
33	100%	0%	100%	0%	100%	0%	0%	100%
34	100%	0%	100%	0%	100%	0%	0%	100%
35	100%	0%	100%	0%	100%	0%	0%	100%
36	100%	0%	100%	0%	100%	0%	0%	100%
37	100%	0%	100%	0%	100%	0%	0%	100%
38	100%	0%	100%	0%	100%	0%	0%	100%
39	100%	0%	100%	0%	100%	0%	0%	100%
40	100%	0%	100%	0%	100%	0%	0%	100%



# Bay County Retiree Health Care Plan – Excluding BABH Summary of the Benefit Provisions as of December 31, 2023

## Schedule F General County Life Insurance Benefits

Division	Member Retired	Life Insurance Amount
Elected Officials	3/1/1998 to 12/31/2022	\$ 10,000
Department Heads	1/1/2023 to Present	0
Judges		
General County		
General Circuit Court		
General District Court		
General Probate Court		
BCAMPS	3/1/1998 to 12/31/2019	\$ 10,000
	1/1/2020 to Present	0
USWA General	1/1/2010 to 12/31/2019	\$ 10,000
Probate Court USWA	1/1/2020 to Present	0

## Schedule G Road Commission Life Insurance Benefits

Division	Member Retired	Life Insurance Amount
AFSCME	Prior to 1/31/1989	\$ 1,000
	2/1/1989 to 1/31/1998	2,500
	2/1/1998 to 1/31/2008	5,000
	2/1/2008 to 12/31/2022	10,000
	1/1/2023 to Present	0
Administrative Employees	Prior to 1/1/2007	5,000
	1/1/2007 to 12/31/2022	10,000
	1/1/2023 to Present	0
Commissioners	1/1/2007 to 12/31/2022	10,000
	1/1/2023 to Present	0

# Bay County Retiree Health Care Plan – Excluding BABH Summary of the Benefit Provisions as of December 31, 2023

## Schedule H Medical Care Facility Life Insurance Benefits

Member Retired	Life Insurance Amount
Prior to 1/1/1975	\$ 0
1/1/1975 to 12/31/1995	2,500
1/1/1996 to 12/31/1998	3,500
1/1/1999 to Present	5,000

Employees hired on or after 1/1/2010 continue to be eligible for life insurance coverage upon retirement.

## Schedule I DWS Salaried Members Only Life Insurance Benefits

Member Retired	Life Insurance Amount
Prior to 3/13/2008	\$ 5,000
On 3/13/2008	20,000
3/14/2008 to 12/31/2022	10,000
1/1/2023 to Present	0

## **SECTION D**

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### **SUMMARY OF VALUATION DATA**

## Bay County Retiree Health Care Plan – General County Active Members as of December 31, 2023 by Age and Years of Service\*

Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.
20-24								
25-29								
30-34								
35-39			1	2				3
40-44			3	4	5			12
45-49			3	5	6	2		16
50-54			1	8	13	5	2	29
55-59			3	5	7	13	2	30
60-64			5	3	8	6	2	24
65 & Over				3	3		1	7
<b>Totals</b>			<b>16</b>	<b>30</b>	<b>42</b>	<b>26</b>	<b>7</b>	<b>121</b>

\* Excludes 58 part-time employees and 226 employees not eligible for health care coverage in retirement.

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

**Age:** 54.3 years  
**Service:** 21.9 years



## Bay County Retiree Health Care Plan – DWS Active Members as of December 31, 2023 by Age and Years of Service

Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.
15-19								
20-24	3							3
25-29	4	2						6
30-34		3						3
35-39	3	4	2					9
40-44	3	4	3					10
45-49	3	4	2					9
50-54	3	1	1	1	1			7
55-59	1	3		2		1		7
60-64		3		1		1		5
65 & Over								
<b>Totals</b>	<b>20</b>	<b>24</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>2</b>		<b>59</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

**Age:** 43.7 years  
**Service:** 8.0 years

## Bay County Retiree Health Care Plan – Library Active Members as of December 31, 2023 by Age and Years of Service

Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.
20-24								
25-29	6							6
30-34		1						1
35-39	2	1						3
40-44		3	2					5
45-49		2	1		1			4
50-54	1			2		1		4
55-59		2	1	1	3			7
60-64		1	1	3		1	1	7
65 & Over					1			1
<b>Totals</b>	<b>9</b>	<b>10</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>38</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

**Age:** 47.6 years  
**Service:** 12.0 years

**Bay County Retiree Health Care Plan – Medical Care Facility  
Active Members as of December 31, 2023  
by Age and Years of Service\***

Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.
15-19								
20-24	10	1						11
25-29	11	3	1					15
30-34	10	4	8					22
35-39	12	2	4	8				26
40-44	7	2	7	4	4			24
45-49	7	2	4	1	4	4		22
50-54	5	7	3	2	2	2	4	25
55-59	5	9	5	1	3	1		24
60-64	4	3	3	1	1	1		13
65 & Over	2	1		2			1	6
<b>Totals</b>	<b>73</b>	<b>34</b>	<b>35</b>	<b>19</b>	<b>14</b>	<b>8</b>	<b>5</b>	<b>188</b>

\* Excludes 61 part-time employees.

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

**Age:** 43.7 years  
**Service:** 9.8 years



## Bay County Retiree Health Care Plan – Sheriff’s Department Active Members as of December 31, 2023 by Age and Years of Service\*

Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.
20-24								
25-29								
30-34								
35-39			1	1				2
40-44			2	6				8
45-49			2	2	5	1		10
50-54					1	1		2
55-59					2	1		3
60-64								
65 & Over							2	2
<b>Totals</b>			<b>5</b>	<b>9</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>27</b>

\* Excludes 51 employees not eligible for health care coverage in retirement.

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

**Age:** 48.4 years  
**Service:** 21.5 years

**Bay County Retiree Health Care Plan – Road Commission**  
**Active Members as of December 31, 2023**  
**by Age and Years of Service\***

Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.
20-24								
25-29								
30-34								
35-39		1	4					5
40-44		2	1		1			4
45-49		2	1		1			4
50-54			3	1		2		6
55-59		2	1	1	2	3	2	11
60-64				2	1			3
65 & Over						1		1
<b>Totals</b>		<b>7</b>	<b>10</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>2</b>	<b>34</b>

\* Excludes 27 employees not eligible for health care coverage in retirement.

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

**Age:** 51.0 years  
**Service:** 17.7 years

# Bay County Retiree Health Care Plan – Excluding BABH Inactive Members as of December 31, 2023

## Number of Retiree and Beneficiary Contracts

	Opt-Out/ Ineligible	One-Person Coverage <sup>1,2</sup>	Two-Person Coverage <sup>2,3</sup>	Total
Male	88	99	120	307
Female	212	283	135	630
<b>Total</b>	<b>300</b>	<b>382</b>	<b>255</b>	<b>937</b>

<sup>1</sup> Includes individuals with life insurance only.

<sup>2</sup> Includes individuals with dental and/or vision coverage only.

<sup>3</sup> Includes family coverage.

Age	Current Retirees						
	Number of Those Covered*						
	General County	DWS	Library	Medical Care Facility	Sheriff's Dept	Road Commission	Total
0-44							
45-49		1		1	1		3
50-54	1	1			5	2	9
55-59	10	4		18	10	7	49
60-64	34	4	1	34	6	19	98
65-69	60	10	5	35	12	11	133
70-74	53	11	6	46	10	15	141
75-79	45	5	2	26	7	13	98
80-84	20	2	1	15	7	8	53
85-89	7		2	10	2	7	28
90-94	3		1	6	3	7	20
95 +	2		2	1			5
<b>Totals</b>	<b>235</b>	<b>38</b>	<b>20</b>	<b>192</b>	<b>63</b>	<b>89</b>	<b>637</b>

\* There are 60 retired members that only receive life insurance coverage that are included in the covered counts.

There are no terminated members eligible for deferred Plan benefits.



# Bay County Retiree Health Care Plan – Excluding BABH

## Reported Financial Information

### Market Value

	<b>December 31, 2022</b>	<b>December 31, 2023</b>
<b>Additions</b>		
Contributions		
Employer	\$ 1,606,402	\$ 1,674,871
Nonemployer Contributing Entities	0	0
Active Employees	0	0
Member	0	0
Total Contributions	\$ 1,606,402	\$ 1,674,871
Investment Income		
Total Investment Income	\$ (9,413,194)	\$ 8,017,250
Less Investment Expense	(118,230)	(151,977)
Net Investment Income	\$ (9,531,424)	\$ 7,865,273
Other Miscellaneous Income	\$ 0	\$ 0
<b>Total Additions</b>	\$ (7,925,022)	\$ 9,540,144
 <b>Deductions</b>		
Health Benefit Payments and Refunds	\$ 0	\$ 0
OPEB Plan Administrative Expense	34,755	104,449
<b>Total Deductions</b>	\$ 34,755	\$ 104,449
 <b>Net Increase in Net Position</b>	 \$ (7,959,777)	 \$ 9,435,695
 <b>Net Position Restricted for OPEB</b>		
Beginning of Year	\$ 66,193,009	\$ 58,233,232
Audit Adjustment	0	0
End of Year	\$ 58,233,232	\$ 67,668,927



## **SECTION E**

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### **ACTUARIAL COST METHODS AND ACTUARIAL ASSUMPTIONS**



# Actuarial Methods for Bay County Retiree Health Care Plan – Excluding BABH as of December 31, 2023

**Actuarial Cost Method.** Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) The annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member’s benefit at the time of retirement; and
- (ii) Each annual normal cost is a constant percentage of the member’s year by year projected covered pay.

Actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

**Financing of Unfunded Actuarial Accrued Liabilities.** Unfunded Actuarial Accrued Liabilities (UAAL) (full funding credit if assets exceed liabilities) were amortized as a level percent of payroll for DWS and as a level dollar amount for all other groups. The UAAL was determined using the actuarial value of assets and actuarial accrued liability calculated as of the valuation date and projected to the beginning of the fiscal year at the assumed rate of investment return.

**Actuarial Value of Assets.** The Actuarial Value of Assets is set equal to the reported market value of assets. The County reported the asset split between the various groups.

**Amortization Factors.** The following amortization factors were used in developing the Actuarially Determined Contribution for the fiscal years shown:

	Fiscal Year Ending December 31,	
	2026	2027
General County (Level Dollar)	9.7736	9.4231
DWS (Level Percent of Pay)	11.8056	11.2596
Library (Level Dollar)	9.7736	9.4231
Medical Care Facility (Level Dollar)	9.0481	8.6469
Sheriff's Department (Level Dollar)	9.7736	9.4231
Road Commission (Level Dollar)	9.7736	9.4231

# Actuarial Assumptions for Bay County Retiree Health Care Plan – Excluding BABH as of December 31, 2023

The rationale for all assumptions used in this valuation is included in the five-year experience study ending December 31, 2021, issued August 31, 2023. All assumptions are expectations of future experience, not market measures.

**Investment Return** (net of investment expenses): 7.00% a year, compounded annually.

**Rates of price inflation** are not specifically used for this valuation. However, a rate of price inflation of 2.50% would be consistent with other assumptions in this report. This assumption was first adopted for the December 31, 2016 pension actuarial valuation.

**Pay Projections.** These assumptions are used to project current pays to those upon which future contributions will be based. In addition to the Merit and Longevity rates shown in the table, members are also assumed to receive a base increase of 3.00%.

Years of Service	Annual Rate of Pay Increase for Merit & Longevity					
	General	DWS	Library	MCF	Sheriff's	Road Commission
1	3.00 %	3.00 %	3.00 %	0.50 %	5.25 %	5.25 %
2	2.25	2.25	2.25	0.50	4.50	3.00
3	1.50	1.50	1.50	0.50	4.50	3.00
4	1.50	1.50	1.50	0.50	3.75	3.00
5	0.75	0.75	0.75	0.50	3.00	0.75
6+	0.75	0.75	0.75	0.50	0.75	0.75

If the number of active members remains constant, the total active member payroll will increase by about the level of pay inflation (assumed to be 3.00% per year). This increasing payroll was recognized in amortizing unfunded actuarial accrued liabilities for the active employees of the DWS. The merit and longevity payroll growth assumptions were first adopted for the December 31, 2016 pension actuarial valuation. The base wage inflation assumption was first adopted for the December 31, 2022 pension actuarial valuation.

# Actuarial Assumptions for Bay County Retiree Health Care Plan – Excluding BABH as of December 31, 2023

**Mortality.** The mortality rates utilized are based upon Pub-2010 amount-weighted General tables for the Non-Public Safety groups and the Pub-2010 amount-weighted Safety tables for the Sheriff's Department group, in conjunction with the MP-2021 projection scale on a fully generational basis. The mortality assumptions were first adopted for the December 31, 2022 pension actuarial valuation. The tables used were as follows:

## **Non-Public Safety (All Groups except Sheriff's Department)**

- **Pre-Retirement:** Pub-2010 General Employee Mortality Tables, amount weighted, and projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.
- **Healthy Post-Retirement:** Pub-2010 General Healthy Annuitant Mortality Tables, amount-weighted, and projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.
- **Disability Retirement:** Pub-2010 General Disabled Retiree Mortality Tables, amount-weighted, and projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

## **Public Safety (Sheriff's Department)**

- **Pre-Retirement:** Pub-2010 Safety Employee Mortality Tables, amount weighted, and projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.
- **Healthy Post-Retirement:** Pub-2010 Safety Healthy Annuitant Mortality Tables, amount-weighted, and projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.
- **Disability Retirement:** Pub-2010 Safety Disabled Retiree Mortality Tables, amount-weighted, and projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

# Actuarial Assumptions for Bay County Retiree Health Care Plan – Excluding BABH as of December 31, 2023

## Summary of Life Expectancies

### Non-Public Safety (All Groups except Sheriff's Department)

Sample Ages	Pre-Retirement Future Life Expectancy (Years) <sup>^</sup>		Healthy Post-Retirement Future Life Expectancy (Years) <sup>^</sup>		Disabled Retirement Future Life Expectancy (Years) <sup>^</sup>	
	Men	Women	Men	Women	Men	Women
	50	39.14	41.30	35.52	38.45	26.29
55	34.13	36.20	30.63	33.48	22.79	25.64
60	29.23	31.17	25.91	28.61	19.62	22.31
65	24.47	26.24	21.42	23.88	16.69	19.04
70	19.82	21.41	17.16	19.34	13.88	15.67
75	15.28	16.69	13.23	15.09	11.12	12.37
80	10.86	12.14	9.75	11.27	8.53	9.43

<sup>^</sup> Based on retirements in 2023. Retirements in future years will reflect improvements in life expectancy.

### Public Safety (Sheriff's Department)

Sample Ages	Pre-Retirement Future Life Expectancy (Years) <sup>^</sup>		Healthy Post-Retirement Future Life Expectancy (Years) <sup>^</sup>		Disabled Retirement Future Life Expectancy (Years) <sup>^</sup>	
	Men	Women	Men	Women	Men	Women
	50	38.52	40.96	35.57	37.61	34.17
55	33.43	35.86	30.51	32.50	29.31	31.45
60	28.44	30.82	25.62	27.58	24.62	26.82
65	23.57	25.83	21.02	22.93	20.26	22.47
70	18.86	20.91	16.73	18.54	16.22	18.34
75	14.38	16.17	12.82	14.46	12.50	14.43
80	10.20	11.72	9.40	10.85	9.27	10.85

<sup>^</sup> Based on retirements in 2023. Retirements in future years will reflect improvements in life expectancy.



# Actuarial Assumptions for Bay County Retiree Health Care Plan – Excluding BABH as of December 31, 2023

*The rates of retirement* used to measure the probability of eligible members retiring during the next year were as follows:

Retirement Ages	Percent of Active Members Retiring Within Next Year					
	General	DWS	Library	MCF	Sheriff's	Road Commission
50				20 %		18 %
51				20		18
52				20		28
53				20		28
54				20		28
55	20 %	28 %	17 %	30		28
56	13	23	12	40		18
57	13	23	12	50		18
58	13	23	12	50		18
59	13	23	12	50		18
60	30	38	27	30	13 %	18
61	25	33	22	30	13	18
62	13	23	12	50	28	38
63	13	23	12	25	13	38
64	13	23	12	25	13	38
65	30	38	27	100	100	100
66	13	23	12			
67	13	23	12			
68	13	23	12			
69	13	23	12			
70	100	100	100			

The following table shows the rates used for the Road Patrol and Road Patrol Supervisory Unit, and Elected Officials and Department Heads: Elected Sheriff and Appointed Undersheriff 25 & Out provision and the Correctional Facility Officers 55 & 25 provision.

Years of Service	25 & Out	Age	55 & 25
	Sheriff's Road Patrol, Road Patrol Supervisory Unit, and Elected Sheriff and Appointed Undersheriff		Correctional Facility Officers
25	35 %	55	35 %
26	35	56	35
27	35	57	35
28	25	58	25
29	25	59	25
30	25	60	25
31	25	61	25
32	25	62	25
33	25	63	25
34	100	64	100



## Actuarial Assumptions for Bay County Retiree Health Care Plan – Excluding BABH as of December 31, 2023

The following table shows the rates for the 55 & 8 and/or 55 & 10 Early Retirement provision:

Retirement Ages	55 & 8 and/or 55 & 10 Early Retirement*		
	General	DWS	All Other Groups
55	8 %	15 %	5 %
56	8	15	5
57	8	15	5
58	8	15	5
59	8	15	5
60	8	15	5
61	8		

*\* These rates do not apply to Medical Care Facility, Sheriff's Department, and Road Commission.*

The retirement assumptions were first adopted for the December 31, 2012 pension actuarial valuation for Early Retirement and the December 31, 2022 pension actuarial valuation for Normal Retirement.

# Actuarial Assumptions for Bay County Retiree Health Care Plan – Excluding BABH as of December 31, 2023

**Rates of Disability.** These rates represent the probabilities of active members becoming disabled. This assumption was first adopted for the December 31, 2016 pension actuarial valuation.

Sample Ages	Percent Becoming Disabled within Next Year	
	Sheriff's	All Other Groups
20	0.15 %	0.07 %
25	0.15	0.07
30	0.15	0.07
35	0.15	0.07
40	0.38	0.19
45	0.50	0.25
50	0.92	0.46
55	1.67	0.84
60	2.65	1.33

We assumed that 50% of disabilities are duty related and 50% are non-duty related for Sheriff's. For all other groups we assumed 85% of disabilities are non-duty related and 15% are duty-related.

**Rates of Separation from Active Membership.** These rates do not apply to members eligible to retire and do not include separation on account of death or disability. This assumption measures the probabilities of members remaining in employment. This assumption was first adopted for the December 31, 2016 pension actuarial valuation for Sheriff's and Road Commission and for the December 31, 2022 pension actuarial valuation for all other groups.

Sample Ages	Years of Service	% of Active Members Separating within Next Year					
		General	DWS	Library	MCF	Sheriff's*	Road Commission*
ALL	0	15.00%	<b>8.10%</b>	8.25%	<b>31.50%</b>	N/A	N/A
	1	9.00	<b>4.86</b>	4.95	<b>31.50</b>	N/A	N/A
	2	9.00	<b>4.86</b>	4.95	<b>18.90</b>	N/A	N/A
	3	8.00	<b>4.32</b>	4.40	<b>15.76</b>	N/A	N/A
	4	8.00	<b>4.32</b>	4.40	<b>11.03</b>	N/A	N/A
20	5 & Over	<b>6.00</b>	4.50	4.13	<b>5.91</b>	4.50	4.50
25		<b>6.00</b>	4.50	4.13	<b>5.91</b>	4.50	4.50
30		<b>5.60</b>	4.20	3.85	<b>3.94</b>	3.75	3.90
35		<b>5.60</b>	4.20	3.85	<b>3.94</b>	2.25	2.30
40		<b>3.20</b>	2.40	2.20	<b>2.95</b>	1.50	0.90
45		<b>2.40</b>	1.80	1.65	<b>1.97</b>	1.50	0.50
50		<b>1.60</b>	1.20	1.10	<b>1.58</b>	1.25	0.50
55	<b>1.60</b>	1.20	1.10	<b>1.58</b>	0.75	0.50	
60	<b>1.60</b>	1.20	1.10	<b>1.58</b>	0.75	0.50	

\* These groups do not have service-based rates of separation. All rates of separation are based on age.



## Actuarial Assumptions for Bay County Retiree Health Care Plan – Excluding BABH as of December 31, 2023 (Concluded)

The Medical Care Facility and Road Commission future retiree cost shares were developed based on the calendar year 2024 cost shares and the plan election of the current retiree population of each applicable group. The developed future retiree cost shares valued are as follows.:

Group	Future Retiree Cost Share			
	Pre-65		Post-65	
	One-Person	Two-Person	One-Person	Two-Person
Medical Care Facility	\$223.46	\$774.78	\$0.00	\$0.00
Road Commission	1.31	50.63	0.00	0.00

The Medical Care Facility current retiree cost share was developed based on the calendar year 2024 cost shares and the plan election of the retirees currently responsible for a portion of their retiree health care coverage. The developed cost shares valued are as follows:

Group	Current Retiree Cost Share			
	Pre-65		Post-65	
	One-Person	Two-Person	One-Person	Two-Person
Medical Care Facility	\$259.45	\$788.07	\$0.00	\$0.00

The Road Commission current retiree cost share was valued based on the medical plan reported, during the data collection process, for each individual and the Road Commission provided calendar year 2024 cost shares.

All retiree cost shares are projected based on the valuation trend noted in Section B.



# Miscellaneous and Technical Assumptions for Bay County Retiree Health Care Plan – Excluding BABH as of December 31, 2023

- Administrative Expenses** No explicit assumption has been made for administrative expenses.
- Decrement Operation** Disability and death-in-service decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.
- Decrement Timing** Decrements of all types are assumed to occur mid-year.
- Eligibility Testing** Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
- Incidence of Contributions** Contributions are assumed to be received continuously throughout the year based upon the contributions shown in this report.
- Marriage Assumption** 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be 3 years older than female spouses.
- Medicare Coverage** Assumed to be available for all covered employees on attainment of age 65. Disabled retirees were assumed to be eligible for Medicare coverage at age 65.
- Part-Time Employees** Part-time employees are not eligible for retiree health care benefits even if they are eligible for benefits from the Retirement System. Part-time employees were excluded from the valuation.
- Opt-In Assumption** Certain General and Sheriff retirees opted-out of the retiree health care program. These retirees may opt back into the program at a future date. We assumed that 10% of these retirees would opt back into the program.
- Health Care Coverage at Retirement** The table below shows the assumed portion of future retirees electing one-person or two-person/family coverage, or opting-out of coverage entirely. For those that elect two-person coverage, the assumption regarding the percentage of retirees that would continue coverage to the spouse upon death of the retiree is also shown.

Group	One-Person		Two-Person/Family		Opt-Out		Continuation Percentage to Spouse	
	Males	Females	Males	Females	Males	Females	Males	Females
General County	45.00%	45.00%	40.00%	40.00%	15.00%	15.00%	80.00%	80.00%
DWS	25.00%	25.00%	75.00%	75.00%	0.00%	0.00%	100.00%	100.00%
Library	90.00%	90.00%	0.00%	0.00%	10.00%	10.00%	0.00%	0.00%
Medical Care Facility	30.00%	30.00%	65.00%	65.00%	5.00%	5.00%	100.00%	100.00%
Sheriff's Department	45.00%	45.00%	40.00%	40.00%	15.00%	15.00%	80.00%	80.00%
Road Commission	5.00%	5.00%	95.00%	95.00%	0.00%	0.00%	100.00%	100.00%



## **APPENDIX A**

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### **HISTORICAL FUNDED RATIO INFORMATION**

## Historical Funded Ratio

Actuarial Valuation Date December 31	Actuarial Value of Assets <sup>1</sup> (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (b)-(a)	Funded Ratio (a)/(b)	Present Value of Future Benefits (c)
2015 <sup>2</sup>	\$ 28,049,378	\$ 164,083,657	\$ 136,034,279	17.1 %	\$193,206,056
2017	34,939,774	125,410,425	90,470,651	27.9 %	138,019,045
2018	36,415,168	128,011,541	91,596,373	28.4 %	140,270,835
2019	46,052,050	95,692,093	49,640,043	48.1 %	104,901,419
2021	66,193,009	72,075,733	5,882,724	91.8 %	79,300,149
2023	67,668,927	73,727,243	6,058,316	91.8 %	80,755,287

<sup>1)</sup> The Actuarial Value of Assets is set equal to the Market Value of Assets.

<sup>2)</sup> Results based on 5.00% rate of investment return.

## **APPENDIX B**

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### **GLOSSARY**

## Glossary

**Accrued Service.** The service credited under the plan which was rendered before the date of the actuarial valuation.

**Actuarial Accrued Liability.** The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as "accrued liability" or "past service liability."

**Actuarial Assumptions.** Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

**Actuarial Cost Method.** A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future plan benefits" between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the "actuarial funding method."

**Actuarial Equivalent.** A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

**Actuarial Present Value.** The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

**Actuarially Determined Contribution.** The Actuarially Determined Contribution is the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the current period. The Actuarially Determined Contribution is an amount that is actuarially determined so that, if paid on an ongoing basis, it would be expected to provide sufficient resources to fund both the normal cost for each year and the amortized unfunded actuarial accrued liability.

**Amortization.** Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

**Governmental Accounting Standards Board (GASB).** GASB is the private, nonpartisan, nonprofit organization that works to create and improve the rules U.S. state and local governments follow when accounting for their finances and reporting them to the public.

**Implicit Rate Subsidy.** It is common practice for employers to allow retirees to continue in the employer's group health insurance plan (which also covers active employees), often charging the retiree some portion of the premium charged for active employees. Under the theory that retirees have higher utilization of services, the difference between the true cost of providing retiree coverage and what the retiree is being charged is known as the implicit rate subsidy.



## Glossary

**Medical Trend Rate (Health Care Inflation).** The increase in the cost of providing health care benefits over time. Trend includes such elements as pure price inflation, changes in utilization, advances in medical technology, and cost shifting.

**Normal Cost.** The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost." Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

**Other Postemployment Benefits (OPEB).** OPEB are postemployment benefits other than pensions. OPEB generally takes the form of health insurance, dental, vision, prescription drugs, life insurance or other health care benefits.

**Reserve Account.** An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

**Unfunded Actuarial Accrued Liability.** The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded actuarial accrued liability."

**Valuation Assets.** The value of current plan assets recognized for valuation purposes.

