International Union of Operating Engineers Local 487 Health & Welfare Trust Fund

Actuarial Valuation and Review of Postretirement Welfare Benefits as of March 31, 2024 in Accordance with FASB ASC 965

Segal

Segal

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November 7, 2024

Board of Trustees
International Union of Operating Engineers Local 487 Health & Welfare Trust Fund
911 Ridgebrook Road
Sparks, MD 21152-9451

Dear Trustees:

We are pleased to submit this report on our Financial Accounting Standards Board Accounting Standards Codification 965 (FASB ASC 965) actuarial valuation of postretirement welfare benefits as of March 31, 2024. It establishes the obligations of the postretirement welfare benefit plan in accordance with FASB ASC 965 for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data.

This report has been prepared for the exclusive use and benefit of the Board, based upon information provided by the Fund Office and the Fund's other service providers. Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Trustees are encouraged to discuss any issues raised in this report with the Fund's legal, tax and other advisors before taking, or refraining from taking, any action.

The actuarial calculations were completed under the supervision of Deborah J. Marcotte, MAAA, EA, FCA, and Mark J. Noonan, ASA, MAAA.

We look forward to discussing this material with you at your convenience.

Sincerely,

Segal

By:

Ernest Naegele
Vice President and Consultant

cc:
Jeff Ianniello
Dina Bellows, CPA
Katherine Phillips, Esq.

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Section 1: Introduction

Important information about actuarial valuations

An actuarial valuation is an estimate of future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinate with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation; the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement and then develop short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on a rate of return on high-quality fixed income investments. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Introduction

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

- The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with accounting standards. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- Sections of this report include actuarial results that are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience and health care trend, not just the current valuation results.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

Purpose

This report presents the results of our actuarial valuation of the International Union of Operating Engineers Local 487 Health & Welfare Trust Fund postretirement welfare benefit program as of March 31, 2024. The results are in accordance with the Financial Accounting Standards Board Accounting Standards Codification 965 (FASB ASC 965), which prescribes an accrual methodology for accumulating the value of postretirement welfare benefits over participants' active working lifetimes. The accounting standard supplements cash accounting, under which the expense for postretirement benefits is equal to benefit and administrative costs paid on behalf of retirees and their dependents (i.e., a pay-as-you-go basis).

Actuarial computations under FASB ASC 965 are for purposes of fulfilling certain welfare fund accounting requirements. The calculations reported in this report have been made on a basis consistent with our understanding of FASB ASC 965. Determinations for purposes other than meeting the financial accounting requirements of FASB ASC 965 may differ significantly from the results reported here.

The postretirement benefit obligations resulting from our calculations and shown in this report are contingent upon a variety of assumptions about future events. Actual experience is likely to vary from these assumptions.

The calculation of an accounting obligation does not, in and of itself, imply that there is any legal liability to provide the benefits valued, nor is there any implication that the welfare fund is required to implement a funding policy to satisfy the projected expense.

This report does not address asset valuation or funding. Segal would be pleased to assist the Trustees in determining alternative strategies for funding these benefits.

Accounting requirements

FASB Accounting Standards Codification (ASC) 965, a generally accepted accounting principle (GAAP) for all health and welfare plans, including multiemployer plans, requires the disclosure of certain benefit obligations on financial statements. It does not require funding of the obligations. It only requires that the obligations be disclosed.

While FASB ASC 965 lists several types of benefit obligations, the scope of this report is limited to the postretirement welfare benefit obligation. This report does not include other required disclosures such as Accumulated Eligibility Credits (AEC) or claims Incurred But Not Reported (IBNR).

The postretirement benefit obligation must be measured using the methodology mandated by the Financial Accounting Standards Board's Accounting Standards Codification 715 (FASB ASC 715), *Compensation — Retirement Benefits*. FASB ASC 715 requires the accrual of the cost of postretirement benefits over the course of an employee's working career, instead of on a cash or "pay-as-you-go" basis.

The actuarial present value of the projected benefits expected to be paid to current and future retirees and their dependents and beneficiaries under the plans is the Expected Postretirement Benefit Obligation (EPBO). In general, FASB ASC 965 and FASB ASC 715 require that the EPBO be attributed in equal amounts to each year of service from date of hire to the "full eligibility date" — typically the earliest date on which a participant can retire with full postretirement welfare benefits. The portion of the EPBO attributed to service prior to the valuation date is the Accumulated Postretirement Benefit Obligation (APBO). FASB ASC 965 requires reporting of a Benefit Obligation that effectively is the APBO (as measured using the methodology prescribed in FASB ASC 715).

The Benefit Obligation must be shown separately for each of the following classes of participants:

- Retirees and their beneficiaries and covered dependents,
- Other participants fully eligible for benefits, and
- Other participants not yet fully eligible for benefits.

FASB ASC 965 also requires the disclosure of the effect on the obligation of a one percentage point increase in the assumed health care cost trend rates for each future year.

Section 2: Valuation Results

Highlights of the valuation

Plan obligations are $1,682,442 as of March 31, 2024, a decrease of $668,655 from last year.

Plan obligations had been expected to increase $107,575 due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total obligation, less expected benefit payments. The difference between the actual and expected change was the net effect of several factors:

- An **actuarial experience gain** lowered obligations by $126,226. This was the net result of gains and losses due to demographic changes, primarily that no one elected retiree medical coverage during the prior year. We have taken these actuarial gains and losses into consideration in reviewing our assumptions for the current valuation.
- **Valuation assumption changes** decreased obligations by $650,004 This was the result of:
  - a *decrease* in obligations due to assuming no future retirees will elect medical coverage. This change is based on a review of recent experience and the cost of coverage in the exchanges, and also necessitated a revision in the administrative expense assumption/methodology.
  - a *decrease* in obligations due to updating all demographic assumptions to match the changes to the related pension fund.
  - a *decrease* in obligations due to increasing the discount rate.

    The discount rate is reset each year based on the rates of return on high-quality fixed income investments currently available as of the valuation measurement date whose cash flows match the timing and amount of expected benefit payments.

  The complete set of assumptions is shown in Section 4.

Summary of valuation results

Valuation Result	2023	2024
Accumulated Postretirement Benefit Obligation (APBO):		
• Current retirees, beneficiaries and dependents	$921,463	$1,240,973
• Other participants fully eligible for benefits	594,398	260,046
• Other participants not yet fully eligible for benefits	835,236	181,423
• **Total**	**$2,351,097**	**$1,682,442**
Change in obligation:		
• Benefits earned net of benefits paid		$107,575
• Actuarial experience gain		-126,226
• Changes in actuarial assumptions		-650,004
• Plan amendments		0
• **Total**		**-$668,655**
Effect of increase in health trend rate of 1%:		
• Change		$63,363
• Adjusted obligation		$1,745,805

Section 2: Valuation Results

Assumptions	2023	2024
• Discount rate	4.72%	5.07%
• Health trend rates and contribution:	7.00% graded to 4.50% over 11 years	N/A
• Administrative expense increase rate	3.00%	3.00%
• Preretirement mortality rates:	RP-2014 Mortality Table with Blue Collar Adjustment, adjusted to base year 2006, with fully generational projection using 25% of projection scale MP-2016	Headcount-Weighted Pri-2012 Blue Collar Health Employee Mortality Table projected generationally from 2012 using 25% of projection scale MP-2021
• Postretirement mortality rates:		
– Healthy	RP-2014 Mortality Table with Blue Collar Adjustment, adjusted to base year 2006, with fully generational projection using 25% of projection scale MP-2016	Headcount-Weighted Pri-2012 Blue Collar Healthy Retiree Mortality Table projected generationally from 2012 using 25% of projection scale MP-2021
– Disabled	RP-2014 Disabled Mortality Table, adjusted to base year 2006, with two-year set forward and no future improvement	Headcount-Weighted Pri-2012 Disabled Mortality Table projected generationally from 2012 using 25% of projection scale MP-2021

Actuarial certification

November 7, 2024

This is to certify that Segal has conducted an actuarial valuation of certain benefit obligations of the International Union of Operating Engineers Local 487 Health & Welfare Trust Fund postretirement welfare benefit programs as of March 31, 2024, in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of FASB ASC 965 for the determination of the obligation for postretirement benefits other than pensions.

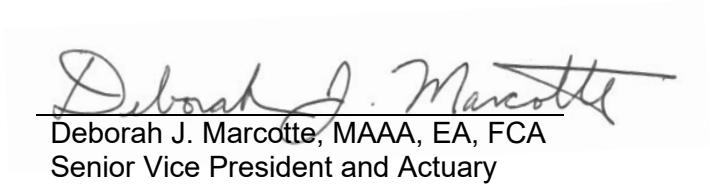
The actuarial valuation is based on the plan of benefits verified by the Plan Administrator and reliance on participant, premium, claims and expense data provided by the Plan Administrator or from vendors employed by the Fund. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report, and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security at termination or adequacy of funding an ongoing plan.

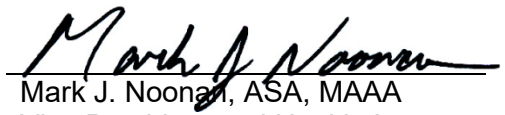
Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. The scope of the assignment did not include performing an analysis of the potential range of such future measurements.

Section 2: Valuation Results

The signing actuaries are members of the American Academy of Actuaries and collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, this report is complete and accurate and in our opinion presents the information necessary to comply with FASB ASC 965 with respect to the benefit obligations addressed. Further, in our opinion, the assumptions are reasonably related to the experience and expectations of the postemployment benefit programs.



Deborah J. Marcotte, MAAA, EA, FCA
Senior Vice President and Actuary



Mark J. Noonan, ASA, MAAA
Vice President and Health Actuary

Section 3: Valuation Details

Exhibit A: Accumulated Postretirement Benefit Obligation (APBO)

Item	March 31, 2023 APBO	Percentage	March 31, 2024 APBO	Percentage
APBO by Participant Class				
• Current retirees, beneficiaries, and dependents	$921,463	—	$1,240,973	—
• Other participants fully eligible for benefits	594,398	—	260,046	—
• Other participants not yet fully eligible for benefits	835,236	—	181,423	—
• **Total APBO**	**$2,351,097**	**—**	**$1,682,442**	**—**
Effects of retiree contributions				
• Plan benefits before reduction for retiree contributions	$3,407,189	100%	$1,729,437	100%
• Less projected retiree contributions	-1,056,092	-31%	-46,995	-3%
• **Net APBO**	**$2,351,097**	**69%**	**$1,682,442**	**97%**

Note: Using trend rates 1% higher than the assumed health care cost trend rates will increase the APBO as of March 31, 2024 by $63,363 to $1,745,805.

Exhibit B: Changes in benefit obligation

Item	Component	Amount
APBO at March 31, 2023		**$2,351,097**
1. Benefits earned net of benefits paid:		
a. Service cost	$86,863	
b. Interest cost	112,921	
c. Expected benefits paid net of retiree contributions	-92,209	
d. Subtotal		**$107,575**
2. Actuarial experience gain		-126,226
3. Changes in actuarial assumptions		-650,004
4. Plan amendments		0
5. Net decrease		**-$668,655**
APBO at March 31, 2024		**$1,682,442**

Section 4: Supporting Information

Exhibit C: Summary of participant data

Statistics	March 31, 2023[1]	March 31, 2024[1]
Retirees:		
Number of retirees[2]	149	153
Average age of retirees	75.5	76.0
Number of spouses[2]	0	0
Average age of spouses	N/A	N/A
Surviving spouses:		
Number	0	0
Average age	N/A	N/A
Active participants:		
Number	592	582
Average age	46.5	46.0
Average years of service	11.5	10.8
Average expected retirement age	62.9	63.0
Number fully eligible for benefits	97	91
Number not yet fully eligible for benefits	495	491

[1] The March 31, 2024 and March 31, 2023 valuations were based on census data as of March 31, 2024 and March 31, 2023, respectively.
[2] There were no retirees or spouses enrolled in healthcare coverage. All retirees are currently receiving life insurance.

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Exhibit D: Statement of actuarial assumptions/methods

Data

Detailed census data, claim experience, premium rates, and summary plan descriptions for postretirement welfare benefits were provided by the Plan Administrator.

Actuarial cost method

The Benefit Obligation is the Accumulated Postretirement Benefit Obligation (APBO), as computed in accordance with the provisions of FASB ASC 715. The APBO is equal to that portion of the total Expected Postretirement Benefit Obligation (EPBO) deemed to have been earned to date, calculated using the Projected Unit Credit method. For retired and active employees who have attained full eligibility for postretirement benefits, the APBO is equal to the EPBO. For active employees who have not yet attained full eligibility for postretirement benefits, the APBO is a prorated portion of the EPBO based on service to date compared with service at the earliest date of full eligibility for benefits. These obligations were developed using standard actuarial projection techniques.

Measurement date

March 31, 2024

Discount rate

5.07%

The discount rate is reset each year based on the rates of return on high-quality fixed income investments currently available as of the valuation measurement date whose cash flows match the timing and amount of expected benefit payments.

Demographic assumptions

Many of the demographic assumptions used in this valuation (including mortality, disability, turnover, retirement, and relative ages of spouses) are the same as used in the Central Pension Fund (CPF) of the IUOE and Participating Employers Actuarial Valuation prepared by Horizon as of February 1, 2023. Because many of the participants in this Plan are also participants in the CPF (or similar local plans) and are eligible for benefits under this Plan only if they also retire under the CPF, we have no reason to doubt the reasonableness of these assumptions for use in this valuation.

The remaining demographic assumptions, such as enrollment elections, were based on the experience of the Plan and the experience of similar multiemployer plans.

Preretirement mortality rates

Headcount-Weighted Pri-2012 Blue Collar Health Employee Mortality Table projected generationally from 2012 using 25% of projection scale MP-2021

Postretirement mortality rates

Healthy: Headcount-Weighted Pri-2012 Blue Collar Healthy Retiree Mortality Table projected generationally from 2012 using 25% of projection scale MP-2021

Disabled: Headcount-Weighted Pri-2012 Disabled Mortality Table projected generationally from 2012 using 25% of projection scale MP-2021

Disability rates

Age	Current Male Rate	Current Female Rate	Previous Male Rate	Previous Female Rate
20	0.0246%	0.0115%	0.0433%	0.0202%
30	0.0406%	0.0329%	0.0715%	0.0579%
40	0.1047%	0.0984%	0.1550%	0.1456%
50	0.4429%	0.3694%	0.6177%	0.5152%

Withdrawal rates (per 100 employees)

Years of Vesting Service	Current Rate	Previous Rate	Years of Vesting Service	Current Rate	Previous Rate
0	33.0%	26.0%	11	6.0%	4.0%
1	19.0%	18.0%	12	6.0%	4.0%
2	14.0%	12.0%	13	5.0%	4.0%
3	11.0%	10.0%	14	4.0%	3.0%
4	9.0%	8.0%	15	4.0%	4.0%
5	10.0%	9.0%	16	4.0%	3.0%
6	9.0%	8.0%	17	4.0%	3.9%
7	8.0%	7.0%	18	4.0%	3.0%
8	8.0%	6.0%	19	3.0%	2.0%
9	7.0%	6.0%	20 & over	2.0%	2.0%
10	7.0%	5.0%			

Retirement rates (%)

Age	Current Rate Less Than 25 Years of Service	Previous Rate Less Than 25 Years of Service	Current Rate 25 Years or Greater of Service	Previous Rate 25 Years or Greater of Service
55	3.0%	4.0%	10.0%	11.0%
56	2.0%	2.0%	7.0%	7.0%
57	2.0%	2.0%	7.0%	7.0%
58	3.0%	3.0%	9.0%	9.0%
59	4.0%	4.0%	11.0%	10.0%
60	5.0%	5.0%	13.0%	13.0%
61	9.0%	9.0%	20.0%	18.0%
62	20.0%	24.0%	38.0%	45.0%
63	13.0%	14.0%	21.0%	21.0%
64	17.0%	15.0%	24.0%	23.0%
65	33.0%	36.0%	39.0%	40.0%
66	28.0%	24.0%	34.0%	31.0%
67	22.0%	20.0%	26.0%	23.0%
68	21.0%	20.0%	26.0%	22.0%
69	21.0%	21.0%	25.0%	25.0%
70	100.0%	100.0%	100.0%	100.0%

Unknown data for participants

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Participation and coverage election

0% (previously 7%) of employees eligible to retire and receive subsidized postretirement welfare coverage were assumed to participate in the Plan. 50% of employees eligible to retire and receive subsidized postretirement life insurance coverage are assumed to participate.

Dependents

When needed, demographic data was available for some spouses of retirees. For future retirees and current married retirees with no spouse demographic data, husbands were assumed to be three years older than their wives.

Per capita cost development: HMO plan, including prescription drug, dental, and vision benefits

Per capita claims costs if needed, would be based on the composite Aetna average premium rates in effect for the valuation year. Actuarial factors would be applied to the average premium cost to estimate individual retiree and spouse costs by age and gender.

Administrative expenses

An administrative expense load of $10 per month per retiree receiving life insurance benefits increasing at 3.0% per year (with a floor of $19,680) was included in the development of the benefit obligations.

This amount was based on a review of claims and expenses paid as well as a review of expenses for plans with similar benefits.

Retiree contribution increase rate

No increase in required retiree contributions for life insurance was assumed.

Health care reform assumption

The valuation does not reflect the potential impact of any future changes due to prior or pending legislation.

Plan design

Development of plan liabilities was based on the plan of benefits in effect as described in Exhibit E.

Models

Segal accounting results are based on proprietary actuarial modeling software. The accounting valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuaries.

The model that generates the Segal Yield Curve is developed by Segal actuaries and programmers, in conjunction with Segal Marco Advisors relying on their fixed-income market expertise.

Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.

Assumption changes since prior valuation

- The discount rate was increased from 4.72% to 5.07%.
- The healthcare enrollment assumption was decreased from 7% to 0%. All other associated asssumptions were either eliminated or modified such that only life insurance and an associated administrative expense were included in the development of the Plan's obligations.
- The demographic assumptions for disability, turnover, mortality and retirement were updated.

Exhibit E: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Eligibility

For Local 487: Retired on or after age 55 with at least 25 years of service or age 60 with at least 5 years of service or age 65 and receiving a pension under the Operating Engineers Local 487 Pension Trust or successor plan or disabled with at least 10 years of service and entitled to Social Security Disability payments.

For Local 675: Retired on or after age 53 with at least 10 years of service or age 65 with at least 5 years of service and receiving a pension under the Operating Engineers Local 675 Pension Plan or successor plan or disabled with at least 5 years of service and entitled to Social Security Disability payments.

Benefit types

Medical, vision, dental, prescription drug and life insurance benefits are provided to all eligible retirees.

Duration of coverage

Medical benefits terminate at age 65. Life insurance is continued past age 65.

Dependent benefits

Medical, vision, dental and prescription drug coverage.

Dependent coverage

Benefits are payable to a spouse until age 65, regardless of when the retiree dies.

Retiree contributions

Retiree and spouse contribution rates are the same as active premium rates. The table below outlines monthly contribution rates for participants.

Retiree Contributions Effective 4/1/2024	Single	2-Party	Family
Aetna w/Dental HMO	$716.25	$1,516.99	$2,122.42
Aetna w/Dental PPO	$830.22	$1,759.22	$2,460.98
Life Insurance	$14.10	N/A	N/A

Note: For Local 487 retirees, contributions for life insurance are not required after age 65.

Benefit descriptions

Medical	
Annual deductible (Individual/Family)	$2,500 Individual / $5,000 Family
Coinsurance	Member pays 20%
Maximum out-of-pocket expense (Individual/Family)	$8,550 Individual / $17,100 Family
Physician Office Visit	$30 copay
Specialist	$50 copay

Prescription Drugs	
Retail - Tier 1	$20
Tier 2	$40
Tier 3	$60
Specialty (NPH HMO Only)	$20 - $125
Mail Order - Tier 1	$40*
Tier 2	$80*
Tier 3	$120*
*For a 90-day supply	

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Life Insurance	$10,000 – Retiree only
Vision	
Exam	$20 Copay
Lenses	$20 Copay
Frames	$130 Allowance
Dental	
Deductible	$0
Copayments	Scheduled
Annual Maximum	None

Changes in plan provisions since prior valuation

None.