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

Actuarial Valuation and Review of Postretirement Welfare Benefits as of March 31, 2021 in Accordance with FASB ASC 965

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September 1, 2021

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, 2021. 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 is based on information received from the Fund Office. The actuarial projections were based on the assumptions and methods described in Exhibit 2 and on the plan of benefits as summarized in Exhibit 3.

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.

Table of Contents

Section 1: Introduction 4
- Important information about actuarial valuations 4
- Purpose 6
- Accounting requirements 7

Section 2: Valuation Results 8
- Highlights of the valuation 8
- Summary of valuation results 9
- Actuarial certification 10

Section 3: Valuation Details 12
- Exhibit A: Accumulated Postretirement Benefit Obligation (APBO) 12
- Exhibit B: Changes in Benefit Obligation 13

Section 4: Supporting Information 14
- Exhibit 1: Summary of Participant Data 14
- Exhibit 2: Statement of Actuarial Assumptions/Methods 15
- Exhibit 3: Summary of Plan Provisions 21

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:

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. Segal's valuation is based on our 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.

As Segal has no discretionary authority with respect to the management of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

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, 2021. 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.

The Coronavirus (COVID-19) pandemic continues to evolve and has had a significant effect on the US economy, including most retiree health plans, and will likely continue to have an effect in the future. Our results do not include the effect of the following:

- Direct or indirect effects of COVID-19 on short-term health plan costs
- Changes in interest rates since March 31, 2021
- Short-term or long-term effects on the mortality of the covered population
- The potential for federal or state fiscal relief

We will keep you updated on emerging developments.

Accounting requirements

In August 1992 the AICPA issued SOP 92-6 — *Accounting and Reporting by Health and Welfare Benefit Plans* (amended by SOP 01-2). This Statement of Position added a generally accepted accounting principle (GAAP) for all health and welfare plans, including multiemployer plans, requiring the disclosure of certain benefit obligations on financial statements. SOP 92-6 does not require funding of the obligations. It only requires that the obligations be disclosed.

Effective July 1, 2009, accounting principles were reorganized into a new structure, the Accounting Standards Codification (ASC). SOP 92-6 is now known as FASB ASC 965.

While FASB ASC 965 lists several types of benefit obligations, the scope of this report is limited to the postretirement welfare benefit obligation. This 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 $2,482,955 as of March 31, 2021, a decrease of $598,002 from last year.

Plan obligations had been expected to increase $154,872 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 $223,382. This was the net result of gains and losses due to demographic changes, including a 17% decline in active participants. We have taken these actuarial gains and losses into consideration in reviewing our assumptions for the current valuation.
- **Valuation assumption changes** decreased obligations by $378,809. This was the net result of:
  - a *decrease* in obligations primarily due to lowering the valuation-year per capita health costs, partially offset by an increase in the future trend on such costs,
  - a *decrease* in obligations due to lowering the assumed healthcare enrollment,
  - an *increase* in obligations due to lowering 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 Exhibit 2.
- **Plan and contribution rate changes** decreased obligations by $150,683. Effective January 1, 2021, annual deductibles and maximum out-of-pocket expenses were increased for UHC and NHP HMO participating providers. In addition, retiree contribution rates were decreased. The current plan of benefits is summarized in Exhibit 3.

It is our understanding that the Plan complies with the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) as of the valuation date. The effect on the obligation of future aspects of the Acts are assumed to be *de minimis*.

Summary of valuation results

		2020	2021
Accumulated Postretirement Benefit Obligation (APBO):	• Current retirees, beneficiaries and dependents	$1,083,681	$1,109,457
	• Other participants fully eligible for benefits	853,849	559,686
	• Other participants not yet fully eligible for benefits	1,143,427	813,812
	• Total	$3,080,957	$2,482,955
Change in Obligation:	• Benefits earned net of benefits paid		$154,872
	• Actuarial experience gain		-223,382
	• Changes in actuarial assumptions		-378,809
	• Plan amendments (and contribution rate changes)		-150,683
	• Total		-$598,002
Effect of Increase in Health Trend Rate of 1%:	• Change		$119,742
	• Adjusted obligation		2,602,697
Assumptions:	• Discount rate	2.95%	2.90%
	• Health and contribution trend rates:	7.50% graded to 4.50% over 13 years	7.50% graded to 4.50% over 13 years
	• Administrative expense increase rate	Same as current year	2.50%
	• Postretirement mortality rates:		
	– Healthy	Same as current year	RP-2014 Mortality Table with Blue Collar Adjustment, adjusted to base year 2006, with fully generational projection using 25% of projection Scale MP-2016
	– Disabled	Same as current year	RP-2014 Disabled Mortality Table, adjusted to base year 2006, with two-year set forward and no future improvement

Actuarial certification

September 1, 2021

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, 2021, 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.

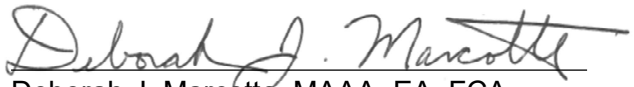
The actuarial valuation is based on the plan of benefits verified by the Plan Administrator and reliance on participant, premium, claims and expense data provided by the Plan Administrator or from vendors employed by the Fund. Segal does not audit the data provided. The accuracy and comprehensiveness 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)

	APBO as of March 31,			
	2020		2021	
APBO				
• Current retirees, beneficiaries, and dependents	$1,083,681		$1,109,457	
• Other participants fully eligible for benefits	853,849		559,686	
• Other participants not yet fully eligible for benefits	1,143,427		813,812	
• Total	$3,080,957		$2,482,955	
Effects of Retiree Contributions				
• Plan benefits before reduction for retiree contributions	$4,556,127	100%	$3,360,943	100%
• Less projected retiree contributions	-1,475,170	-32%	-877,988	-26%
• Net obligation	$3,080,957	68%	$2,482,955	74%

Note: Using trend rates 1% higher than the assumed health care cost trend rates will increase the APBO to $2,602,697 as of March 31, 2021, an increase of $119,742 over the reported number.

Exhibit B: Changes in Benefit Obligation

		Changes in APBO
APBO at March 31, 2020		$3,080,957
Change during the year attributable to:		
• Benefits earned net of benefits paid:		
• Service cost	$167,827	
• Interest cost	89,390	
• Expected benefits paid net of retiree contributions	-102,345	
Subtotal		$154,872
• Actuarial experience gain		-223,382
• Changes in actuarial assumptions		-378,809
• Plan amendments (and contribution rate changes)		-150,683
Total decrease		-$598,002
APBO at March 31, 2021		**$2,482,955**

Section 4: Supporting Information

Exhibit 1: Summary of Participant Data

Category	As of March 31 2020	As of March 31 2021
Retirees:		
• Number of retirees	149	152
• Average age of retirees	75.8	75.9
• Number of retirees receiving medical benefits	0	0
• Number of spouses receiving medical benefits	0	0
Surviving spouses:		
• Number	0	0
• Average age	N/A	N/A
Active participants:		
• Number	619	513
• Average age	47.1	47.3
• Average years of service	9.3	10.4
• Average expected retirement age	63.3	63.2
• Number fully eligible for benefits	94	82
• Number not yet fully eligible for benefits	525	431

Exhibit 2: Statement of Actuarial Assumptions/Methods

Data	Detailed census data, 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, 2021
Discount Rate	2.9% 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 as of February 1, 2020, dated October 20, 2020 and completed by Horizon Actuarial Services. Since 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.
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 *Disabled*: RP-2014 Disabled Mortality Table, adjusted to base year 2006, with two-year set forward and no future improvement

Section 4: Supporting Information

Disability Rates

	Rate (%)	
Age	**Male**	**Female**
20	0.0433	0.0202
30	0.0715	0.0579
40	0.1550	0.1456
50	0.6177	0.5152

Withdrawal Rates (per 100 employees)

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

Section 4: Supporting Information

Retirement Rates

Age	Service Less Than 25 Years	25 Years or Greater
55	4.0%	11.0%
56	2.0%	7.0%
57	2.0%	7.0%
58	3.0%	9.0%
59	4.0%	10.0%
60	5.0%	13.0%
61	9.0%	18.0%
62	24.0%	45.0%
63	14.0%	21.0%
64	15.0%	23.0%
65	36.0%	40.0%
66	24.0%	31.0%
67	20.0%	23.0%
68	20.0%	22.0%
69	21.0%	25.0%
70	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	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. Future retirees are assumed to stay in the Plan in which they are currently enrolled.
Dependents	Demographic data was available for spouses of current retirees. For future retirees, husbands were assumed to be three years older than their wives. Of those future retirees who elect to continue their health coverage at retirement, 65% were assumed to have an eligible spouse who also opts for health coverage at that time.

Section 4: Supporting Information

Per Capita Cost Development: HMO Plan, including Prescription Drug, Dental, and Vision Benefits)

Per capita claims costs were based on the composite United Healthcare HMO average premium rates in effect from April 1, 2021 through March 31, 2022. Actuarial factors were applied to the average premium cost to estimate individual retiree and spouse costs by age and gender.

Per Capita Cost Development: Administrative Expenses

Administrative expenses were based on experience furnished by the Fund Office for the period April 1, 2018 through March 31, 2021. Expenses were separated by plan year and actuarial factors were applied to develop per capita expenses. Per capita expenses for each Plan year were then combined by taking a weighted average. The weights used in this average account for a number of factors including each Plan year's volatility of expense experience and distance to the valuation year.

Per Capita Health Cost

Medical, prescription drug, dental and vision claims costs for the plan year beginning April 1, 2021, excluding assumed Fund Office expenses, are shown in the table below for retirees and for spouses of selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Medical, Drug, Dental, and Vision

	Retiree		Spouse	
Age	**Male**	**Female**	**Male**	**Female**
50	$10,972	$12,497	$7,664	$10,034
55	13,030	13,453	10,255	11,615
60	15,474	14,500	13,728	13,471
64	17,753	15,382	17,330	15,162
65	0	0	0	0

Administrative Expenses

An administrative expense load of $237 per eligible participant for the plan year beginning April 1, 2021 increasing at 2.5% per year was added to projected incurred claim costs in developing the benefit obligations.

Section 4: Supporting Information

Health Care Trend Rates

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are "net" and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that is applied to that year's cost to yield the next year's projected cost.

Year Ending March 31,	Medical, Drug, Dental and Vision Trend (%)
2022	7.50%
2023	7.25%
2024	7.00%
2025	6.75%
2026	6.50%
2027	6.25%
2028	6.00%
2029	5.75%
2030	5.50%
2031	5.25%
2032	5.00%
2033	4.75%
2034 & later	4.50%

The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 2021 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers, and CPI statistics published by the Bureau of Labor Statistics.

Retiree Contribution Increase Rate

The annual increase in required retiree contributions for health care coverage was assumed to equal the medical, drug, dental and vision trend.

Health Care Reform Assumption

The valuation does not reflect the potential impact of any future changes due to the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010, other than those previously adopted.

Plan Design

Development of plan liabilities was based on the plan of benefits in effect as described in Exhibit 3.

Section 4: Supporting Information

Assumption Changes since Prior Valuation	The discount rate was decreased from 2.95% to 2.90%. The healthcare enrollment assumption was lowered from 10% to 7%. Per capita health care costs were updated to include recent premiums. The adminstrative expense load per eligible participant has increased from $236 to $237. Future trend rates on medical, prescription drugs, dental, and vision were updated.

Exhibit 3: 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 in the HMO plans.

Retiree Contributions Effective 1/1/2021	Single	2-Party	Family
Neighborhood Health Plan with DHMO and Vision	$579.44	$1,214.44	$1,711.55
UHC HMO with PPO Dental and Vision	$800.57	$1,678.45	$2,373.19
Life Insurance	$14.90	N/A	N/A

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

Section 4: Supporting Information

Benefit Descriptions

	UHC and NHP HMO* Participating Providers
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
Virtual Visit (UHC only)	$10 copay
Prescription Drugs	
Retail - Tier 1 *Tier 2* *Tier 3* *Specialty (NPH HMO Only)*	$20 $40 $60 $125 - $250
Mail Order - Tier 1 *Tier 2* *Tier 3* ** For a 90-day supply*	$40* $80* $120*
NHP HMO Out of Pocket Maximum	Combined with medical
Life Insurance	$10,000 – Retiree only

Section 4: Supporting Information

	Vision	**In Network**	**Out of Network**
	Exam	$20 Copay	$40 Reimbursement
	Lenses	$20 copay - Standard lenses covered in full, upgrades are eligible for discount	$40 - $80 Reimbursement
	Frames	$130 allowance	$45 Reimbursement
	Dental	**HMO**	**PPO**
	Deductible	$0	$50/$150
	Copayments	Scheduled	$0
	Annual Maximum	None	$1,000
Plan Changes	Effective January 1, 2021 for UHC and NHP HMO participating providers, the individual and family annual deductibles were increased from $1,500 and $3,000 to $2,500 and $5,000, respectively and the individual and family maximum out-of-pocket expenses were increased from $2,500 and $5,000 to $8,550 and $17,100, respectively. Due to UHC's expansion of its HMO coverage to the entire state of Florida and no current enrollment in the UHC POS plan, this valuation assumes no enrollment in the UHC POS plan for this year or in any future years. Contribution rates for participants in the HMO plans decreased. Previously, they were:		

Retiree Contributions Effective 6/1/2020	**Single**	**2-Party**	**Family**
Neighborhood Health Plan with DHMO and Vision	$630.85	$1,332.41	$1,863.21
UHC HMO with DHMO and Vision	$871.29	$1,826.97	$2,581.82
UHC HMO or POS with PPO Dental and Vision	$871.29	$1,826.97	$2,581.82

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