

Flagler County School District
Actuarial Valuation of Other Postemployment Benefits
Under GASB 43 and GASB 45
as of March 1, 2011
for Fiscal Years Ending June 30, 2011 and June 30, 2012

**FLAGLER COUNTY SCHOOL DISTRICT
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

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FLAGLER COUNTY SCHOOL DISTRICT
Other Post-Employment Benefits Program

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FLAGLER COUNTY SCHOOL DISTRICT OTHER POST-EMPLOYMENT BENEFITS PROGRAM

CERTIFICATION

We prepared an actuarial valuation of the Flagler County School District's other post-employment benefits program as of March 1, 2011, for the fiscal years ending June 30, 2011 and June 30, 2012. In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the School District. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the plan and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the plan.

The results contained in this report do not reflect potential changes in future health costs due to the passage of the Patient Protection and Affordable Care Act. The impact on future health costs due to this legislation will depend on a number of factors, including future regulations, which are not yet known. An analysis of the impact of healthcare reform on future plan costs was beyond the scope of this project.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as 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); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial computations presented in this report under GASB Statements No. 43 and 45 are for purposes of fulfilling financial accounting requirements. The calculations in this report have been made on a basis consistent with our understanding of the OPEB plan provisions described in this report and of GASB Statements No. 43 and 45. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in



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CERTIFICATION

this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of the Flagler County School District. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- (a) The School District may provide a copy of Milliman's work, in its entirety to the plan's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the plan.

- (b) The School District may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs. The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting advice.


On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

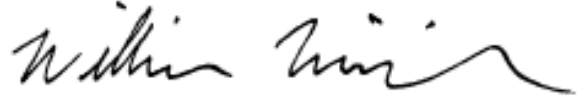
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We respectfully submit the following report, and we look forward to discussing it with you.

Milliman, Inc.


John C. Muehl, FSA, MAAA
Consulting Actuary


William D. Winningham, EA, MAAA
Actuary

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OVERVIEW OF GASB 43 AND GASB 45

GASB 43 requires retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 43 only applies in situations where a separate trust is established to prefund these benefits. GASB 45 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these annual accounting costs are in excess of or less than actual cash contributions, including any benefit payment made by the employer.

GASB 43 and 45 apply to almost all benefits, other than pension benefits, that are provided after retirement: medical, dental, vision, and hearing benefits plus life insurance and long term care insurance. The benefits provided by the School District to retirees include medical, prescription drug, dental and life insurance. The philosophy driving the accounting standard is that these post-employment benefits are part of the compensation that is paid to employees in return for their services, and the cost of these benefits should be recognized while the employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 43 and 45 extend the same thinking to all other post-employment benefits.

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THE VALUATION PROCESS

The process of determining the liability for retiree medical benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates: How likely is it that an employee will qualify for post-employment benefits and when will they start receiving benefits?

Medical inflation and claims costs assumptions: When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption: How long is a retiree likely to receive the benefits?

Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the School District, the present value is divided into three pieces: the part that is attributed to past years (the "Actuarial Accrued Liability" or "Past Service Liability"), the part that is being earned this year (the "Normal Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Actuarial Accrued Liability (AAL) and the Normal Cost have been calculated, the next step is to determine an Annual Required Contribution (ARC). This consists of two pieces:

- Normal Cost – because the benefits earned each year should be paid for each year
- Amortization of Unfunded AAL – an amount to amortize the Unfunded Actuarial Accrued Liability (UAAL) over a period not to exceed 30 years

The final step is to keep track going forward of how much of the ARC is actually funded each year. There is no requirement to actually fund these benefits, but the cumulative difference between the ARC and the amount actually funded (including benefit payments made directly by the School District) must be reported as a Net OPEB Obligation on the School District's financial statements. The funded status (Assets vs. Actuarial Accrued Liability) must also be disclosed as a footnote to the financial statements. In addition, the Discount Rate used to calculate the liabilities must reflect the expected investment income of whatever funds are set aside to prefund the benefits; if there is no prefunding then the Discount Rate will be much lower and the liabilities significantly higher than if the benefits are prefunded to the extent that assets prefunded are expected to earn higher returns than the School District's operating funds.

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IMPLICIT RATE SUBSIDIES

As part of the Other Post-Employment Benefits Program, there are situations where the cost is borne partly or entirely by retirees. For instance, Employees may opt to continue to be covered beyond retirement but must pay 100% of the active premium for medical coverage. In most cases, the premium that is used is lower than the true cost of providing the medical benefits, for two reasons:

- The cost sharing premium is usually a fixed amount that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits.
- The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit rate subsidy". GASB 43 and 45 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by Milliman's health actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed on the prior page. We term this amount the "gross liability".

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current retiree contribution and retiree medical program.

Finally, the net liability for the School District is calculated as the difference between the gross liability and the offset liability.

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SUMMARY OF LIABILITIES AS OF MARCH 1, 2011

We have broken the Actuarial Accrued Liability into several pieces: benefits that are expected to be paid to current active members and their covered dependents after retirement, and the same figures for members who have already retired and are currently receiving benefits. In all cases, the Actuarial Accrued Liability only reflects benefits that are paid for by the School District, taking into account any implicit rate subsidies.

Current active members

Employees	\$3,229,071
Dependents	<u>233,143</u>
Total	\$3,462,214

Current retired members

Retirees	\$515,872
Dependents	<u>44,324</u>
Total	\$560,196

Total Actuarial Accrued Liability	\$4,022,410
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ACTUARIAL (GAIN) / LOSS

The plan experienced an actuarial gain since the previous valuation. The sources of this gain are as follows:

1. Lower than expected increase in medical premiums.
2. Changes in the assumed rates of retirement, withdrawal, disability and mortality consistent with assumptions recently adopted by the Florida Retirement System.
3. Demographic changes in the covered population.
4. Updated early retirement morbidity estimates.

Actuarial Accrued Liability (AAL) at 3/1/2009	\$3,579,153
Normal Cost at 3/1/2009	336,642
Estimated Benefit Payments as of 3/1/2009	128,104
Estimated AAL at 3/1/2011	\$4,279,152
Actual AAL at 3/1/2011	<u>4,022,410</u>
(Gain) / Loss on AAL	(\$256,742)

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ANNUAL REQUIRED CONTRIBUTION

The Annual Required Contribution (ARC) for the retiree medical insurance program consists of two pieces: a Normal Cost (the cost of benefits earned each year should be accrued in that year) plus an Amortization of Unfunded AAL (a catch-up accrual to amortize the Unfunded Actuarial Accrued Liability). The amortization period should be reasonably related to the period of service over which retiree medical benefits are earned. The School District utilizes a 30 year amortization period, which is the longest period permitted by GASB 45. The amortization produces annual payments that are designed to increase over time as payroll grows. It is the plan sponsor's responsibility to select the amortization period.

	Total
Actuarial Accrued Liability	\$4,022,410
Assets	0
Unfunded Actuarial Accrued Liability	4,022,410
Amortization Period	30
Amortization Cost	134,080
Normal Cost	379,231
Interest to the end of the Fiscal Year	6,844
ARC for FY 2011	\$520,155

The School District can use the results of this valuation for two fiscal years. If the School District uses this valuation for the year ending June 30, 2012, the ARC for FY 2012 would be \$553,684.

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PROJECTED PAYOUTS

The annual School District payments for retiree medical benefits are expected to rise in coming years, both because medical costs are expected to rise over time and because more employees will retire and start to receive employer-paid medical benefits. The table below shows the expected annual payments for retiree medical insurance benefits for the next 10 years. Note this is a closed group projection (that is, no new hires after the valuation date are assumed in this projection.)

Fiscal Year Ending June 30:	Projected Payouts
2011	\$166,403
2012	\$195,061
2013	\$197,670
2014	\$219,077
2015	\$247,597
2016	\$262,355
2017	\$304,772
2018	\$343,907
2019	\$372,989
2020	\$415,995

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GASB DISCLOSURE INFORMATION

The following information is required to be disclosed in the School District's financial statement in accordance with GASB 45. The dollar amounts are rounded to the nearest hundred.

A. Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability (AAL)</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a / b)	<u>Covered Payroll</u> (c)	<u>UAAL as a Percentage of Covered Payroll</u> ((b - a) / c)
3/1/2009	\$0	\$3,579,153	\$3,579,153	0.0%	\$63,355,000	5.6%
3/1/2011	\$0	\$4,022,410	\$4,022,410	0.0%	64,969,500	6.2%

B. Net OPEB Cost and Net OPEB Obligation

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Interest on OPEB Obligation</u>	<u>Adjustment to the ARC</u>	<u>Net OPEB Cost at End of FY</u>	<u>Contributions For FY</u>	<u>Interest on Contributions</u>	<u>Net OPEB Obligation at End of FY</u>
6/30/2009	\$461,897	\$0	\$0	\$461,897	\$128,104	\$0	\$333,793
6/30/2010	\$461,897	\$18,476	(\$11,510)	\$468,863	\$167,524	\$0	\$635,132
6/30/2011	\$520,155	\$25,405	(\$22,018)	\$523,542	\$166,403	\$0	\$992,271
6/30/2012	\$553,684	\$39,691	(\$34,216)	\$559,159	TBD	TBD	TBD

C. Schedule of Employer Contributions

<u>Fiscal Year Ending June 30,</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percent Funded</u>
2009	\$461,897	\$128,104	27.7%
2010	\$461,897	\$167,524	36.3%
2011	\$520,155	\$166,403	32.0%
2012	\$553,684	TBD	TBD



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SUMMARY OF CENSUS DATA

The following were included in our analysis as of March 1, 2011 based on information provided by the School District.

Number of members	Total
Active	1,758
Retired members	43
Spouses of retirees*	5
Total	1,806

* with pre 65 medical coverage

Average age	
Active	47.9
Retired	62.0

Active Employee – Age/Service Summary

Age	Years of Service										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	
0-24	9	15	2	-	-	-	-	-	-	-	26
25-29	22	62	36	7	-	-	-	-	-	-	127
30-34	15	63	62	22	5	-	-	-	-	-	167
35-39	12	56	57	28	10	-	-	-	-	-	163
40-44	14	60	87	25	9	12	-	-	-	-	207
45-49	12	69	94	43	20	23	6	-	-	-	267
50-54	5	55	74	35	36	23	17	1	-	-	246
55-59	5	48	78	36	23	34	14	12	-	-	250
60-64	1	41	55	30	25	35	7	4	1	1	200
65-69	1	13	34	4	7	7	3	1	-	-	70
70&Up	-	3	21	5	4	1	1	-	-	-	35
Total	96	485	600	235	139	135	48	18	1	1	1,758

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CLAIMS COST

Milliman's Health Cost Guidelines were used to develop the expected relationship of the true cost of medical insurance benefits across age and gender. Expected medical claims are based in part on historical claims, enrollment, premium and expense information provided by the School District. Claims for pre age 65 retirees include a morbidity adjustment. Representative factors are shown below.

Medical Monthly Claims Costs at Sample Ages

Age	Retiree		Spouse	
	Male	Female	Male	Female
45	\$399.82	\$503.89	\$324.41	\$419.36
50	\$512.28	\$580.87	\$425.83	\$488.29
55	\$630.21	\$656.01	\$564.23	\$579.37
60	\$785.58	\$760.81	\$735.11	\$689.60
64	\$983.26	\$912.41	\$923.47	\$828.06

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ACTUARIAL METHOD

The actuarial cost method used is the **Projected Unit Credit Cost Method**. The Annual Required Contribution (ARC) consists of two pieces: Normal Cost plus a payment towards the Unfunded Actuarial Accrued Liability.

The **Actuarial Accrued Liability (AAL)** is determined directly as the present value of benefits accrued to date, where the accrued benefit for each Member is the pro-rata portion (based on service to date) of the **projected** benefit payable at death, disability, retirement or termination.

The **Normal Cost** is similarly determined as the present value of the portion of the **projected** benefit attributable to the current year.

The **Unfunded Actuarial Accrued Liability** is the AAL less the value of any plan assets.

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ACTUARIAL ASSUMPTIONS

Discount Rate The interest rate for discounting liabilities is 4.0% per annum.

Medical/Retiree Premium Inflation Rate:

The medical trend used in this valuation is based on long term healthcare trends generated by the Getzen Model. The Getzen Model is the result of research sponsored by the Society of Actuaries and completed by a committee of economists and actuaries. This model is the current industry standard for projecting long term medical trends. Inputs to the model are consistent with the assumptions used in deriving the discount rate used in the valuation. The medical trend rate for 2011 is 7.60%. The trend rate gradually decreases to an ultimate trend rate of 4.90% over 70 years, as shown below.

	Medical
Initial inflation rate (2011)	7.60%
2012	6.90%
2013	6.40%
2014	6.30%
2015 - 2020	6.20%
2021 - 2030	6.10%
2031 - 2035	6.00%
2036	5.90%
2037 - 2038	5.80%
2039 - 2042	5.70%
2043 - 2050	5.60%
2051 - 2065	5.50%
2066 - 2073	5.40%
2074 - 2075	5.30%
2076 - 2077	5.20%
2078 - 2079	5.10%
2080 - 2081	5.00%
2082 and later	4.90%

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ACTUARIAL ASSUMPTIONS

Payroll Inflation	Payroll is assumed increase at a rate of 4.0% per annum.
Pre-Retirement Mortality	RP 2000 Mortality Table (employee and healthy annuitant tables)
Post-Retirement Mortality	Mortality rates for all members once in retirement status are based on the RP-2000 Health White Collar tables for males and females, as projected from the year 2000 to the valuation year using Projection Scale AA, adjusted by the following percentages: Male – 90.9%, Female – 95.8%
Disabled Mortality	Disability mortality rates as defined in the July 1, 2010 Florida Retirement System Valuation Report.
Termination	Rates based on length of service:

Regular – Male

Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	32.8%	27.2%	25.8%	25.8%	24.4%	24.4%	23.4%	27.4%	27.4%	27.4%
1	25.4%	18.5%	15.4%	14.3%	12.6%	12.5%	12.2%	12.2%	12.2%	12.2%
2	22.7%	17.2%	14.0%	12.8%	12.0%	11.6%	10.7%	10.7%	10.7%	10.7%
3	18.4%	14.6%	13.2%	12.6%	10.7%	10.3%	9.4%	9.3%	9.3%	9.3%
4	15.8%	12.7%	11.8%	10.9%	9.0%	8.8%	7.9%	7.8%	7.8%	7.8%
5	11.7%	9.7%	8.8%	8.5%	7.4%	6.8%	6.0%	6.8%	6.8%	6.8%
6	11.1%	8.5%	7.8%	7.5%	6.7%	6.5%	5.5%	5.4%	5.4%	5.4%
7	11.1%	8.4%	7.1%	6.8%	6.2%	6.0%	5.3%	5.2%	5.1%	5.1%
8	11.0%	7.7%	6.4%	6.2%	5.8%	5.1%	4.6%	4.4%	4.3%	4.3%
9	10.0%	6.3%	5.5%	5.3%	5.3%	5.1%	4.6%	4.3%	4.2%	4.2%
10 or more	9.8%	6.2%	4.7%	4.2%	3.0%	2.7%	3.0%	4.5%	5.3%	3.7%

Regular – Female

Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	30.3%	26.6%	25.4%	25.4%	24.4%	24.4%	23.2%	23.2%	23.2%	23.2%
1	25.8%	19.8%	16.9%	15.9%	14.0%	13.9%	13.4%	13.4%	13.4%	13.4%
2	22.1%	17.1%	14.5%	13.5%	12.1%	11.9%	11.0%	11.0%	11.0%	11.0%
3	17.4%	13.0%	11.6%	11.2%	10.0%	9.8%	8.8%	8.7%	8.7%	8.7%
4	15.4%	12.9%	11.3%	10.9%	9.1%	8.8%	8.4%	8.3%	8.3%	8.3%
5	13.5%	10.7%	9.4%	9.0%	7.0%	6.7%	6.2%	6.1%	6.1%	6.1%
6	11.4%	9.7%	8.7%	8.0%	6.5%	6.5%	5.9%	5.8%	5.8%	5.8%
7	11.3%	9.2%	8.1%	7.8%	6.3%	6.1%	5.5%	5.4%	5.4%	5.4%
8	10.5%	7.8%	7.1%	6.8%	6.1%	5.8%	5.5%	5.4%	5.4%	5.4%
9	10.2%	7.1%	6.5%	6.2%	5.0%	4.7%	4.6%	4.5%	4.5%	4.5%
10 or more	11.6%	5.3%	5.4%	4.6%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%



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ACTUARIAL ASSUMPTIONS

Retirement *

Age	Male		Female	
	Retirement at First Eligibility	Retirement Beyond First Eligibility	Retirement at First Eligibility	Retirement Beyond First Eligibility
20	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%
45	11.4%	3.0%	13.1%	1.7%
50	25.1%	9.5%	21.9%	6.2%
55	31.3%	9.1%	26.7%	7.6%
60	39.4%	10.4%	35.5%	14.6%
65	23.5%	11.0%	29.2%	19.0%

* Retirements prior to eligibility for an unreduced pension benefit are assumed to occur at the same rates as those beyond first eligibility.

Disability

Age	<u>Line of Duty</u>		<u>Non Duty</u>	
	Male	Female	Male	Female
20	0.002%	0.000%	0.000%	0.000%
25	0.002%	0.001%	0.027%	0.010%
30	0.003%	0.001%	0.053%	0.026%
35	0.005%	0.003%	0.066%	0.049%
40	0.009%	0.005%	0.092%	0.070%
45	0.014%	0.008%	0.122%	0.114%
50	0.022%	0.010%	0.203%	0.184%
55	0.034%	0.016%	0.339%	0.294%
60	0.048%	0.022%	0.445%	0.419%
65	0.050%	0.020%	0.215%	0.105%

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ACTUARIAL ASSUMPTIONS

Future Retiree Coverage 30% of employees who retire between age 50 and age 65 are assumed to elect medical coverage under the plan.

We determined that the premium paid by Medicare eligible retirees and spouses is sufficient to pay the cost of their benefits. As a result, the District has no liability or cost for Medicare-eligible retirees or spouses.

Future Dependent Coverage 25% of current active members are assumed to elect spouse coverage at retirement. All female spouses are assumed to be 3 years younger than males.

Certain actuarial demographic assumptions are based on the assumptions used in the July 1, 2010 valuation of the Florida Retirement System.

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SUMMARY OF PLAN PROVISIONS

Eligibility for Retirement

An employee must be eligible for an immediate benefit from the Florida Retirement System to be eligible for retiree benefits.

Medical Benefit

The retiree can elect from among six health options. The retiree can cover a spouse and dependent children. The retiree can change coverage during open enrollment.

The retiree pays the full premium rate for the coverage. Monthly premium rates for the period September 1, 2010 through August 31, 2011 are:

	UHC Plan 2FC	UHC Plan 7KF	UHC Plan 7 FF	UHC Plan F6G	UHC Plan 7OS	UHC Plan 7DP
Retiree	\$ 499.57	\$ 528.63	\$ 483.73	\$ 474.10	\$ 385.29	\$ 454.39
Retiree + Spouse	1,064.07	1,125.75	1,030.34	1,009.82	698.22	967.84
Retiree + Child(ren)	1,009.12	1,067.62	977.14	957.67	698.22	917.87
Family	1,288.88	1,363.59	1,248.03	1,223.17	852.20	1172.32

Medical benefits continue for life. The premium rates do not change at age 65 when the retiree or spouse becomes eligible for Medicare.

Dental Benefit

The retiree can elect from two dental options. The retiree can cover a spouse and dependent children. The retiree can change coverage during open enrollment.

The retiree pays the full premium rate for the coverage. We determined that the premium paid by retirees is sufficient to pay the cost of their benefits. As a result, the District has no liability or cost for retiree dental benefits. Monthly premium rates for the period September 1, 2010 through August 31, 2011 are:

**FLAGLER COUNTY SCHOOL DISTRICT
OTHER POST-EMPLOYMENT BENEFITS PROGRAM**

SUMMARY OF PLAN PROVISIONS

	PPO	Co-Pay
Retiree	\$28.75	\$17.05
Retiree + Dependent	51.01	32.80
Family	76.51	49.17

Life Insurance Benefit

A retiree can continue life insurance coverage after retirement. The amount decreases with increasing age. We determined that the premium paid by retirees is sufficient to pay the cost of their benefits. As a result, the District has no liability or cost for retiree life insurance benefits.

Coverage Period

The medical and dental benefits are payable immediately upon retirement for life. The retiree's spouse can continue coverage for life after the death of the retiree. The life insurance benefit is paid upon the death of the retiree.

Service

All service with the Florida Retirement System is used to determine eligibility for the benefits from the School District.

Disability Retirement Benefit

An employee who qualifies for disability benefits under the Florida Retirement System is eligible to continue the medical, dental, and life insurance benefits. There are no age or service requirements.

Pre-Retirement Death Benefit

The Plan does not provide for continuation of medical or dental benefits for an employee who dies before retirement, other than COBRA coverage.

FLAGLER COUNTY SCHOOL DISTRICT OTHER POST-EMPLOYMENT BENEFITS PROGRAM

SUMMARY OF PLAN PROVISIONS

Termination Benefit

The Plan does not include a deferred termination benefit; the employee must be eligible for an immediate retirement benefit from FRS.

This summary is intended only to describe our understanding of the essential features of the benefits that will be provided to future retirees based on information provided by the District. All eligibility requirements and benefit amounts shall be determined in strict accordance with the relevant plan documents. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.