

UNFUNDED ACCRUED LIABILITY PLAN TEMPLATE INSTRUCTIONS

PREVIOUS ACTION TAKEN TO REDUCE UNFUNDED ACCRUED LIABILITIES

Note: This plan is in reference to the unfunded accrued liabilities, as of a local unit's most recent audited financial report, related to employees' pensions or other post-employment benefits.

Local units are not required to use this template. Local units may submit the required information in any format that they choose.

Required Information:

If previous actions were taken to lower unfunded accrued liabilities, the plan shall include:

1. A listing of all previous actions taken along with the estimated cost savings for each action.
2. A detailed description of how each previous action will continue to be implemented and maintained.
3. A listing of additional actions that could be implemented to reduce unfunded accrued liabilities.

Instructions:

1. Enter your Local Unit Name and Local Unit Code at the top of the page.
2. Previous Actions Taken To Reduce Unfunded Accrued Liabilities: List all previous actions that have been taken to reduce the local unit's unfunded accrued liabilities.
 - a. Unfunded Accrued Liability Type: Describe the unfunded accrued liability the action is reducing (i.e. pensions, OPEB, etc...).
 - b. Previous Action Taken: Describe the previous action that has been taken to reduce the local unit's unfunded accrued liability.
 - c. Estimated Cost Savings: Indicate the estimated cost savings as a result of the action.
3. How Will The Local Unit Continue To Implement And Maintain Previous Actions Taken: Describe how the local unit will continue to implement and maintain the previously listed actions.
4. Additional Actions That Could Be Implemented: List at least one additional action that could be implemented to reduce the local unit's unfunded accrued liabilities.
 - a. Actuarial assumption changes do not qualify as a new action.
 - b. Issuance of debt instruments do not qualify as a new action.

Economic Vitality Incentive Program/County Incentive Program FY 2014 Unfunded Accrued Liability Plan

Local Unit Name: EatonCounty
Local Unit Code: 23-0000

PREVIOUS ACTION TAKEN TO REDUCE UNFUNDED ACCRUED LIABILITIES

Previous Actions Taken To Reduce Unfunded Accrued Liabilities			
	Unfunded Accrued Liability Type	Previous Action Taken	Estimated Cost Savings
1.	Retiree Health Insurance	<p>Eliminated spousal coverage for new hires effective 1/1/2001.</p> <p>Eliminated benefit for new hires effective 1/1/2006.</p> <p>New hires are required to contribute at least 1% of their wage to a Health Care Savings Plan and the County will match contributions up to 4%, in lieu of the retiree health insurance benefit.</p>	<p>The employer contribution was reduced to a maximum of 4% resulting in at least a 5% reduction in the contribution rate for new hires. Through 9/30/2013 it has resulted in an estimated reduction in contributions of \$1.725M. An estimate of the reduction in the actuarial unfunded liability cannot be reasonably made without completing an actuarial valuation, due to the number of variables that impact the calculation, including the acceleration of the amortization period due to the group closure.</p>
2.			
3.			

Economic Vitality Incentive Program/County Incentive Program FY 2014 Unfunded Accrued Liability Plan

4.			
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How Will The Local Unit Continue To Implement And Maintain Previous Actions Taken
<p>Employees currently without the benefit will never receive the benefit. As the number of employees that do not receive the benefit continues to increase, the savings related to the difference in the contribution rates (minimum 5%) will also increase.</p>

Additional Actions That Could Be Implemented	
<p>Note: Actuarial assumption changes and issuance of debt instruments do not qualify as a new action.</p>	
1.	Reducing the benefit for remaining eligible employees to cease at Medicare eligibility.
2.	Require additional retiree and/or active employee contributions and/or further reduce the benefit levels.
3.	Eliminate spousal coverage for all remaining eligible active employees and retirees.

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Required Information:

If no previous actions were taken to lower unfunded accrued liabilities, the plan shall include:

1. A detailed explanation of why no actions have been taken.
2. A listing of actions that could be implemented to reduce unfunded accrued liabilities.

Instructions:

1. Enter your Local Unit Name and Local Unit Code at the top of the page.
2. *Why Have No Actions Been Taken:* Provide a detailed explanation of why no previous actions have been taken to reduce the local unit's unfunded accrued liabilities.
3. *Actions That Could Be Implemented:* List at least one action that could be implemented to reduce the local unit's unfunded accrued liabilities.
 - a. Actuarial assumption changes do not qualify as a new action.
 - b. Issuance of debt instruments do not qualify as a new action.

Economic Vitality Incentive Program/County Incentive Program FY 2014 Unfunded Accrued Liability Plan

Local Unit Name: Eaton County

Local Unit Code: 23

NO PREVIOUS ACTION TAKEN TO REDUCE UNFUNDED ACCRUED LIABILITIES

Why Have No Actions Been Taken

Changes to existing pension benefit provisions have not been successfully negotiated in to existing collective bargaining agreements to date, as negotiations have focused on changes to employee health insurance and retiree health insurance programs.

Actions That Could Be Implemented

Note: Actuarial assumption changes and issuance of debt instruments do not qualify as a new action.

1.	Reduce the multiplier for new hires.
2.	Bridge the benefit with current multiplier to a reduced multiplier for future service credit.
3.	Close the defined benefit program and provide a defined contribution benefit, for new employees.
3.	Reduce the amount of hours included in the final average compensation calculation.