

Key Benefit Concepts LLC

Topeka Metropolitan Transit Authority

Proposal for Actuarial Services

RFB TO-22-10

April 2022

Key Benefit Concepts LLC

200 W. Summit Ave., Suite 270

Wales, Wisconsin 53183

Tel: (262) 522-6415



ACCREDITED
BUSINESS

A+

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KBC



Proposal to Perform an Actuarial Valuation

Topeka Metropolitan Transit Authority
OPEB Actuarial Services
GASB Statement No. 75.


RFB TO-22-10

Proposer Information

Company Name **Key Benefit Concepts, LLC**
Address 200 West Summit Avenue, Suite 270
City, State, Zip Wales, Wisconsin 53183
Main Phone (262) 522-6415

Contact Person Information

Name **John T. Lavarda**
Job Title Managing Actuarial Consultant
Phone (262) 522-6415
Alt. Phone (920) 517-8031
Email JohnL@keybenefits.com

Signature 

Date **April 20, 2022**



200 West Summit Ave., Suite #270, Wales, WI 53183
Phone: (262) 522-6415 / Fax: (262) 522-6419
www.keybenefits.com

Transmittal Letter

April 20, 2022

Topeka Metropolitan Transit Authority
Attn: Richard Appelhanz
201 North Kansas Avenue
Topeka, KS 66603

Re: OPEB Actuarial Services RFB TO-22-10

Attached please see our proposal for actuarial services in response to the Topeka Metropolitan Transit Authority's (Metro) Request for Bid (RFB). Our proposal and fees are based upon the RFB's request to provide valuations of their Other Post-Employment Benefits (OPEB) in accordance with current GASB Statements.

We confirm that this proposal is in compliance with the RFB and KBC professionals meet the qualification standards necessary to render actuarial information. KBC already provides services to government employers in the State of Kansas and understands the Kansas Statute, KSA 12-5040. We are able/willing to provide the annual actuarial services as required under GASB Statement 75, including the determination of what post-employment benefits offered by the Metro are required to be valued as well as providing the report each year of the contract by August 15.

KBC agrees to the contract clauses as illustrated in the RFB pages 4-7. While KBC is a woman-owned business, the firm has not filed for status as a Disadvantaged Business Enterprise (DBE). KBC prefers to be awarded business on its merits as a professional actuarial firm.

If you have any questions and/or comments regarding the proposal and/or our services, please feel free to contact me at the address or phone number noted herein.

Thank you for your consideration of our proposal.

Sincerely,

A handwritten signature in blue ink that reads 'John T. Lavarda'.

John T. Lavarda
Managing Actuarial Consultant

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Background and Introduction

About Key Benefit Concepts LLC

Key Benefit Concepts LLC (KBC) is an actuarial and employee benefits consulting firm. Our corporate office is in Wales, Wisconsin with a satellite office in Wellington, Florida. Established in 1992, we specialize in assisting public and private employers in the evaluation, design, implementation and communication of benefit programs. We provide unbiased, unique and innovated solutions to employee benefit matters. Our services focus around the actuarial component of benefits and are unique in that they complement the health care consultant's services.

KBC professionals understand the Kansas Statute, KSA 12-5040 and currently provides OPEB valuations to other Kansas governments. Our valuation will use assumptions based upon the Kansas Public Employees Retirement System (KPERs), utilizing rates of retirement, turnover and mortality which means a) consistency in valuations as the current actuary utilizes the same source for these assumptions and b) the Metro's valuations are using assumptions appropriate to reasonable expectations of current and future OPEB obligations.

Our compensation comes from our clients based on an hourly fee or project basis. This guarantees that our motivation is to serve our clients' needs.

KBC is a firm of highly qualified and caring professionals that work well together with a focus for providing personalized attention and services meeting each client's distinctive needs. We add value by providing a depth and breadth of knowledge as a resource to our clients, which has defined our success. KBC has a good working relationship and regularly coordinates services with organizations providing legal, accounting, auditing, investing and insurance services to our clients. This assures that we provide thorough assessments and comprehensive solutions to meet our clients' goals.

KBC agrees to the contract clauses as illustrated in the RFB pages 4-7. While KBC is currently a woman-owned business, the firm has not filed for status as a Disadvantaged Business Enterprise (DBE). KBC prefers to be awarded business on its merits as a professional actuarial firm.

The Meaning Behind the Numbers

We value our clients and want to make sure they clearly understand the method and findings of the actuarial study. Each study is personalized based upon the demographics, current and historical plan costs, use of appropriate State retirement assumptions, expectations in the future and market trends. We go the extra mile to assure that our clients receive the maximum value from our services. While it is our job to provide public employers with valuations of their post-employment liabilities, we make it our responsibility to ensure that our clients understand what information is found in the valuation report and are confident that it appropriately portrays the plan's obligations. We make certain to address any questions or confusion our clients may have about the regulations, accounting of the liability and report content.

KBC Team assigned to this Project

The brief biographies of KBC personnel that will be actively involved in the actuarial and technical portions of the project are included below. Full biographies of team members are available upon request.



Ryan Carlos provides administrative support at KBC. He serves as administrative support to all company employees and assists in the daily operations of the company. He is an attentive, consciousness individual with the ability to prioritize and execute multiple projects and tasks.



Tyler Krajewski is an actuarial consultant at KBC. He is experienced with both statistical and mathematical analysis. Tyler is currently taking courses/exams to become an Associate of the Society of Actuaries.



John Lavarda is the managing actuarial consultant at KBC, overseeing, coordinating and participating in the delivery of customized actuarial services. He manages all actuarial team services and is an integral part of the review process, fielding questions from government entities as well as providing reviews of the valuation reports with government finance committees, boards and common councils.



Devin Pearson, ASA, MAAA is a certifying actuary at KBC. He is an Associate of the Society of Actuaries (ASA) and a Member of the American Academy of Actuaries (MAAA). He specializes in defined benefit plan design, retiree medical plan consulting, and public employer accounting for pension and post-employment health plans. Devin continues taking courses/exams to become a Fellow of the Society of Actuaries.



Sarah Plohocky is the operations manager and benefit consultant at KBC. Sarah assists in the coordination of benefit projects and services. She is a highly organized individual with outstanding communications and interpersonal skills.



Richard Yurkowitz, ASA, MAAA is a certifying actuary at KBC. He is an Associate of the Society of Actuaries (ASA) and a Member of the American Academy of Actuaries (MAAA). He has over 25 years of experience as an actuary in consulting and seven years of experience in insurance.

Linda Mont is the Managing Member. She would not be actively involved but is available on an as-needed basis.

Overview of Approach

Summary and Objectives

Based upon the Governmental Accounting Standards Board (“GASB”) Statements on Post-Employment Benefits, Topeka Metropolitan Transit Authority (the “Metro”) desires to have actuarial studies conducted that will provide a calculation of their Other Post-Employment Benefits (OPEB) liability.

In preparing this proposal, KBC has identified the following objectives for the Metro:

- Address the requirements under GASB Statement 75.
- Engage an actuary experienced in healthcare benefits and retirement actuarial valuations.
- Prepare an updated measurement of the Metro’s OPEB liabilities.
- Quantify the Metro’s post-employment liabilities to determine the magnitude and impact of the liability.
- Utilize the findings to strategize for long-term planning.

OPEB

OPEB benefits are defined by GASB as benefits other than pensions and compensated absences. This is comprised of health care-related benefits including continued medical, dental, life insurance as well as HRA benefits.

Retirees may choose to remain on the Metro’s group medical plan provided they self-pay the full amount (up to 125% of the active premium amount) of all required premiums, only until they reach Medicare eligibility (age 65). Thus, the Metro OPEB benefit consists of implicit rate subsidy.

Upon a retiree’s death, their surviving spouse is eligible for COBRA coverage.

Implicit rate subsidy is the difference between individuals’ actual incurred costs for health coverage and the individuals’ total premiums charged for such coverage. In essence, premium rates are determined for a group health plan based on the total expected health care costs of all participants covered in the group. While each participant is then charged the same premium rate, not every participant will experience the same level of actual health care costs. Since some participants will have higher health care costs than others while paying the same premium rate, some of their health care costs are being “subsidized” by the premiums paid by others with lower health care costs. It is expected that older plan participants, such as retirees, will be the participants with higher health care costs.

For OPEB valuations, the GASB guidelines require that the determined liabilities be based on the total value of the post-employment benefits, which includes implicit rate subsidy for former employees remaining on the group health plan(s).

The Metro also provides a death benefit those employees who retire after age 65 if they have at least 15 years of service with the Metro. These benefits are described in the benefit summary provided herein. It isn't clear whether or not the current actuary is valuing the death benefit with the OPEB valuation. KBC will evaluate the conditions of the death benefit and current funding arrangements to determine whether it would be included. If so, this proposal includes valuation of the death benefit.

Project Scope

Preparation Phase

- I. Mutually determine the scenarios and desired outcomes of the project.
- II. To begin the valuation, KBC will request data from the Metro. Since the data includes protected health information (PHI), we will provide a secure link to upload the data in a HIPAA-compliant manner.
- III. Review data gathered from the Metro.
- IV. Follow up with the Metro, vendors or other appropriate parties to obtain additional information, as needed.
- V. Create data worksheets.
- VI. Evaluate and prepare demographic and service tables.

Actuarial Valuation Phase

- I. Determine appropriate assumptions to complete valuation and address them within the valuation.
- II. Calculate the present value of future benefits, based upon the data provided and current GASB actuarial liability methodologies. This will be calculated for *each* employee and retiree.
- III. Calculate the OPEB liability scenarios based upon trends, plan design and/or interest assumptions.
- IV. Develop and prepare the Summary Report (which includes the necessary information for the Metro's footnote disclosure required for their annual financial statements) for the Metro including a telephonic review of the draft reports and/or a visit to the Metro to present the finalized report to the Metro (if requested). The fee for the visit is noted herein.

The study involves valuation of the implicit rate subsidy, if any, from the ability to self-pay all required premiums to remain on the Metro's medical insurance benefit plan as well as valuing the death benefit, if applicable. Included in the proposal are summaries of the retiree eligibility and benefits based upon the data provided by the Metro. These summaries are the basis by which our proposal was developed.

Included in our proposal is a separate fee for an onsite presentation of the actuarial study explaining the reason for the valuation, the benefits valued, the process and the determined obligation. This fee is not charged unless an on-site visit occurs. However, there is no additional charge for reviews provided by phone including a conference call with the Metro's Commission or finance committee during regular business hours.

Note also that KBC does not charge additional fees for phone calls or email correspondence regarding the valuation or valuation process and/or other benefit issues. Our fee is our fee, and we welcome the opportunity to be a resource and assistant to the Metro throughout the year. Please note that KBC does not provide legal advice. The scope of the project is clearly defined and does not include commentary or accountability for whether such benefits and eligibilities comply with state, federal or other required guidelines. KBC is happy to coordinate with Metro's legal counsel if there are any questions/concerns regarding benefit compliance with current regulations.

Process for Development of Valuation Assumptions

The core element of our valuations is the data provided to us by the government entity. Another key element in our valuation is the assumptions that are used. All demographic assumptions we use (other than trend, expected discount rate, and percent electing coverage and percent electing family coverage) are approximately the same as those used in the most recent experience study from the Kansas Public Employees Retirement System (KPERs). Many of the other assumptions used in our valuations are determined based upon the requirements of the GASB Statements and/or generally recognized and accepted actuarial principals and standards that are certified by the actuary.

Confidentiality & Third-Party Distribution

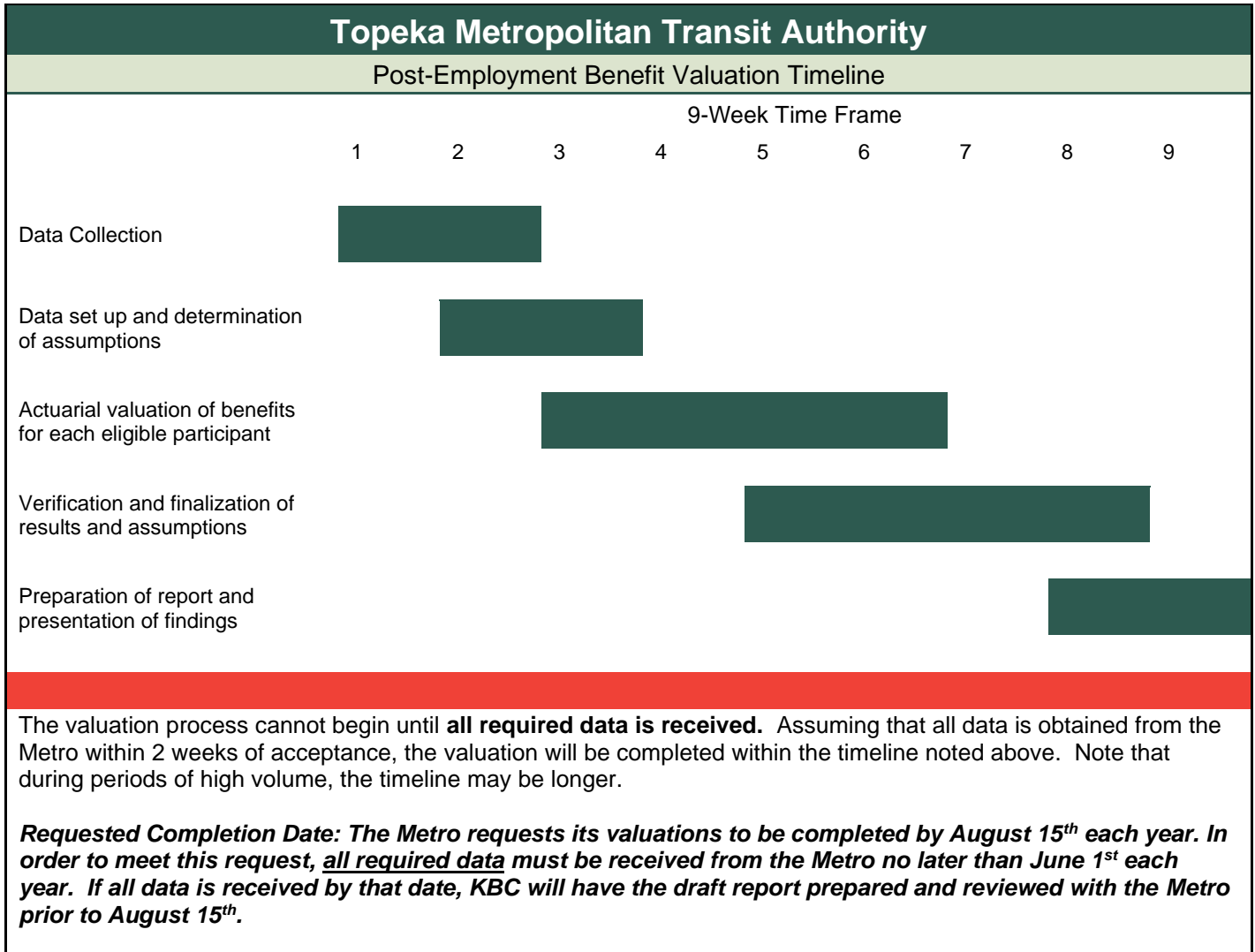
Once a proposal is accepted, additional information is needed to begin the actual valuation process. This needed (and required) information includes data that is classified as 'Protected Health Information' (PHI). Thus, KBC assures clients of its commitment to protecting such data and using it only for the services requested by the client.

Any information received from the client will be considered 'Confidential Information', and as such, KBC agrees that such information shall not be disclosed to a third-party. However, any information received from the client will not be considered Confidential Information, if (a) the information is or comes to be generally available to the public during the course of KBC's work for the client, (b) the information was independently developed by KBC without the need to resort to such information from the client, or (c) KBC appropriately receives the information from another source whom is not under any obligation and/or confidentiality agreement with the client (through the contract for Purchase of Services Agreement).

KBC's work is to be prepared solely for the use and benefit of the client in accordance with its statutory and regulatory requirements. KBC also recognizes that the materials it delivers to the client may be public record and subject to third-party disclosures. Furthermore, KBC does not intend to benefit nor does it assume any duty and/or liability to a third party who should receive the valuation report in this fashion. To the extent that KBC's work is not subject to disclosure under applicable public records laws, the Metro agrees that it shall not disclose KBC's work product to a third-party without our prior written consent.

Timetable

Below is an 8-9 week timeline for the completion of the post-employment benefits as proposed.



Value

Successful outcomes are assured when our clients play an active role in their projects, which in turn provides value to the Metro. We understand that establishing a solid relationship with an actuarial firm is a proactive approach that will help the Metro plan for long-term financial and business goals. As such, Key Benefit Concepts LLC engages in projects when we know we can deliver value to our client.

The value to the Topeka Metropolitan Transit Authority is to:

- Meet accounting and reporting requirements
- Address the provision of retiree health care benefits thoroughly and thoughtfully
- Gain an understanding of how the obligation impacts the Metro, its employees and retirees.
- Utilize the information developed to assess and evaluate benefit program cost and strategy, particularly as it relates to retiree health benefits.
- Use information developed to assist in budget development.

Metro Funding

Based on the Metro's prior valuation, the Metro is funding benefits as follows:

- OPEB: on a pay-as-you-go basis
- Fully-insured health benefit: The Metro provides 3 health plans options on a fully-insured basis

It is important to note that this proposal for a new valuation is based upon the above funding approaches.

Proposed Valuation

This proposal is for a valuation of the OPEB benefits based upon compliance with the GASB Statements (GASB 75).

The proposal assumes the following:

- Initial Valuation Date: 7/1/2022
- Measurement Date: 6/30/2022
- Reporting Date: 6/30/2022

According to GASB guidelines, OPEB liabilities should be measured as of a date (i.e., the measurement date) no earlier than the end of the prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period. Once a government entity has chosen a measurement date, the same approach must be used in future valuations and reporting. The Metro has been using a measurement date the same as the end of the current fiscal year end (i.e., the reporting date) as noted above.

Cost of Services

Post-Employment Benefit Project Fee

Our fee for this project is based upon plan/classifications as described on the post-employment benefit summaries at the end of the proposal. The valuation report includes calculation of the liabilities resulting from all eligible classifications. KBC is able to break out the liabilities into the classification as required and identified by the Metro as may prove helpful in evaluation of the impact to the OPEB liability resulting from plan changes by classification and/or funding by classification.

Fees: The fee for services is expected to be no greater than the fees shown. These fees are based upon the Metro’s funding method noted above. Should the Metro be using a different funding method than as noted herein, the fees for services are not valid and a new proposal is required.

Fees

Below are our fees for the full valuations and interim year table updates of the Metro’s OPEB benefits under GASB 75, which include all information and reports stated in the scope of services.

June 30, 2022 - Full Valuation	\$ 4,200
June 30, 2023 – Interim “Valuation” - Table Updates	\$ 950
June 30, 2024 - Full Valuation	\$ 3,800
June 30, 2025 – Interim “Valuation” - Table Updates	\$ 950
June 30, 2026 - Full Valuation	\$ 3,950
June 30, 2027 – Interim “Valuation” - Table Updates	\$ 975
Total 6-year Fee Total	\$ 14,825

The above fees assume payment by ACH transfer. KBC will provide the W-9 form along with the invoice.

Please note: The fees above include one virtual meeting outside of normal business hours each year. Any additional virtual/ in person meetings, are provide at the fees noted below.

Additional Services	Fees
In Person Visit to the Metro to Present Updated Report <i>(optional service)</i>	\$ 675
Virtual Visit to the Metro to Present Updated Report <i>(outside of normal business hours, optional service)</i>	\$ 250

Fees noted in this proposal are valid if accepted by May 15, 2022.

The fees for the Interim table updates assume there will be no material changes or modifications to the eligibility or post-employment benefits from the 7/1/2022 valuation. Note, the fee for Interim Table Update and subsequent valuation services will be invoiced after the service is provided. KBC provides the W-9 form with each invoice as well as instructions for the ACH transfer.

Our fees include preparation of an electronic version of the report and up to 2 hard copies of the final valuation report, if requested. Additional expenses such as travel, additional copies of the report, and/or materials other than correspondence will be billed at cost. Statements for work completed will be invoiced on a monthly basis. The first invoice will be sent following completion of the draft report. Payment is due upon receipt. A second invoice will be sent if/when a presentation of the final report is provided to the Metro.

The Metro understands and agrees to the valuation as prepared by KBC or assignee according to the following process and outcomes:

The calculations of cost and liabilities illustrated will be determined according to generally accepted actuarial principles and standards. Specific assumptions and actuarial methodology for the study will be defined within the report. Each material assumption will be, in the actuaries' opinion, individually reasonable and falls within the best estimate range, taking into account past experience and reasonable future expectations, and is consistent with each other material assumption. Given that actual experience may vary from the actuarial assumptions projected, developing liabilities and costs may differ from those estimated in the report. Furthermore, in the event of any inaccuracies in the information or data provided, upon which these calculations were based, revisions may be needed.

The valuation will be prepared in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The actuaries certifying the valuation meet the qualifications of the American Academy of Actuaries AAA "Prescribed Statement of Actuarial Opinion." Further, KBC's report and other communications are provided in a manner meeting Actuarial Standards of Practice (ASOP) No. 41 regarding actuarial communications.

The valuation and report will be prepared solely for the purposes of providing information required by the Governmental Accounting Standards Board (GASB) for the Metro's financial reporting. KBC assumes neither responsibility nor any liability for use of this report for any other purposes

References

KBC Experience with Similar Projects

Betty Greiner

Director of Administrative Services

Shawnee County

200 SE 7th Street, Room 201

Topeka, Kansas 66603

Phone: (785) 251-4212

Type of Project: *Calculation of OPEB obligations using the standard valuation method*

Heather Lieburn

Chief Financial Officer

City of Iron Mountain

501 South Stephenson Avenue

Iron Mountain, Michigan 49801

Phone: (906) 774-8530

Type of Project: *Calculation of OPEB and Supplemental Pension obligations using the standard valuation method.*

Karen Kessler

Accounting & Budgets Manager

Energy Northwest

PO Box 968

Richland, Washington 99352

Phone: (509) 377-8632

Type of Project: *Calculation of OPEB obligations using the standard valuation method*

Eric Kiefer

Plant Manager

North Shore Water Commission

400 W Bender Road

Glendale, Wisconsin 53217

Phone: (414) 963-0160

Type of Project: *Calculation of OPEB obligations using the alternative measurement method (AMM).*

Elizabeth Larsen, SHRM-SCP, SPHR

Director of Administration

Southeastern Wisconsin Regional Planning Commission

W239 N1812 Rockwood Drive

PO Box 1607

Waukesha, Wisconsin 53187

Phone: (262) 953-3201

Type of Project: *Calculation of OPEB obligations using the alternative measurement method (AMM).*

Note: *KBC provides similar OPEB actuarial services to over 400 government employers annually as well as other actuarial services. KBC is happy to provide more references pertaining to the OPEB actuarial services upon request.*

Forms/ Exhibits



PRICE QUOTE

FY2022 – Full Valuation	\$ 4,200
FY2023 – Interim Valuation	\$ 950
FY2024 – Full Valuation	\$ 3,800
FY2025 – Interim Valuation	\$ 950
FY2026 – Full Valuation	\$ 3,950
FY2027 – Interim Valuation	\$ 975
Total Contract Cost	\$ 14,825

Key Benefit Concepts, LLC

Proposer


Signature of Proposer's Authorized Official

John T. Lavarda, Managing Actuarial Consultant

Name and Title of Proposer's Authorized Official

April 20, 2022

Date

Note: All reports are to be prepared in accordance with GASB 75 requirements and must be submitted to Metro in final format by August 15 of each year.



DISADVANTAGED BUSINESS ENTERPRISES (DBE) CERTIFICATION

This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*. The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. Metro’s overall 2022-2024 goal for DBE participation is 1.62%; the race neutral goal is 1.25%, and the race conscious goal is 0.37%. There is no contract goal for this procurement.


The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as Metro deems appropriate. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).

The contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the contractor’s receipt of payment for that work from Metro.

The contractor may not hold retainage from its subcontractors.

The contractor must promptly notify Metro, whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of Metro.

KBC is not a DBE, but agrees to the above requirements in the event of contracting or subcontracting with a DBE.

Signature: 
Name and Title: John T. Lavarda, Managing Actuarial Consultant
Company Name: Key Benefit Concepts LLC
Date: April 20, 2022



Non-Collusion Certification

This is my sworn statement to certify that this proposal was not made in the interest of or on behalf of any undisclosed entity. This proposal is not collusive.

This proposer has not been a party to any agreement or collusion in restraint of freedom of competition by agreement to bid a fixed price, to refrain from bidding, or otherwise. This proposer has not, directly or indirectly, by agreement, communication or conference with anyone, attempted to induce action prejudicial to the interest of Topeka Metropolitan Transit Authority, or of any proposer, or anyone else interested in the proposed contract.

Signature:

Name and Title: John T. Lavarda, Managing Actuarial Consultant

Company Name: Key Benefit Concepts LLC

Date: April 20, 2022

SUSPENSION / DEBARMENT CERTIFICATION

In regard to 2 CFR Parts 180 and 1200

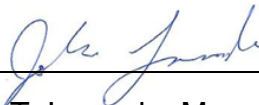
This order is a covered transaction for purposes of 2 CFR Parts 180 and 1200. As such, the bidder is required to verify that itself, its principals, or its affiliates are not excluded or disqualified from participating in Federally awarded contracts.

Bidder is required to comply with Suspension / Debarment requirements, and must include the requirement to comply in any lower-tier covered transaction that it enters into.

By signing and submitting its bid, the bidder certifies as follows:

The certification in this clause is a material representation of fact relied upon by Topeka Metropolitan Transit Authority. If it is later determined that the bidder knowingly rendered an erroneous certification, in addition to remedies available to Topeka Metropolitan Transit Authority, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder agrees to comply with the requirements of 2 CFR Parts 180 and 1200 while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder further agrees to include a provision requiring such compliance in its lower-tier covered transactions.

Signature:



Name and Title: John T. Lavarda, Managing Actuarial Consultant

Company Name: Key Benefit Concepts LLC

Date: April 20, 2022

Acceptance

This forms an agreement between Topeka Metropolitan Transit Authority and Key Benefit Concepts LLC.

Standard Valuation including OPEB & Required Interim Table Updates:

Please check the appropriate boxes:

The Metro's medical plans are:

Fully-insured

Self-insured

The Metro accepts the proposal for the 6-year agreement (FY2022, FY2024 and FY2026 OPEB reports in accordance with GASB 75 Full Valuation requirements. The FY2023, FY2025 and FY2027 OPEB reports will be prepared using GASB 75 Interim "Valuation" – Table Update requirements).

Please check one box below:

- The Post Employment Benefit Summaries as provided in this proposal, accurately and completely reflect the current retirement benefits offered by the Metro.
- Modifications were made to the Metro's post-employment benefits beyond those already noted in the Post-Employment Benefit Summary. These additional modifications have been noted as illustrated on page 20. The Post-Employment Benefit Summary **with** the noted changes accurately and completely reflects the retirement benefits currently offered by the Metro.

Disclaimer

- *Upon receipt of the eligibility and post-employment benefit data required for valuation, should we find that eligibility and/or benefits are significantly different than outlined in this proposal, KBC reserves the right to revise our proposal and the associated fees for the study.*
- **To avoid additional charges, please make sure the benefit summaries provided are correct.** *Upon review of the draft report should further modifications be required beyond those noted in the summary with the acceptance, wherein the calculated liabilities are affected, additional fees will be charged. These fees will be based upon the additional time required to recalculate the liabilities. With the inclusion of the additional fee, the total due may exceed the fee noted in this proposal.*

Topeka Metropolitan Transit Authority

Richard Appelhanz

Key Benefit Concepts, LLC

 April 20, 2022
John T. Lavarda, Managing Actuarial Consultant

Facsimiles of acceptance signatures shall be as valid as the original signatures.

Summary of Post-Employment Benefits

Topeka Metropolitan Transit Authority

Post-Employment Benefit Summary

Tier I members (hired before July 1, 2009)	
Eligibility	OPEB (<i>Implicit Rate Subsidy Only</i>)
The earlier of: <ol style="list-style-type: none"> Age 55 with 10 years of service (early retirement) Age 62 with 10 years of service Rule of 85 Age 65 with 1 year of service 	Health Benefits : Retirees are responsible for the full premium rates up to 125% of the premium and may stay on the health plan until Medicare Eligibility.
Tier II members (hired on/after July 1, 2009 and prior to January 1, 2015)	
Eligibility	OPEB (<i>Implicit Rate Subsidy Only</i>)
The earlier of: <ol style="list-style-type: none"> Age 55 with 10 years of service (early retirement) Age 65 with 5 years of service Age 60 with 30 years of service 	Health Benefits : Retirees are responsible for the full premium rates up to 125% of the premium and may stay on the health plan until Medicare Eligibility.
Tier III members (hired on/after January 1, 2015)	
Eligibility	OPEB (<i>Implicit Rate Subsidy Only</i>)
The earlier of: <ol style="list-style-type: none"> Age 55 with 10 years of service (early retirement) Age 65 with 5 years of service Age 60 with 30 years of service 	Health Benefits : Retirees are responsible for the full premium rates up to 125% of the premium and may stay on the health plan until Medicare Eligibility.

[Survivor Benefit](#): Surviving spouses of retirees or active employees are eligible for COBRA coverage upon the member's death.

[Health Plans](#): The Metro offers 3 fully-insured, experience-rated health plans. Retirees are offered the same plans as actives.

[Death Benefit](#): The Metro will provide a \$3,000 death benefit for those employees who retire after age 65 if they have at least 15 years of service with the Metro.

[Passes](#): The Metro provides free complimentary passes to ride the buses of the Metro. This benefit is not a post-employment benefit requiring valuation under GASB 75.

Topeka Metropolitan Transit Authority



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Wales, WI 53183
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www.keybenefits.com