

State of New Hampshire

Actuarial Valuation and Review of Other
Postemployment Benefits (OPEB) as of
December 31, 2014 in accordance with
GASB Statements No. 43 and No. 45





116 Huntington Avenue 8th Floor Boston, MA 02116-5744
T 617.424.7300 www.segalco.com

December 3, 2015

*Ms. Catherine A. Keane
Administrator of Risk and Benefits
Department of Administrative Services
25 Capitol Street
Concord, NH 03301*

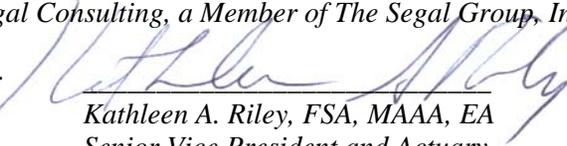
Dear Ms. Keane:

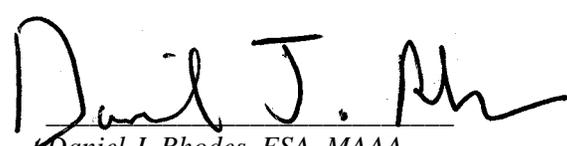
We are pleased to submit this Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) for the State of New Hampshire (State) as of December 31, 2014 under Governmental Accounting Standards Board Statements Number 43 and 45. The report summarizes the actuarial data used in the valuation, discloses the Net OPEB obligation (NOO) as of June 30, 2015, establishes the Annual Required Contribution (ARC) for fiscal year 2015, and analyzes the preceding year's experience. This report was based on the census data provided by the State and the terms of the Plan confirmed by the State. The actuarial calculations were completed under the supervision of Kathleen A. Riley, FSA, MAAA, EA, Senior Vice President and Actuary and Daniel J. Rhodes, FSA, MAAA, Vice President and Consulting Actuary.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions used in this valuation and described in Exhibit II are reasonably related to the experience of and the expectations for the Plan. The actuarial projections are based on these assumptions and the plan of benefits as summarized in Exhibit III.

*Sincerely,
Segal Consulting, a Member of The Segal Group, Inc.*

By:


*Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary*


*Daniel J. Rhodes, FSA, MAAA
Vice President and Consulting Actuary*

*cc: Andrew D. Sherman
Stephen L. Kuhn*

8282887v5/05855.094

SECTION 1

INTRODUCTION

Important Information About Actuarial Valuations.....	1
Purpose.....	3
Highlights of the Valuation	3
Key Valuation Results.....	5
Reconciliation of Changes in OPEB UAAL.....	7
Accounting Requirements.....	8

SECTION 2

VALUATION RESULTS

Summary of Valuation Results	11
Funding Schedule.....	12
Projection of the Annual Required Contribution	13
Actuarial Certification.....	14

SECTION 3

VALUATION DETAILS

CHART 1 Required Supplementary Information – Schedule of Employer Contributions.....	15
CHART 2 Required Supplementary Information – Schedule of Funding Progress.....	16
CHART 3 Required Supplementary Information – Net OPEB Obligation/(Asset) (NOO/NOA)	17
CHART 4 Summary of Required Supplementary Information	18

SECTION 4

SUPPORTING INFORMATION

EXHIBIT I Summary of Participant Data.....	19
EXHIBIT II Actuarial Assumptions and Actuarial Cost Method.....	20
EXHIBIT III Summary of Plan	32

SECTION 5

APPENDIX

Agency Results – Pay- As-You-Go (4.5%) Group I.....	36
Group II.....	38
Totals.....	39
Summary of Participant Data by Department Group I.....	40
Group II.....	41
Totals.....	42

SECTION 1: Introduction for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

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 Consulting (“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 State of New Hampshire 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, premium, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost 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 an estimate of the rate of return that will be achieved the plan’s assets, or if there are no assets, a rate of return on the assets of the employer. 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 may use approximations and estimates that will have an immaterial impact on our results and 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 for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

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 State of New Hampshire. 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 cost 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 State 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 State of New Hampshire upon delivery and review. The State of New Hampshire should notify Segal immediately of any questions or concerns about the final content.

As Segal Consulting 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.

SECTION 1: Introduction for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

PURPOSE

This report presents the results of our actuarial valuation of State of New Hampshire (the “Employer”) postemployment welfare benefit plan as of December 31, 2014. The results are in accordance with the Governmental Accounting Standards, which prescribe an accrual methodology for accumulating the value of other postemployment benefits (OPEB) over participants’ active working lifetimes. The accounting standard supplements cash accounting, under which the expense for postemployment benefits is equal to benefit and administrative costs paid on behalf of retirees and their dependents (*i.e.*, a pay-as-you-go basis).

HIGHLIGHTS OF THE VALUATION

During the fiscal year ending June 30, 2015, the State paid claims and expenses (net of the New Hampshire Retirement System subsidy and retiree contributions) on behalf of retired employees of about \$51,600,000. This amount is less than the annual “cost” (the “Annual Required Contribution” or ARC) of approximately \$148,122,000.

The GASB statements provide the method for selecting the investment return assumption (discount rate). If the benefits are funded, the discount rate should be based on the estimated long-term investment yield on the investments expected to be used to finance the payment of benefits. If financing continues to be pay-as-you-go, the discount rate should be based on the expected yield on the assets of the employer. Because the benefits are not being funded, we have used a 4.50% discount rate (referred to as the pay-as-you-go interest rate). For illustrative purposes, we have also shown what the obligations would be on a fully funded basis, assuming an interest rate of 7.75%.

To determine the amortization payment on the unfunded actuarial accrued liability (UAAL), an amortization period and amortization method must be selected. We have used a 30-year open amortization of the UAAL (the maximum permitted by the GASB statements), with payments increasing at 3.75% per year. The GASB statements allow for either an open or closed amortization period. In open amortization, the period is reset to the initial value every year and the UAAL is reamortized, while under a closed amortization, the remaining period decreases and the UAAL is eventually “paid off.”

To be considered a funded plan, the “contribution in relation to the ARC” must equal the ARC. For example, if the ARC is \$105,146,000, and the employer pays claims and expenses to retirees of \$51,600,000, then an additional contribution of the difference, or approximately \$53,546,000 will need to be added to an OPEB trust fund during the fiscal year ending June 30, 2015.

On page 12, we show a funding schedule using the funded discount rate and a closed amortization beginning July 1, 2015. If the State were to start funding OPEB benefits, the “Additional Funding” amounts shown in this chart are the expected amounts the State would have to contribute to an OPEB trust in future years (beyond the projected net retiree claims and expenses) to fully fund the OPEB obligation in 30 years.

If benefits are funded in the future, assets set aside to fund OPEB liabilities must be held in a trust or equivalent arrangement, through which assets are accumulated and benefits are paid as they come due. Employer contributions to the plan are irrevocable, plan assets are dedicated to providing benefits to retirees and their spouses in

SECTION 1: Introduction for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

accordance with the terms of the plan, and plan assets are legally protected from creditors of the employer.

Page 13 shows a projection of the Annual Required Contribution. Please note that the projections on both pages 12 and 13 are based on an open group projection which reflects the latest tier of eligibility requirements for anticipated new hires.

Prior valuations did not include an estimate for retiree prescription drug plan federal subsidies that the State received from the Retiree Drug Subsidy (RDS) program under Medicare Part D. Since the prior valuation, the State moved its prescription drug coverage for Medicare eligible retirees to an Employer Group Waiver Plan (EGWP). GASB guidelines prohibit the offset of OPEB obligations by the future value of RDS subsidies, but do allow obligations to reflect the lower rates associated with EGWPs. As a result, this valuation reflects the lower cost associated with the EGWP plan.

Employer decisions regarding plan design, cost sharing between the Employer and its retirees, actuarial cost method, amortization techniques, and integration with Medicare are just some of the decisions that affect the magnitude of OPEB obligations. We are available to assist you with any investigation of such options you may wish to undertake.

This valuation does not include 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 the excise tax on high cost health plans beginning in 2018 and those previously adopted as of the valuation date.

SECTION 1: Introduction for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

KEY VALUATION RESULTS

A summary of significant valuation results follows:

- The **unfunded actuarial accrued liability (UAAL)** as of December 31, 2014 is \$1,306,704,000 (funded) and \$2,138,368,000 (pay-as-you-go). Going forward, net unfunded plan obligations will be expected to change due to normal plan operations, which consist of continuing accruals for active members, plus interest on the unfunded actuarial accrued liability, less contributions. Future valuations will analyze the difference between actual and expected unfunded actuarial accrued liabilities.
 - As of December 31, 2014, the ratio of assets to the AAL (the funded ratio) is 0%.
- The **Annual Required Contribution (ARC)** is \$105,146,000 (funded) and \$148,122,000 (pay-as-you-go) this year. The ARC is expected to remain relatively level as a percentage of payroll, as long as the ARC is fully funded each year. If the ARC is not fully funded, it may be expected to increase as a percentage of payroll over time.
- As noted above, **benefit payments** for the year ended June 30, 2015 are \$51,600,000. The GASB 45 disclosure charts in Section 3 reflect the actual benefit payments as the “contribution in relation to the ARC.”

Plan obligations had been expected to increase due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total obligation, less expected benefit payments. The larger than expected increase was the net result of the following:

- An **actuarial experience loss** increased obligations. This was the net result of gains and losses due to demographic changes, the addition of previously unreported participants, and other miscellaneous changes.
- **Valuation assumption changes** increased obligations. This was the result of (1) an *increase* in obligations due to raising the future trend on prescription drug costs, partially offset by (2) a *decrease* in obligations due to lowering the valuation-year per capita health costs and (3) a *decrease* in obligations due to lowering the future trend on medical costs. The complete set of assumptions is shown in Exhibit II.

The medical and prescription drug per capita health costs for the prior and current valuations are shown on the following page. The decrease in per capita health costs also reflects the adoption of the Employer Group Waiver Plan (EGWP) for retirees over the age of 65 effective January 1, 2015.

SECTION 1: Introduction for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

The per capita health costs for retirees and spouses at selected ages used in the prior and current valuations are shown below:

Per Capita Health Costs for 2013

Age	Medical				Prescription Drug			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
45	\$4,673	\$5,863	\$2,897	\$4,375	\$1,138	\$1,429	\$706	\$1,066
50	5,546	6,317	3,874	5,073	1,352	1,540	944	1,237
55	6,587	6,801	5,184	5,872	1,606	1,658	1,264	1,431
60	7,823	7,330	6,940	6,810	1,907	1,787	1,692	1,660
64	8,975	7,776	8,761	7,665	2,188	1,896	2,136	1,868
65	1,693	1,439	1,693	1,439	2,265	1,925	2,265	1,925
70	1,962	1,551	1,962	1,551	2,625	2,074	2,625	2,074
75	2,114	1,669	2,114	1,669	2,829	2,233	2,829	2,233

Per Capita Health Costs for 2015

Age	Medical				Prescription Drug			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
45	\$4,447	\$5,579	\$2,758	\$4,164	\$1,326	\$1,664	\$823	\$1,242
50	5,278	6,012	3,687	4,827	1,574	1,793	1,100	1,440
55	6,268	6,472	4,933	5,588	1,870	1,930	1,471	1,667
60	7,444	6,976	6,604	6,480	2,220	2,081	1,970	1,933
64	8,540	7,400	8,337	7,294	2,547	2,207	2,487	2,176
65	1,630	1,386	1,630	1,386	2,135	1,815	2,135	1,815
70	1,889	1,493	1,889	1,493	2,474	1,956	2,474	1,956
75	2,036	1,607	2,036	1,607	2,667	2,105	2,667	2,105

A reconciliation of changes in obligations on both the funded and pay-as-you-go basis is shown on the following page.

**SECTION 1: Introduction for the State of New Hampshire December 31, 2014 Measurement
Under GASB 43 and 45**

RECONCILIATION OF CHANGES IN OPEB UAAL

	Pre- funded (7.75% interest rate)	Pay-as-you-go (4.5% interest rate)
Unfunded actuarial accrued liability as of December 31, 2012	\$1,140,000,000	\$1,857,000,000
Change in UAAL attributable to:		
Benefits earned net of benefits paid, NHRS subsidy and retiree contributions	\$137,000,000	\$192,000,000
Actuarial experience loss	20,000,000	40,000,000
Changes in per capita costs and trends	<u>10,000,000</u>	<u>49,000,000</u>
Total change in unfunded actuarial accrued liability	\$167,000,000	\$281,000,000
Unfunded actuarial accrued liability as of December 31, 2014	\$1,307,000,000	\$2,138,000,000

SECTION 1: Introduction for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

ACCOUNTING REQUIREMENTS

The Governmental Accounting Standards Board (GASB) issued Statement Number 43 -- *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement Number 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Under these statements, all state and local governmental entities that provide other post employment benefits (OPEB) are required to report the cost of these benefits on their financial statements.

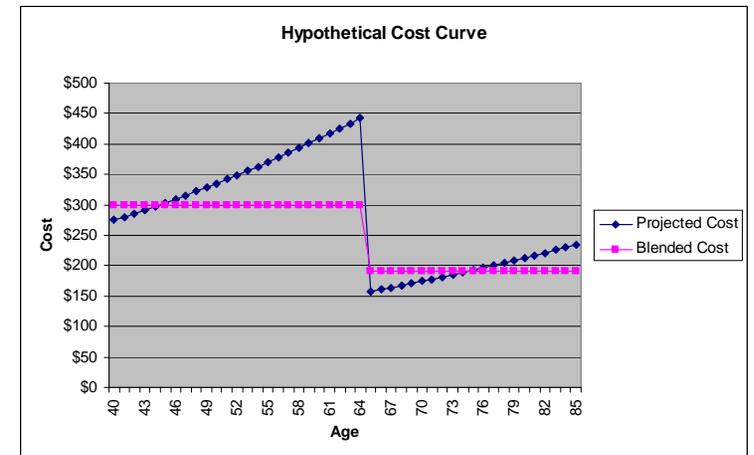
The statements cover postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. These benefits, referred to as OPEB, are typically financed on a pay-as-you-go basis. The new standard introduces an accrual-basis accounting requirement; thereby recognizing the employer cost of postemployment benefits over an employee’s career. The standards also introduce a consistent accounting requirement for both pension and non-pension benefits.

The total cost of providing postemployment benefits is projected, taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions. This amount is then discounted to determine the actuarial present value of the total projected benefits (APB). The actuarial accrued liability (AAL) is the portion of the present value of the total projected benefits allocated to years of employment prior to the measurement date. The unfunded actuarial accrued liability (UAAL) is the difference between the AAL and actuarial value of assets in the Plan.

Once the UAAL is determined, the Annual Required Contribution (ARC) is determined as the normal cost (the APB allocated to the current year of service) and the amortization of the UAAL. This ARC is compared to actual contributions made and any difference is reported as the net OPEB obligation (NOO). In addition, required supplementary information (RSI) must be reported, including historical information about the UAAL and the progress in funding the Plan.

The benefits valued in this report are limited to those described in Exhibit III of Section 4.

The following graph illustrates why a significant accounting obligation may exist even though the retiree contributes most or all of the blended premium cost of the plan. The average cost for retirees is likely to exceed the average cost for the whole group, leading to an implicit subsidy for these retirees. The accounting standard requires the employer to identify and account for this implicit subsidy as well as any explicit subsidies the employer may provide.

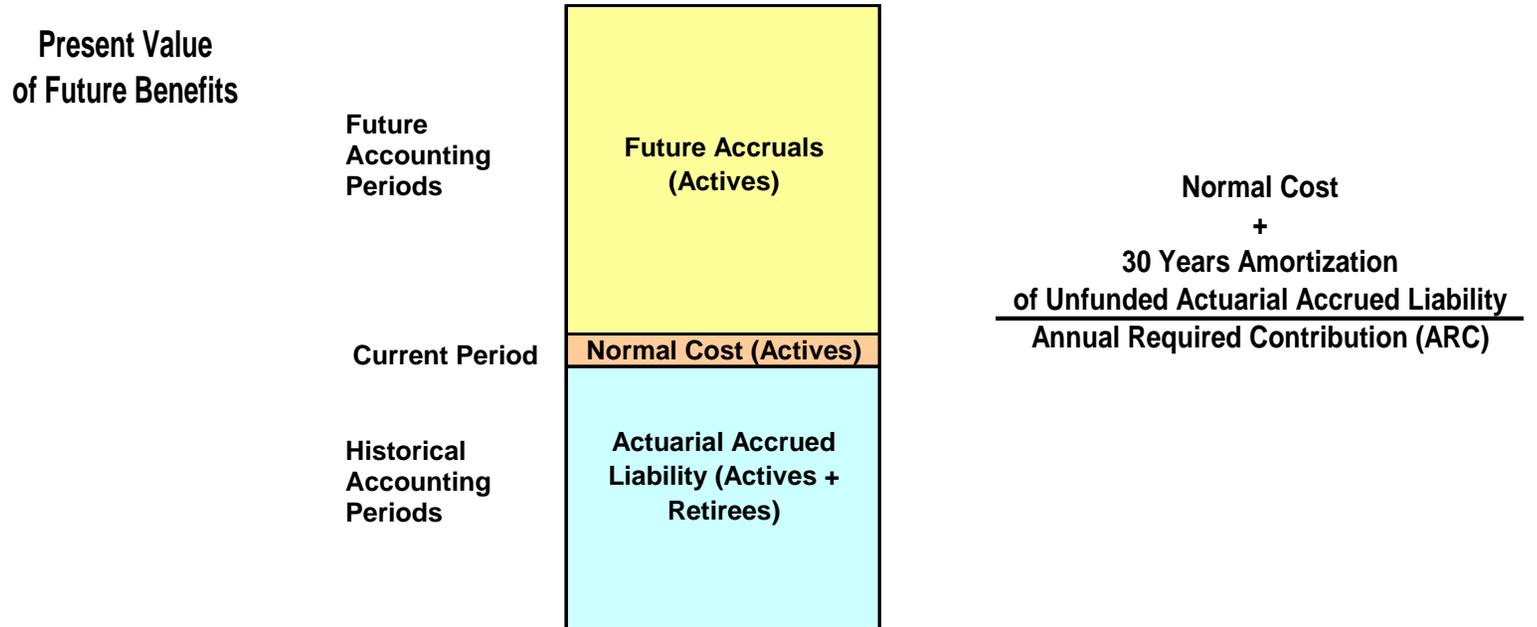


SECTION 1: Introduction for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

This graph shows how the actuarial present value of the total projected benefits (APB) is broken down and allocated to various accounting periods.

The exact breakdown depends on the actuarial cost method and amortization methods selected by the employer.

GASB 43/45 Measurement



$$\text{Net OPEB Obligation} = \text{ARC}_1 + \text{ARC}_2 + \text{ARC}_3 + \dots - \text{Contribution}_1 - \text{Contribution}_2 - \text{Contribution}_3 - \dots$$

SECTION 1: Introduction for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

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

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective, and the methods and assumptions use techniques designed to reduce short term volatility in accrued liabilities and the actuarial value of assets, if any.

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 Employer is required to implement a funding policy to satisfy the projected expense.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

SECTION 2: Valuation Results for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

The key valuation results for the current and prior years are shown on a funded basis and a pay-as-you-go basis.

SUMMARY OF VALUATION RESULTS

	Funded (7.75% interest rate)	Pay-as-you-go (4.5% interest rate)
Actuarial Accrued Liability – Gross		
1. Current retirees, beneficiaries and dependents	\$814,380,133	\$1,182,176,229
2. Current active employees	<u>637,499,763</u>	<u>1,181,537,490</u>
3. Total as of December 31, 2014: (1) + (2)	\$1,478,879,897	\$2,363,713,719
NHRS Subsidy		
4. Current retirees, beneficiaries and dependents	\$102,166,310	\$129,037,572
5. Current active employees	<u>16,140,195</u>	<u>24,436,090</u>
6. Total as of December 31, 2014: (4) + (5)	\$118,306,505	\$153,473,662
Retiree Contributions		
7. Current retirees, beneficiaries and dependents	\$22,502,596	\$26,297,595
8. Current active employees	<u>31,366,727</u>	<u>45,574,635</u>
9. Total as of December 31, 2014: (7) + (8)	\$53,869,324	\$71,872,230
Actuarial Accrued Liability – Net		
10. Current retirees, beneficiaries and dependents: (1) – (4) – (7)	\$716,711,228	\$1,026,841,058
11. Current active employees: (2) – (5) – (8)	<u>589,992,831</u>	<u>1,111,526,773</u>
12. Total as of December 31, 2014: (10) + (11)	\$1,306,704,068	\$2,138,367,831
Annual Required Contribution for Fiscal Year Ending June 30, 2015		
13. Normal cost as of December 31, 2014	\$33,656,175	\$69,149,640
14. Amortization of the unfunded actuarial liability (30 years, increasing 3.75% per year)	<u>71,489,700</u>	<u>78,972,549</u>
15. Total Annual Required Contribution (ARC): (13) + (14)	\$105,145,875	\$148,122,189
16. Net benefit payments for fiscal year ending June 30, 2015	\$51,600,000	\$51,600,000

SECTION 2: Valuation Results for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

FUNDING SCHEDULE

30 Years Closed (7.75% interest rate)

Fiscal Year Ended June 30	(1) Gross Benefit Payments	(2) Retiree Contributions	(3) NHRs Subsidy	(4) Net Benefit Payments (1) - (2) - (3)	(5) Normal Cost	(6) Amortization of UAAL	(7) ARC (5) + (6)	(8) Additional Funding	As of December 31 after Fiscal Year End		
									(9) Assets	(10) AAL	(11) UAAL (10) - (9)
2015	\$67,456,004	\$3,062,047	\$12,793,956	\$51,600,000	\$33,656,175	\$71,489,700	\$105,145,875	\$53,545,875	\$57,695,680	\$1,388,639,163	\$1,330,943,483
2016	72,044,979	4,777,198	13,049,663	54,218,118	33,811,280	74,170,564	107,981,844	53,763,726	120,097,510	1,474,270,330	1,354,172,820
2017	77,505,832	4,865,951	12,790,496	59,849,385	33,875,158	76,951,960	110,827,118	50,977,732	184,333,573	1,560,539,050	1,376,205,477
2018	84,142,326	4,993,758	12,533,168	66,615,399	33,998,352	79,837,658	113,836,010	47,220,611	249,499,633	1,646,335,958	1,396,836,325
2019	91,387,214	5,144,365	12,290,833	73,952,016	34,184,959	82,831,570	117,016,530	43,064,513	315,237,868	1,731,077,991	1,415,840,123
2020	98,837,679	5,339,718	12,069,726	81,428,235	34,360,165	85,937,754	120,297,919	38,869,683	381,550,887	1,814,520,689	1,432,969,802
2021	107,014,736	5,609,818	11,823,384	89,581,534	34,666,959	89,160,420	123,827,379	34,245,845	448,020,978	1,895,975,588	1,447,954,610
2022	115,160,173	5,831,250	11,520,028	97,808,895	35,095,986	92,503,936	127,599,922	29,791,027	514,842,436	1,975,340,537	1,460,498,101
2023	123,188,830	5,986,513	11,148,000	106,054,317	35,790,461	95,972,833	131,763,294	25,708,977	582,444,147	2,052,720,123	1,470,275,976
2024	131,445,067	6,167,058	10,741,803	114,536,207	36,586,268	99,571,815	136,158,083	21,621,876	650,881,140	2,127,814,874	1,476,933,733
2025	139,519,207	6,307,865	10,317,081	122,894,262	37,338,094	103,305,758	140,643,852	17,749,590	720,449,612	2,200,533,756	1,480,084,144
2026	147,399,324	6,405,431	9,861,768	131,132,125	38,233,396	107,179,724	145,413,120	14,280,994	791,672,228	2,270,976,741	1,479,304,513
2027	155,347,258	6,526,710	9,393,619	139,426,929	39,171,162	111,198,963	150,370,125	10,943,196	864,818,119	2,338,951,849	1,474,133,730
2028	162,468,899	6,552,344	8,911,109	147,005,446	40,134,618	115,368,924	155,503,543	8,498,096	940,998,222	2,405,067,300	1,464,069,078
2029	168,847,216	6,489,267	8,430,420	153,927,529	41,329,907	119,695,259	161,025,166	7,097,636	1,021,573,288	2,470,136,077	1,448,562,789
2030	175,871,421	6,546,120	7,963,488	161,361,813	42,846,651	124,183,831	167,030,483	5,668,669	1,106,853,209	2,533,871,536	1,427,018,327
2031	183,042,127	6,629,172	7,490,977	168,921,979	44,571,838	128,840,725	173,412,563	4,490,584	1,197,472,937	2,596,259,303	1,398,786,367
2032	189,604,888	6,625,661	7,020,936	175,958,292	46,644,851	133,672,252	180,317,103	4,358,810	1,294,973,707	2,658,134,166	1,363,160,458
2033	196,063,470	6,640,674	6,564,400	182,858,396	48,982,118	138,684,962	187,667,080	4,808,683	1,400,515,526	2,719,887,874	1,319,372,348
2034	202,048,092	6,602,667	6,122,541	189,322,885	51,538,609	143,885,648	195,424,256	6,101,371	1,515,629,707	2,782,216,626	1,266,586,919
2035	207,226,491	6,448,671	5,696,535	195,081,285	54,188,928	149,281,359	203,470,288	8,389,003	1,642,130,159	2,846,026,900	1,203,896,741
2036	212,086,963	6,272,308	5,286,075	200,528,581	57,207,347	154,879,410	212,086,757	11,558,176	1,781,849,182	2,912,165,355	1,130,316,173
2037	216,761,282	6,104,147	4,900,991	205,756,143	60,277,529	160,687,388	220,964,917	15,208,774	1,936,329,947	2,981,104,963	1,044,775,016
2038	221,338,898	5,933,776	4,526,644	210,878,478	63,491,022	166,713,165	230,204,188	19,325,710	2,107,218,971	3,053,330,615	946,111,644
2039	226,158,209	5,803,502	4,166,114	216,188,593	66,778,811	172,964,909	239,743,720	23,555,127	2,295,909,090	3,128,974,697	833,065,607
2040	231,382,097	5,725,217	3,835,180	221,821,700	70,177,879	179,451,093	249,628,972	27,807,272	2,503,804,381	3,208,074,019	704,269,638
2041	236,839,497	5,673,555	3,529,594	227,636,348	73,718,739	186,180,509	259,899,248	32,262,901	2,732,612,495	3,290,853,532	558,241,037
2042	242,599,120	5,666,634	3,247,839	233,684,647	77,519,609	193,162,278	270,681,888	36,997,240	2,984,254,490	3,377,626,852	393,372,362
2043	248,315,322	5,645,731	2,987,060	239,682,531	81,456,607	200,405,864	281,862,470	42,179,939	3,260,983,097	3,468,904,499	207,921,402
2044	253,742,650	5,579,202	2,746,899	245,416,550	85,479,272	207,921,084	293,400,356	47,983,806	3,565,411,838	3,565,411,838	0

Notes: Adjustment for timing assumes payment in the middle of the fiscal year.

Number of actives are assumed to remain constant and new hires are assumed to have the same demographic profile as employees hired after July 1, 2011.

SECTION 2: Valuation Results for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

PROJECTION OF THE ANNUAL REQUIRED CONTRIBUTION

30 Years Open (4.5% interest rate)

Fiscal Year Ended June 30	(1) Gross Benefit Payments	(2) Retiree Contributions	(3) NHRS Subsidy	(4) Net Benefit Payments (1) - (2) - (3)	(5) Normal Cost	(6) Amortization of UAAL	(7) ARC (5) + (6)	As of December 31 after Fiscal Year End		
								(8) Assets	(9) AAL	(10) UAAL (9) - (8)
2015	\$67,456,004	\$3,062,047	\$12,793,956	\$51,600,000	\$69,149,640	\$78,972,549	\$148,122,189	\$0	\$2,252,933,759	\$2,252,933,759
2016	72,044,979	4,777,198	13,049,663	54,218,118	69,459,639	83,203,610	152,663,249	0	2,370,243,168	2,370,243,168
2017	77,505,832	4,865,951	12,790,496	59,849,385	69,571,828	87,535,990	157,107,818	0	2,487,064,062	2,487,064,062
2018	84,142,326	4,993,758	12,533,168	66,615,399	69,904,033	91,850,329	161,754,362	0	2,602,418,567	2,602,418,567
2019	91,387,214	5,144,365	12,290,833	73,952,016	70,438,514	96,110,513	166,549,027	0	2,715,855,793	2,715,855,793
2020	98,837,679	5,339,718	12,069,726	81,428,235	71,009,060	100,299,889	171,308,948	0	2,827,181,265	2,827,181,265
2021	107,014,736	5,609,818	11,823,384	89,581,534	72,029,650	104,411,275	176,440,925	0	2,936,062,704	2,936,062,704
2022	115,160,173	5,831,250	11,520,028	97,808,895	73,404,513	108,432,400	181,836,913	0	3,042,682,946	3,042,682,946
2023	123,188,830	5,986,513	11,148,000	106,054,317	75,239,779	112,370,017	187,609,795	0	3,147,402,486	3,147,402,486
2024	131,445,067	6,167,058	10,741,803	114,536,207	77,319,615	116,237,438	193,557,052	0	3,250,144,259	3,250,144,259
2025	139,519,207	6,307,865	10,317,081	122,894,262	79,409,530	120,031,818	199,441,348	0	3,350,959,206	3,350,959,206
2026	147,399,324	6,405,431	9,861,768	131,132,125	81,804,519	123,755,037	205,559,557	0	3,450,205,022	3,450,205,022
2027	155,347,258	6,526,710	9,393,619	139,426,929	84,412,160	127,420,307	211,832,467	0	3,547,973,814	3,547,973,814
2028	162,468,899	6,552,344	8,911,109	147,005,446	87,106,278	131,031,029	218,137,307	0	3,645,038,005	3,645,038,005
2029	168,847,216	6,489,267	8,430,420	153,927,529	90,228,931	134,615,728	224,844,660	0	3,742,499,680	3,742,499,680
2030	175,871,421	6,546,120	7,963,488	161,361,813	93,936,981	138,215,108	232,152,089	0	3,840,453,216	3,840,453,216
2031	183,042,127	6,629,172	7,490,977	168,921,979	98,042,082	141,832,652	239,874,734	0	3,939,204,119	3,939,204,119
2032	189,604,888	6,625,661	7,020,936	175,958,292	102,659,844	145,479,644	248,139,488	0	4,039,871,426	4,039,871,426
2033	196,063,470	6,640,674	6,564,400	182,858,396	107,825,833	149,197,411	257,023,244	0	4,143,256,612	4,143,256,612
2034	202,048,092	6,602,667	6,122,541	189,322,885	113,386,060	153,015,553	266,401,614	0	4,250,349,177	4,250,349,177
2035	207,226,491	6,448,671	5,696,535	195,081,285	119,071,319	156,970,613	276,041,932	0	4,362,184,476	4,362,184,476
2036	212,086,963	6,272,308	5,286,075	200,528,581	125,517,629	161,100,828	286,618,457	0	4,480,096,333	4,480,096,333
2037	216,761,282	6,104,147	4,900,991	205,756,143	131,985,689	165,455,458	297,441,147	0	4,604,610,543	4,604,610,543
2038	221,338,898	5,933,776	4,526,644	210,878,478	138,741,281	170,053,920	308,795,201	0	4,736,434,647	4,736,434,647
2039	226,158,209	5,803,502	4,166,114	216,188,593	145,720,380	174,922,346	320,642,726	0	4,875,934,922	4,875,934,922
2040	231,382,097	5,725,217	3,835,180	221,821,700	153,076,446	180,074,263	333,150,709	0	5,023,513,204	5,023,513,204
2041	236,839,497	5,673,555	3,529,594	227,636,348	160,702,215	185,524,510	346,226,725	0	5,179,625,130	5,179,625,130
2042	242,599,120	5,666,634	3,247,839	233,684,647	168,921,304	191,289,915	360,211,219	0	5,345,030,567	5,345,030,567
2043	248,315,322	5,645,731	2,987,060	239,682,531	177,449,674	197,398,541	374,848,215	0	5,520,523,607	5,520,523,607
2044	253,742,650	5,579,202	2,746,899	245,416,550	186,145,733	203,879,714	390,025,447	0	5,707,009,165	5,707,009,165

Notes: Adjustment for timing assumes payment in the middle of the fiscal year.

Number of actives are assumed to remain constant and new hires are assumed to have the same demographic profile as employees hired after July 1, 2011.

SECTION 2: Valuation Results for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

December 3, 2015

ACTUARIAL CERTIFICATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. has conducted an actuarial valuation of certain benefit obligations of the State of New Hampshire's other postemployment benefit programs as of December 31, 2014, 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 GASB Statements 43 and 45 for the determination of the liability for postemployment benefits other than pensions.

The actuarial valuation is based on the plan of benefits verified by the State and reliance on participant, claims and expense data provided by the State or from vendors employed by the State. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

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 of the plan, or determining short-term cash flow requirements.

To the best of our knowledge, this report is complete and accurate and in our opinion presents the information necessary to comply with GASB Statements Number 43 and 45 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries, and other professional actuarial organizations and collectively meet their "General Qualification Standards for Statements of Actuarial Opinions" to render the actuarial opinion contained herein. Further, in our opinion, the assumptions as approved by the State are reasonably related to the experience and expectations of the postemployment benefit programs.


Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary


Daniel J. Rhodes, FSA, MAAA
Vice President and Consulting Actuary

SECTION 3: Valuation Details for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

CHART 1

Required Supplementary Information – Schedule of Employer Contributions

Plan Year Ended June 30	Annual OPEB Cost	Actual Contributions	Percentage Contributed
2008	\$207,142,322	\$50,332,000	24.30%
2009	195,442,213	57,011,000	29.17%
2010	208,150,852	52,790,000	25.36%
2011	162,119,767	54,418,000	33.57%
2012	171,911,651	50,997,000	29.66%
2013	137,811,620	51,332,000	37.25%
2014	145,317,300	52,647,000	36.23%
2015	155,048,171	51,600,000	33.28%

SECTION 3: Valuation Details for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

This schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CHART 2
Required Supplementary Information – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
12/31/2006	\$0	\$2,559,477,420	\$2,559,477,420	0%	\$558,400,000	458.36%
6/30/2008	0	2,470,484,690	2,470,484,690	0%	602,644,000	409.94%
12/31/2010	0	2,257,820,367	2,257,820,367	0%	597,800,000	377.69%
12/31/2012	0	1,856,714,242	1,856,714,242	0%	518,663,650	357.98%
12/31/2014	0	2,138,367,831	2,138,367,831	0%	563,322,000	379.60%

SECTION 3: Valuation Details for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

CHART 3

Required Supplementary Information – Net OPEB Obligation/(Asset) (NOO/NOA)

Fiscal Year Ended June 30	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost (a) + (b) + (c) (d)	Actual Contribution Amount (e)	Net Increase in NOO (d) - (e) (f)	NOO as of Following Date (g)
2008	\$207,142,322	\$0	\$0	\$207,142,322	\$50,332,000	\$156,810,322	\$156,810,322
2009	193,729,073	7,056,464	(5,343,324)	195,442,213	57,011,000	138,431,213	295,241,535
2010	204,948,075	13,192,314	(9,989,537)	208,150,852	52,790,000	155,360,852	450,602,387
2011	156,862,740	20,277,107	(15,020,080)	162,119,767	54,418,000	107,701,767	558,304,154
2012	165,398,102	25,123,687	(18,610,138)	171,911,651	50,997,000	120,914,651	679,218,805
2013	132,331,158	30,564,846	(25,084,384)	137,811,620	51,332,000	86,479,620	765,698,425
2014	139,139,054	34,456,429	(28,278,183)	145,317,300	52,647,000	92,670,300	858,368,725
2015	148,122,189	38,626,593	(31,700,611)	155,048,171	51,600,000	103,448,171	961,816,896

SECTION 3: Valuation Details for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

CHART 4

Summary of Required Supplementary Information

Valuation date	December 31, 2014
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	4.5%, pay-as-you-go scenario
Inflation rate	3.75%
Projected salary increases	3.75%
Medical cost trend rate under age 65	5.00%
Medical cost trend rate age 65 and over	5.00%
Drug cost trend rate under age 65	11.00% decreasing at 0.5% for 12 years to an ultimate level of 5.00%
Drug cost trend rate age 65 and over	11.00% decreasing at 0.5% for 12 years to an ultimate level of 5.00%
Plan membership:	
Current retirees, beneficiaries, and dependents	11,608
Current active participants	10,535
Retirees eligible for medical benefits in the future	<u>494</u>
Total	22,637

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

This exhibit summarizes the participant data used for the current and prior valuations.

**EXHIBIT I
Summary of Participant Data**

	January 1, 2015	January 1, 2013
Active employees covered for medical benefits		
Number of employees		
Male	4,812	4,855
Female	<u>5,723</u>	<u>5,729</u>
Total	10,535	10,584
Average age	48.4	48.4
Average service	12.7	12.2
Average age at hire	35.7	36.2
Retired employees, spouses and beneficiaries covered for medical benefits		
Number of individuals	11,608	11,187
Average age	70.5	70.1
Retirees eligible for medical benefits in the future		
Number of employees	494	72
Average age	51.3	56.3

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

EXHIBIT II

Actuarial Assumptions and Actuarial Cost Method

Data: Detailed census data, claims information, and summary plan descriptions for postemployment welfare benefits were provided by the State.

Actuarial Cost Method: Projected Unit Credit. For active employees, benefits are allocated from date of hire to assumed retirement age

Per Capita Cost Development:

Medical

Per capita claims costs were based on actual retiree paid claim experience furnished by Anthem for the period May 1, 2013, through April 30, 2015. Claims were separated by year and plan (under-65 vs. 65-and-over), adjusted for plan changes during the experience period, and then total claims were divided by the number of adult members to yield a per capita claims cost.

Per capita claims 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 claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Prescription Drug

Per capita costs were based on actual retiree paid claim experience furnished by LGC/CVS Caremark and Express Scripts for the period January 1, 2013, through December 31, 2014. Claims were separated by year, adjusted for plan changes and changes in financial terms during the experience period, and then adjusted as described above to yield a combined weighted average per capita claims cost. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Projected costs for retirees over age 65 were adjusted to reflect savings from moving to an EGWP program effective January 1, 2015.

Administrative Expenses

Administrative expenses were based on vendor contractual rates and fees as well as a pro-rated share of other Fund 60 expenses.

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Measurement Date: December 31, 2014

Discount Rate: 7.75% funding and 4.5% pay-as-you-go

Postretirement Mortality Rates:

Healthy RP-2000 Healthy Annuitant Mortality Table projected to 2020 with Scale AA, with a margin of 15% for men and 17% for women

Disabled 80% of the PBGC Disabled Mortality Tables

These mortality tables were determined to contain provision appropriate to reasonably reflect future mortality improvement.

Termination Rates before Retirement:

Age	Group I - Rate per year (%)			
	Mortality*		Disability**	
	Male	Female	Male	Female
20	0.00	0.01	0.02	0.00
25	0.04	0.02	0.02	0.01
30	0.04	0.02	0.02	0.02
35	0.05	0.03	0.03	0.02
40	0.08	0.04	0.08	0.05
45	0.12	0.06	0.15	0.09
50	0.18	0.08	0.25	0.19
55	0.25	0.13	0.43	0.35
60	0.35	0.20	1.16	0.58

* 98% are assumed to be ordinary death and 2% are assumed to be accidental death.
 ** 50% are assumed to be ordinary disability and 50% are assumed to be accidental disability.

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Termination Rates before Retirement (cont):

Age	Group II Police - Rate per year (%)			
	Mortality*		Disability	
	Male	Female	Ordinary	Accidental
20	0.02	0.00	0.04	0.02
25	0.02	0.01	0.04	0.02
30	0.03	0.02	0.04	0.02
35	0.05	0.03	0.08	0.05
40	0.07	0.04	0.18	0.12
45	0.09	0.06	0.32	0.21
50	0.11	0.09	0.50	0.34
55	0.19	0.17	0.75	0.50
60	0.37	0.34	0.00	0.00

* 50% are assumed to be ordinary death and 50% are assumed to be accidental death.

Age	Group II Fire - Rate per year (%)			
	Mortality*		Disability	
	Male	Female	Ordinary	Accidental
20	0.02	0.00	0.04	0.02
25	0.02	0.00	0.04	0.02
30	0.02	0.02	0.05	0.02
35	0.04	0.02	0.06	0.02
40	0.04	0.02	0.11	0.08
45	0.06	0.04	0.23	0.08
50	0.08	0.12	0.54	0.33
55	0.12	0.12	1.21	0.33
60	0.24	0.22	3.00	0.33

* 50% are assumed to be ordinary death and 50% are assumed to be accidental death.

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Withdrawal Rates:

Age	Years of Service	Rate per year (%)				
		Group I		Group II - Police		Group II - Fire
		Male	Female	Male	Female	
	0	30.00	30.00	30.00	40.00	8.00
	1	22.00	22.00	15.00	17.00	6.00
	2	16.00	16.00	9.00	14.00	4.50
	3	12.00	12.00	6.00	11.00	3.00
	4	8.00	8.00	4.00	9.00	2.00
25	5+	5.00	8.00	4.00	4.00	1.50
30		5.00	8.00	4.00	4.00	1.50
35		5.00	5.60	4.00	4.00	1.50
40		5.00	5.60	4.00	4.00	1.50
45		5.00	5.60	4.00	4.00	1.50
50		5.00	4.40	4.00	4.00	1.50
55		5.00	4.00	4.00	4.00	1.50
60		5.00	4.00	4.00	4.00	1.50

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Retirement Rates:

Ages	Rate per year (%)					
	Group I - Hired prior to July 1, 2011					
	Normal	Male Early	Early Rule X	Normal	Female Early	Early Rule X
45	--	--	1.0	--	--	1.0
46	--	--	1.0	--	--	1.0
47	--	--	1.0	--	--	1.5
48	--	--	1.0	--	--	1.5
49	--	--	1.0	--	--	1.0
50	--	1.0	1.5	--	1.0	2.0
51	--	1.0	3.0	--	1.0	2.5
52	--	1.0	3.0	--	1.0	2.0
53	--	1.0	4.0	--	1.0	3.5
54	--	1.0	4.5	--	1.5	5.5
55	--	2.0	8.0	--	2.5	10.0
56	--	2.5	10.0	--	3.5	6.0
57	--	2.5	11.0	--	3.0	13.0
58	--	3.5	11.0	--	4.0	15.0
59	--	5.0	18.0	--	5.5	15.0
60	12.0	--	--	12.0	--	--
61	12.0	--	--	12.0	--	--
62	17.0	--	--	15.0	--	--
63	16.0	--	--	15.0	--	--
64	15.0	--	--	15.0	--	--
65	15.0	--	--	20.0	--	--
66	25.0	--	--	20.0	--	--
67	20.0	--	--	20.0	--	--
68	20.0	--	--	16.0	--	--
69	20.0	--	--	17.0	--	--
70	100.0	--	--	100.0	--	--

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Retirement Rates (cont.):

Group I - Hired on or after July 1, 2011

Ages	Male		Female	
	Normal	Early	Normal	Early
60	--	12.0	--	12.0
61	--	12.0	--	12.0
62	--	17.0	--	15.0
63	--	16.0	--	15.0
64	--	15.0	--	15.0
65	46.0	--	45.0	--
66	46.0	--	45.0	--
67	20.0	--	20.0	--
68	20.0	--	16.0	--
69	20.0	--	17.0	--
70	100.0	--	100.0	--

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Retirement Rates (cont.):

Group II - Hired prior to July 1, 2011 and vested as of January 1, 2012

Ages	Police	Fire
45	25.0	15.0
46	25.0	12.0
47	25.0	12.0
48	25.0	12.0
49	25.0	12.0
50	25.0	15.0
51	25.0	15.0
52	25.0	15.0
53	30.0	25.0
54	30.0	20.0
55	30.0	30.0
56	25.0	30.0
57	25.0	25.0
58	30.0	25.0
59	25.0	25.0
60	25.0	25.0
61	20.0	40.0
62	20.0	30.0
63	25.0	30.0
64	25.0	30.0
65	100.0	100.0

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Retirement Rates (cont.):

**Group II - Hired on or after July 1, 2011 or
Hired prior to July 1, 2011 and not vested as of January 1, 2012**

Ages	Police				
	Age 46 with 21 years	Age 47 with 22 years	Age 48 with 23 years	Age 49 with 24 years	Age 50 with 25 years
45	--	--	--	--	--
46	28.0	--	--	--	--
47	28.0	35.0	--	--	--
48	28.0	35.0	35.0	--	--
49	28.0	30.0	35.0	40.0	--
50	28.0	30.0	35.0	40.0	50.0
51	28.0	30.0	35.0	40.0	50.0
52	28.0	30.0	35.0	40.0	50.0
53	30.0	30.0	35.0	35.0	35.0
54	30.0	30.0	35.0	35.0	35.0
55	30.0	30.0	30.0	35.0	35.0
56	25.0	25.0	25.0	25.0	25.0
57	25.0	25.0	25.0	25.0	25.0
58	30.0	30.0	30.0	30.0	30.0
59	25.0	25.0	25.0	25.0	25.0
60	25.0	25.0	25.0	25.0	25.0
61	20.0	20.0	20.0	20.0	20.0
62	20.0	20.0	20.0	20.0	20.0
63	25.0	25.0	25.0	25.0	25.0
64	25.0	25.0	25.0	25.0	25.0
65	25.0	25.0	25.0	25.0	25.0
66	100.0	100.0	100.0	100.0	100.0

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Retirement Rates (cont.):

**Group II - Hired on or after July 1, 2011 or
Hired prior to July 1, 2011 and not vested as of January 1, 2012**

Ages	Firefighters				
	Age 46 with 21 years	Age 47 with 22 years	Age 48 with 23 years	Age 49 with 24 years	Age 50 with 25 years
45	--	--	--	--	--
46	15.0	--	--	--	--
47	15.0	17.0	--	--	--
48	15.0	17.0	21.0	--	--
49	15.0	17.0	21.0	25.0	--
50	15.0	18.0	21.0	25.0	32.0
51	15.0	18.0	21.0	25.0	32.0
52	15.0	18.0	21.0	25.0	32.0
53	25.0	25.0	25.0	25.0	25.0
54	20.0	20.0	20.0	20.0	20.0
55	30.0	30.0	30.0	30.0	30.0
56	30.0	30.0	30.0	30.0	30.0
57	25.0	25.0	25.0	25.0	25.0
58	25.0	25.0	25.0	25.0	25.0
59	25.0	25.0	25.0	25.0	25.0
60	25.0	25.0	25.0	25.0	25.0
61	40.0	40.0	40.0	40.0	40.0
62	30.0	30.0	30.0	30.0	30.0
63	30.0	30.0	30.0	30.0	30.0
64	30.0	30.0	30.0	30.0	30.0
65	100.0	100.0	100.0	100.0	100.0

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Dependents: Demographic data was available for spouses of current retirees. For current future retirees, husbands were assumed to be three years older than their wives. For future retirees who elect to continue their health coverage at retirement, 75% were assumed to have an eligible spouse. In both groups, 100% of eligible spouses are assumed to receive postretirement medical benefits.

Per Capita Health Costs: 2015 medical and prescription drug claims costs are shown in the table below for retirees and for spouses at selected ages. These costs are net of such items as deductibles, copays and coinsurance amounts.

Age	Medical				Prescription Drug			
	Retiree		Spouse		Retiree		Spouse	
	Male	Female	Male	Female	Male	Female	Male	Female
45	\$4,447	\$5,579	\$2,758	\$4,164	\$1,326	\$1,664	\$823	\$1,242
50	5,278	6,012	3,687	4,827	1,574	1,793	1,100	1,440
55	6,268	6,472	4,933	5,588	1,870	1,930	1,471	1,667
60	7,444	6,976	6,604	6,480	2,220	2,081	1,970	1,933
64	8,540	7,400	8,337	7,294	2,547	2,207	2,487	2,176
65	1,630	1,386	1,630	1,386	2,135	1,815	2,135	1,815
70	1,889	1,493	1,889	1,493	2,474	1,956	2,474	1,956
75	2,036	1,607	2,036	1,607	2,667	2,105	2,667	2,105

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Health Care Cost 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 must be applied to that year’s cost to yield the next year’s projected cost.

Year Ending December 31	Pre-65 Medical	Post-65 Medical	Pre-65 Prescription Drug	Post-65 Prescription Drug
2015	5.0%	5.0%	11.0%	11.0%
2016	5.0%	5.0%	10.5%	10.5%
2017	5.0%	5.0%	10.0%	10.0%
2018	5.0%	5.0%	9.5%	9.5%
2019	5.0%	5.0%	9.0%	9.0%
2020	5.0%	5.0%	8.5%	8.5%
2021	5.0%	5.0%	8.0%	8.0%
2022	5.0%	5.0%	7.5%	7.5%
2023	5.0%	5.0%	7.0%	7.0%
2024	5.0%	5.0%	6.5%	6.5%
2025	5.0%	5.0%	6.0%	6.0%
2026	5.0%	5.0%	5.5%	5.5%
2027	5.0%	5.0%	5.0%	5.0%

NHRS Retiree Medical Subsidy:

Based on information received from the New Hampshire Retirement System, the postretirement subsidy is assumed to continue without future increases indefinitely.

Retiree Contribution Increase Rate:

The contribution of 12.5% of working rates per retiree or spouse under the age of 65 is assumed to increase with a blended medical and prescription drug trend.

Participation and Coverage Election:

100% of active employees with coverage are assumed to elect retiree coverage.

Plan Design:

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

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Administrative Expenses:	An administrative expense load of \$247 per non-Medicare-eligible retiree and \$323 per Medicare-eligible retiree increasing at 4.0% per year was added to projected incurred claim costs in developing the benefit obligations.
Missing Participant Data:	A missing census item for a given participant was assumed to equal the average value of that item over all other participants of the same status for whom the item is known.
Health Care Reform Assumption:	This valuation does not include 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 the excise tax on high cost health plans beginning in 2018 (reflected with this valuation) and those previously adopted as of the valuation date. The addition of the excise tax in this valuation resulted in a 1.4% increase in the actuarial accrued liability and a 2.5% increase in the normal cost. (Previously, the actuarial accrued liability was increased by 1.4% and normal cost by 2.8%.)
Demographic Assumptions	The demographic assumptions used in this valuation are the same as used in the NHRS Experience Study for the period July 1, 2005 – June 30, 2010 completed by Gabriel Roedic Smith & Company. A review of the demographic assumptions is beyond the scope of this assignment; however, we have no reason to doubt the reasonableness of the assumptions.
Assumption Changes Since Prior Valuation:	<p>Per capita health costs and administrative expenses were recalculated based on more recent data.</p> <p>The medical and drug trends were updated to better reflect experience and future expectations.</p> <p>The excise tax on high cost health plans beginning in 2018 was revised in this valuation due to recent experience.</p>

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

EXHIBIT III

Summary of Plan

This exhibit summarizes the major benefit provisions as included in the valuation. To the best of our knowledge, the summary represents the substantive plans as of the measurement date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Eligibility:

The following groups of retirees receiving a pension from the New Hampshire Retirement System are eligible for postretirement medical benefits:

Group I:

- Retirees whose service began before July 1, 2003, with at least 10 years of State creditable service, are eligible at age 60.
- Retirees whose service began on or after July 1, 2003 and before July 1, 2011, with at least 20 years of State creditable service, are eligible at age 60.
- Retirees whose service began before July 1, 2011, with at least 30 years of State creditable service, are eligible at any age.
- Retirees whose service began on or after July 1, 2011 with at least 20 years of State creditable service, are eligible at age 65.
- Vested Deferred Retirees and Early Service Retirees who satisfy the above criteria and collect their pensions before age 60 (or 65, if applicable), are eligible at age 60 (or 65, if applicable).

Group II:

- Retirees whose service began before July 1, 2010 are eligible at retirement.
- Retirees whose service began on or after July 1, 2010 and before July 1, 2011, with at least 20 years of State creditable service, are eligible at retirement.
- Retirees whose service began after July 1, 2011 with at least 20 years of State creditable service, are eligible at age 52.5.
- Vested Deferred Retirees who are in vested status before January 1, 2012 are eligible when 20 years of service would have been completed and they are at least age 45.

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

- Vested Deferred Retirees whose service began after July 1, 2011 with at least 20 years of State creditable service are eligible when 25 years of service would have been completed and they are at least age 50.
- Vested Deferred Retirees hired before July 1, 2011 who have not attained vested status before January 1, 2012 are eligible at retirement subject to the following transition rules:

Creditable Service on January 1, 2012	Minimum Years of Service	Minimum Age Attained
Less than 4 years	24	49
At least 4 but less than 6 years	23	48
At least 6 but less than 8 years	22	47
At least 8 but less than 10 years	21	46

Disability: Retirees on Ordinary (non-job-related) or Accidental (job-related) Disability Retirement are eligible at any age.

Ordinary Death: Surviving spouse is eligible if eligible for ordinary death retirement benefits and, for Group I, if the employee had 10 years of State creditable service and was hired before July 1, 2003 or 20 years of State creditable service if hired on or after July 1, 2003 and for Group II, if the employee had 10 years of State creditable service and was hired before July 1, 2010 or 20 years of State creditable service if hired on or after July 1, 2010.

Accidental Death: Surviving spouse and minor children are eligible.

Post-Retirement Death: Surviving spouse is eligible.

Benefit Types:

Medical coverage is self-funded and was administered by Anthem. Retirees not yet eligible for Medicare participate in a Network Open Access Point of Service (POS) or a Preferred Provider Organization (PPO) plan depending on their geographic location. Retirees eligible for Medicare participate in an indemnity plan that coordinates with Medicare.

Prescription drug coverage is self-funded and administered by Express Scripts. Coverage for Medicare-eligible retirees is provided through an Employer Group Waiver Plan (EGWP).

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

The monthly working rates for retiree medical coverage, effective January 1, 2015, are as follows:

	<u>Individual</u>	<u>2-person</u>	<u>Family</u>
Retiree Under Age 65	\$910.90	\$1,821.02	\$2,465.25
Retiree Age 65 and Older	\$333.71	N/A	N/A

Duration of Coverage:

Lifetime.

Dependent Benefits:

Medical and Prescription Drugs.

Dependent Coverage:

Benefits are payable to a spouse for their lifetime, regardless of when the retiree dies.

Retiree Contributions:

The retiree health insurance premium contribution required for postretirement medical coverage is 12.5% of the working rate per month per retiree or spouse under the age of 65.

NHRS Subsidy:

The State receives a postretirement medical subsidy from the New Hampshire Retirement System for retirees that meet the following criteria (in addition to the eligibility requirements described earlier in this section):

Group I: Employees who retired on or before July 1, 2004.

Group II: Employees who were active or retired as of June 30, 2000, or active as of June 30, 2005, and subsequently retired on Accidental Disability Retirement.

The current monthly subsidy amounts, are as follows:

	<u>One person</u>	<u>Two person</u>
Retiree Under Age 65	\$375.56	\$751.12
Retiree Age 65 and Older	\$236.84	\$473.68

As a result of the 2011 legislative changes, these subsidies will not increase in the future.

In addition, there is a group of 88 retirees whose subsidy amount is equal to 100% of the premium.

SECTION 4: Supporting Information for the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Benefit Descriptions:

Medical for Retirees Under Age 65 (effective January 1, 2012)	In-Network	Out-Of-Network
<i>Annual Deductible</i>	\$500 individual / \$1,000 family	\$650 individual / \$1,350 family
<i>Coinsurance</i>	100%	80%
<i>Physician's Office Visit</i>	\$10 copay (\$30 for specialists)	Coinsurance & deductible
<i>Emergency Room</i>	\$150 copay	\$150 copay
<i>Hospital</i>	Deductible	Coinsurance & deductible
<i>Maximum Out-Of-Pocket Expense</i>	\$1,000 individual / \$2,000 family	\$2,000 individual / \$4,000 family
Medical for Retirees Age 65 and Older (effective January 1, 2012)		
<i>Annual Deductible</i>	Medicare Part B deductible	
<i>Coinsurance</i>	100% after deductible (if applicable)	
Prescription Drug (effective January 1, 2012)		
<i>Retail</i>	\$10 generic / \$20 preferred brand / \$35 non-preferred brand	
<i>Mail Order</i>	\$1 generic / \$40 preferred brand / \$70 non-preferred brand	
<i>Maximum Out-Of-Pocket Expense</i>	\$500 individual / \$1,000 family	

Plan Changes

since Prior Valuation: None.

SECTION 5: Appendix to the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

AGENCY RESULTS – PAY-AS-YOU-GO (4.5%)

Actuarial Accrued Liability (AAL) and Annual Required Contribution	GROUP I		
	General Government		
	All Other	Safety	DOT General and Highway
Actuarial Accrued Liability – Gross			
1. Current retirees, beneficiaries and dependents	\$599,368,328	\$45,779,308	\$183,469,678
2. Current active employees	<u>645,504,431</u>	<u>57,103,144</u>	<u>152,298,385</u>
3. Total as of December 31, 2014: (1) + (2)	\$1,244,872,759	\$102,882,452	\$335,768,063
NHRS Subsidy			
4. Current retirees, beneficiaries and dependents	\$45,327,961	\$2,487,172	\$19,833,357
5. Current active employees	<u>0</u>	<u>0</u>	<u>0</u>
6. Total as of December 31, 2014: (4) + (5)	\$45,437,961	\$2,487,172	\$19,833,357
Retiree Contributions			
7. Current retirees, beneficiaries and dependents	\$9,547,986	\$844,765	\$3,852,992
8. Current active employees	<u>18,295,523</u>	<u>1,820,300</u>	<u>6,753,201</u>
9. Total as of December 31, 2014: (7) + (8)	\$27,843,509	\$2,665,065	\$10,606,193
Actuarial Accrued Liability – Net			
10. Current retirees, beneficiaries and dependents: (1) – (4) – (7)	\$544,492,378	\$42,447,370	\$159,783,330
11. Current active employees: (2) – (5) – (8)	<u>627,208,911</u>	<u>55,282,844</u>	<u>145,545,183</u>
12. Total as of December 31, 2014: (10) + (11)	\$1,171,701,289	\$97,730,214	\$305,328,515
Annual Required Contribution for Fiscal Year Ending June 30, 2015			
13. Normal cost as of December 31, 2014	\$37,206,511	\$3,572,519	\$7,731,053
14. Amortization of the unfunded actuarial liability (30 years, increasing 3.75% per year)	<u>43,272,367</u>	<u>3,609,297</u>	<u>11,276,157</u>
15. Total Annual Required Contribution (ARC): (13) + (14)	\$80,478,878	\$7,181,816	\$19,007,210
16. Estimated net benefit payments for fiscal year ending June 30, 2015*	\$29,970,000	\$2,318,000	\$8,164,000

* Net benefits estimated for each group based on projected benefits from valuation.

SECTION 5: Appendix to the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Actuarial Accrued Liability (AAL) and Annual Required Contribution	Group I (continued)				
	Business Type Activities			Component Units	
	Liquor Group I	Lottery and Racing & Gambling	Turnpike	CCSNH	Retirement System
Actuarial Accrued Liability – Gross					
1. Current retirees, beneficiaries and dependents	\$39,092,613	\$9,961,870	\$18,041,603	\$62,494,616	\$4,323,384
2. Current active employees	<u>20,293,091</u>	<u>5,815,562</u>	<u>17,733,963</u>	<u>48,692,181</u>	<u>4,343,309</u>
3. Total as of December 31, 2014: (1) + (2)	\$59,385,704	\$15,777,432	\$35,775,566	\$111,186,797	\$8,666,693
NHRS Subsidy					
4. Current retirees, beneficiaries and dependents	\$4,404,647	\$455,239	\$2,212,682	\$4,127,434	\$240,085
5. Current active employees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6. Total as of December 31, 2014: (4) + (5)	\$4,404,647	\$455,239	\$2,212,682	\$4,127,434	\$240,085
Retiree Contributions					
7. Current retirees, beneficiaries and dependents	\$943,323	\$174,407	\$252,033	\$723,559	\$43,851
8. Current active employees	<u>690,003</u>	<u>169,635</u>	<u>569,674</u>	<u>1,194,120</u>	<u>121,506</u>
9. Total as of December 31, 2014: (7) + (8)	\$1,633,326	\$344,042	\$821,707	\$1,917,679	\$165,357
Actuarial Accrued Liability – Net					
10. Current retirees, beneficiaries and dependents: (1) – (4) – (7)	\$33,744,641	\$9,332,224	\$15,576,889	\$57,643,622	\$4,039,448
11. Current active employees: (2) – (5) – (8)	<u>19,603,088</u>	<u>5,645,927</u>	<u>17,164,290</u>	<u>47,498,062</u>	<u>4,221,804</u>
12. Total as of December 31, 2014: (10) + (11)	\$53,347,729	\$14,978,151	\$32,741,179	\$105,141,684	\$8,261,252
Annual Required Contribution for Fiscal Year Ending June 30, 2015					
13. Normal cost as of December 31, 2014	\$1,270,259	\$302,486	\$970,417	\$3,190,662	\$274,397
14. Amortization of the unfunded actuarial liability (30 years, increasing 3.75% per year)	<u>1,970,197</u>	<u>553,162</u>	<u>1,209,172</u>	<u>3,883,011</u>	<u>305,098</u>
15. Total Annual Required Contribution (ARC): (13) + (14)	\$3,240,456	\$855,648	\$2,179,589	\$7,073,673	\$579,495
16. Estimated net benefit payments for fiscal year ending June 30, 2015*	\$1,711,000	\$547,000	\$924,000	\$3,216,000	\$212,000

* Net benefits estimated for each group based on projected benefits from valuation.

SECTION 5: Appendix to the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Actuarial Accrued Liability (AAL) and Annual Required Contribution	GROUP II					
	Safety-Fire	Safety-Police	Fish & Game	Police Standards and Training	Liquor Group II	All Other – Fire
Actuarial Accrued Liability – Gross						
1. Current retirees, beneficiaries and dependents	\$4,797,000	\$81,872,382	\$11,323,561	\$108,665,056	\$7,065,413	\$5,921,417
2. Current active employees	<u>3,027,116</u>	<u>68,456,670</u>	<u>9,713,127</u>	<u>139,974,396</u>	<u>2,460,196</u>	<u>6,121,919</u>
3. Total as of December 31, 2014: (1) + (2)	\$7,824,116	\$150,329,052	\$21,036,688	\$248,639,452	\$9,525,609	\$12,043,336
NHRS Subsidy						
4. Current retirees, beneficiaries and dependents	\$937,465	\$22,243,213	\$3,171,362	\$21,199,721	\$1,681,445	\$715,789
5. Current active employees	<u>38,635</u>	<u>6,514,249</u>	<u>1,148,212</u>	<u>15,809,514</u>	<u>212,223</u>	<u>713,257</u>
6. Total as of December 31, 2014: (4) + (5)	\$976,100	\$28,757,462	\$4,319,574	\$37,009,235	\$1,893,668	\$1,429,046
Retiree Contributions						
7. Current retirees, beneficiaries and dependents	\$172,216	\$3,731,019	\$377,879	\$4,938,022	\$309,515	\$386,028
8. Current active employees	<u>191,993</u>	<u>5,029,612</u>	<u>747,205</u>	<u>9,406,968</u>	<u>164,711</u>	<u>420,184</u>
9. Total as of December 31, 2014: (7) + (8)	\$364,209	\$8,760,631	\$1,125,084	\$14,344,990	\$474,226	\$806,212
Actuarial Accrued Liability – Net						
10. Current retirees, beneficiaries and dependents: (1) – (4) – (7)	\$3,687,319	\$55,898,152	\$7,774,318	\$82,527,313	\$5,074,454	\$4,819,600
11. Current active employees: (2) – (5) – (8)	<u>2,796,489</u>	<u>56,912,809</u>	<u>7,817,710</u>	<u>114,757,914</u>	<u>2,083,261</u>	<u>4,988,479</u>
12. Total as of December 31, 2014: (10) + (11)	\$6,483,808	\$112,810,961	\$15,592,028	\$197,285,227	\$7,157,715	\$9,808,079
Annual Required Contribution for Fiscal Year Ending June 30, 2015						
13. Normal cost as of December 31, 2014	\$261,026	\$4,708,445	\$614,368	\$8,278,983	\$220,340	\$548,174
14. Amortization of the unfunded actuarial liability (30 years, increasing 3.75% per year)	<u>239,455</u>	<u>4,166,247</u>	<u>575,833</u>	<u>7,285,986</u>	<u>264,343</u>	<u>362,224</u>
15. Total Annual Required Contribution (ARC): (13) + (14)	\$500,481	\$8,874,692	\$1,190,201	\$15,564,969	\$484,683	\$910,398
16. Estimated net benefit payments for fiscal year ending June 30, 2015*	\$141,000	\$1,330,000	\$204,000	\$2,605,000	\$136,000	\$122,000

* Net benefits estimated for each group based on projected benefits from valuation.

SECTION 5: Appendix to the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

Actuarial Accrued Liability (AAL) and Annual Required Contribution	TOTALS		
	Group I Total	Group II Total	Grand Total
Actuarial Accrued Liability – Gross			
1. Current retirees, beneficiaries and dependents	\$962,531,400	\$219,644,829	\$1,182,176,229
2. Current active employees	<u>951,784,066</u>	<u>229,753,424</u>	<u>1,181,537,490</u>
3. Total as of December 31, 2014: (1) + (2)	\$1,914,315,466	\$449,398,253	\$2,363,713,719
NHRS Subsidy			
4. Current retirees, beneficiaries and dependents	\$79,088,577	\$49,948,995	\$129,037,572
5. Current active employees	<u>0</u>	<u>24,436,090</u>	<u>24,436,090</u>
6. Total as of December 31, 2014: (4) + (5)	\$79,088,577	\$74,385,085	\$153,473,662
Retiree Contributions			
7. Current retirees, beneficiaries and dependents	\$16,382,916	\$9,914,679	\$26,297,595
8. Current active employees	<u>29,613,962</u>	<u>15,960,673</u>	<u>45,574,635</u>
9. Total as of December 31, 2014: (7) + (8)	\$45,996,878	\$25,875,352	\$71,872,230
Actuarial Accrued Liability – Net			
10. Current retirees, beneficiaries and dependents: (1) – (4) – (7)	\$867,059,902	\$159,781,156	\$1,026,841,058
11. Current active employees: (2) – (5) – (8)	<u>922,170,111</u>	<u>189,356,662</u>	<u>1,111,526,773</u>
12. Total as of December 31, 2014: (10) + (11)	\$1,789,230,013	\$349,137,818	\$2,138,367,831
Annual Required Contribution for Fiscal Year Ending June 30, 2015			
13. Normal cost as of December 31, 2014	\$54,518,304	\$14,631,336	\$69,149,640
14. Amortization of the unfunded actuarial liability (30 years, increasing 3.75% per year)	<u>66,078,461</u>	<u>12,894,088</u>	<u>78,972,549</u>
15. Total Annual Required Contribution (ARC): (13) + (14)	\$120,596,765	\$27,525,424	\$148,122,189
16. Estimated net benefit payments for fiscal year ending June 30, 2015*	\$47,062,000	\$4,538,000	\$51,600,000

* Net benefits estimated for each group based on projected benefits from valuation.

SECTION 5: Appendix to the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

SUMMARY OF PARTICIPANT DATA BY DEPARTMENT

GROUP I	General Government				
	All Other	Safety	DOT General and Highway		
Active employees covered for medical benefits					
Number of employees	6,274	635	1,263		
Average age	49.3	47.2	47.6		
Average service	13.2	11.7	14.3		
Average age at hire	36.1	35.5	33.3		
Retired employees, spouses and beneficiaries covered for medical benefits					
Number of individuals	6,361	463	1,860		
Average age	71.5	70.5	71.2		
Retirees eligible for medical benefits in the future					
Number of individuals	481	0	0		
Average age	51.3	-	-		
	Business Activities			Component Units	
	Liquor Group I	Lottery and Racing & Gaming	Turnpike	CCSNH	Retirement System
Active employees covered for medical benefits					
Number of employees	277	55	168	712	53
Average age	47.0	49.9	52.5	51.4	48.5
Average service	9.9	13.9	13.3	9.5	11.1
Average age at hire	37.0	36.1	39.2	41.7	37.4
Retired employees, spouses and beneficiaries covered for medical benefits					
Number of individuals	387	108	216	691	45
Average age	71.1	72.3	73.9	71.8	70.0
Retirees eligible for medical benefits in the future					
Number of individuals	0	0	0	12	1
Average age	-	-	-	51.1	38.3

SECTION 5: Appendix to the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

GROUP II

	Safety-Fire	Safety-Police	Fish & Game	Liquor Group II	All Other – Fire	Police Standards & Training and All Other – Police
Active employees covered for medical benefits						
Number of employees	18	322	42	17	43	656
Average age	42.9	39.1	38.7	40.0	38.7	44.7
Average service	9.1	10.9	11.8	8.4	8.9	12.0
Average age at hire	33.9	28.2	26.9	31.7	29.8	32.7
Retired employees, spouses and beneficiaries covered for medical benefits						
Number of individuals	33	543	92	51	28	730
Average age	62.8	63.3	67.5	65.6	55.8	63.5
Retirees eligible for medical benefits in the future						
Number of individuals	0	0	0	0	0	0
Average age	-	-	-	-	-	-

Note: Because of the small number of participants in the DOT General, Racing & Charitable Gaming, and Police Standards & Training groups, we have combined their demographic information with DOT Highway, Lottery, and All Other – Police, respectively.

SECTION 5: Appendix to the State of New Hampshire December 31, 2014 Measurement Under GASB 43 and 45

TOTALS	Group I Total	Group II Total	Grand Total
Active employees covered for medical benefits			
Number of employees	9,437	1,098	10,535
Average age	49.1	42.5	48.4
Average service	12.9	11.4	12.7
Average age at hire	36.2	31.1	35.7
Retired employees, spouses and beneficiaries covered for medical benefits			
Number of individuals	10,131	1,477	11,608
Average age	71.5	63.6	70.5
Retirees eligible for medical benefits in the future			
Number of individuals	494	-	494
Average age	51.3	-	51.3

Note: Because of the small number of participants in the DOT General, Racing & Charitable Gaming, and Police Standards & Training groups, we have combined their demographic information with DOT Highway, Lotter, and All Other – Police, respectively.