

**CITY OF READING, PENNSYLVANIA**

Other Postemployment Benefit Valuation

**SECTION II – EXHIBITS**

**Annual OPEB Cost and Net OPEB Obligation  
For Fiscal Year Ending December 31, 2014**

	<u>FY 2014</u>	<u>FY 2015</u>
Net OPEB Obligation BOY	\$14,162,981	\$16,793,415
Annual Required Contribution	7,016,267	7,244,296
Interest on Net OPEB Obligation	460,297	545,786
Adjustment to ARC	<u>(746,130)</u>	<u>(884,706)</u>
Annual OPEB Cost	6,730,434	6,905,376
Estimated Contributions	<u>4,100,000</u>	<u>4,600,000</u>
Expense Difference	2,630,434	2,305,376
Net OPEB Obligation EOY	16,793,415	19,098,791

The Net OPEB Obligation as of December 31, 2014 is based on estimated claims paid for retirees less actual contributions made by by retirees. Actual claims paid for retirees is not available.

The projected Net OPEB Obligation as of December 31, 2015 reflects an increase in the ARC at the interest rate and estimated claims paid by the City less estimated contributions made by the retirees.

Exhibit 3

Milliman's work product was prepared solely for the CITY OF READING, PENNSYLVANIA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.