



January 9, 2025

Ms. Jennifer Clement, Commissioner  
Albany County Department of Human Resources  
112 State Street, Room 900  
Albany, NY 12207

**Re: Net OPEB Liability Impact Related to Proposed Changes to Retirement Eligibility For Healthcare Benefits**

Dear Ms. Clement:

Enclosed is an analysis estimating the potential cost/liability impact to Albany County's (the "County") Net OPEB Liability (NOL) related to proposed changes to the County's retirement eligibility criteria for subsidized healthcare benefits. The proposed changes include consideration of prior public service with a NYS Retirement System participant, and removal of the consecutive service requirement.

The estimates contained herein are done for the sole purpose of estimating the impact of the retirement eligibility changes to the County's NOL and projected Pay-As-You-Go (PAYGO) costs for the latest January 1, 2023, to December 31, 2023, valuation report issued April 23, 2024. Estimates of current budgetary benefit costs are not contemplated in this analysis, however the demographic impact to the active and retiree populations are included in Exhibits 1 and 2.

Exhibits 1 and 2 illustrate the impact to the NOL and PAYGO for each of the two retirement eligibility changes along with demographic shifts due to the changes. For the removal of consecutive service requirement change, the rate of re-enrollment is based on an assumed probability matrix of re-hiring of employees by the County. Exhibit 2 illustrates this probability matrix by employee age band and additional years of service required to reach retirement eligibility.

If you have any questions with the above analysis, please contact me at (203) 435-7746 or [drusconi@risk-strategies.com](mailto:drusconi@risk-strategies.com). Thank you for considering us for this opportunity.

Sincerely,

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Donald J. Rusconi II  
Managing Director

cc: Michael Frank – Risk Strategies

**ALBANY COUNTY**  
**Retirement Eligibility Change**  
**Impact on OPEB Liability**

**EXHIBIT 1**

	Base Case	<i>Prior Public Service</i>			<i>Continued Service Requirement</i>		
		Retirement Eligibility Change #1	Dollar Change to Base Case	Percentage Change to Base Case	Retirement Eligibility Change #2	Dollar Change to Base Case	Percentage Change to Base Case
Net OPEB Liability as of 12/31/23	\$344,851,041	\$347,122,240	\$2,271,199	0.7%	\$364,481,816	\$19,630,775	5.7%
Pay-As-You-Go 1/1/23 to 12/31/23	\$18,314,412	\$18,368,150	\$53,738	0.3%	\$18,314,412	\$0	0.0%
Actives - Not Eligible for Retirement	1,570	1,504	(66)	-4.2%	1,843	273	17.4%
Actives - Eligible for Retirement	213	279	66	31.0%	213	0	0.0%
Retirees	<u>1,831</u>	<u>1,831</u>	<u>0</u>	<u>0.0%</u>	<u>1,831</u>	<u>0</u>	<u>0.0%</u>
	3,614	3,614	0	0.0%	3,887	273	7.6%

Additional Demographic Notes

Change #1 lowered the YOS requirement for 187 employees. Of the 187 impacted employees, 66 immediately changed from not eligible to eligible for retirement.

Change #2, based on a probability matrix illustrated in Exhibit 2 by employee age band and additional years of service required for retirement eligibility. Reflects 273 employees are re-hired with an OPEB liability impact of \$19.6MM.

- o Base case as reported in the January 1, 2023 to December 31, 2023 GASB75 OPEB valuation report issued April 23, 2024.
- o Change #1 in retirement eligibility reflects consideration of prior public service with a NYS Retirement System participant. Retirement eligibility based on attaining a minimum age of 55 with 15 YOS with the County or 20 YOS of combined service with a minimum of 10 YOS with the County.
- o Change #2 in retirement eligibility reflects waiving the 12 months continued service requirement to have prior years of service credited if returning to County active service. Employee must work a minimum of 5 years upon returning to active service to be eligible for retirement benefits regardless of prior YOS before leaving County active service. Employee must attain a minimum age of 55 with 15 YOS with the County. Re-enrollment is based on the assumed probability matrix in Exhibit 2 by employee age band and additional years of service to retirement eligibility.

**ALBANY COUNTY**  
**Retirement Eligibility Change**  
**Probability Matrix for Re-Enrollment**

**EXHIBIT 2**

Count by Age and Current YOS Before Termination									
Age Band	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 +	Total
Under 25	23	0	0	0	0	0	0	0	23
25 to 29	112	18	1	0	0	0	0	0	131
30 to 34	180	58	4	0	0	0	0	0	242
35 to 39	157	69	17	3	0	0	0	0	246
40 to 44	195	103	28	14	0	0	0	0	340
45 to 49	172	100	38	12	0	0	0	0	322
50 to 54	142	92	48	14	2	0	0	0	298
55 to 59	111	69	53	30	0	0	0	0	263
60 to 64	68	72	27	18	1	0	0	0	186
Age 65 +	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1160</b>	<b>581</b>	<b>216</b>	<b>91</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,051</b>

Count by Age and Additional YOS to Retirement Eligibility									
Age Band	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 +	Total
Under 25	0	0	0	0	0	0	21	2	23
25 to 29	0	0	0	0	0	89	42	0	131
30 to 34	0	0	0	0	159	83	0	0	242
35 to 39	0	0	0	152	94	0	0	0	246
40 to 44	0	0	208	132	0	0	0	0	340
45 to 49	0	56	264	2	0	0	0	0	322
50 to 54	0	103	194	1	0	0	0	0	298
55 to 59	0	120	143	0	0	0	0	0	263
60 to 64	0	76	110	0	0	0	0	0	186
Age 65 +	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>355</b>	<b>919</b>	<b>287</b>	<b>253</b>	<b>172</b>	<b>63</b>	<b>2</b>	<b>2,051</b>

Assumed Probability of Re-Enrollment								
Age Band	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 +
Under 25	0%	0%	0%	0%	0%	0%	0%	0%
25 to 29	0%	0%	0%	0%	0%	0%	0%	0%
30 to 34	0%	0%	0%	0%	0%	0%	0%	0%
35 to 39	0%	0%	0%	20%	0%	0%	0%	0%
40 to 44	0%	0%	25%	10%	0%	0%	0%	0%
45 to 49	0%	30%	20%	5%	0%	0%	0%	0%
50 to 54	0%	25%	15%	0%	0%	0%	0%	0%
55 to 59	0%	20%	15%	0%	0%	0%	0%	0%
60 to 64	0%	10%	0%	0%	0%	0%	0%	0%
Age 65 +	0%	0%	0%	0%	0%	0%	0%	0%

Count of Assumed Re-Enrolled in County Plan									
Age Band	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 +	Total
Under 25	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	30	0	0	0	0	30
40 to 44	0	0	52	13	0	0	0	0	65
45 to 49	0	17	53	0	0	0	0	0	70
50 to 54	0	26	29	0	0	0	0	0	55
55 to 59	0	24	21	0	0	0	0	0	45
60 to 64	0	8	0	0	0	0	0	0	8
Age 65 +	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>75</b>	<b>155</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>273</b>

o Probability matrix above applies to change #2 in retirement eligibility illustrated in Exhibit 1. The matrix is divided by employee age band and years of service remaining to retirement eligibility.