

Memorandum

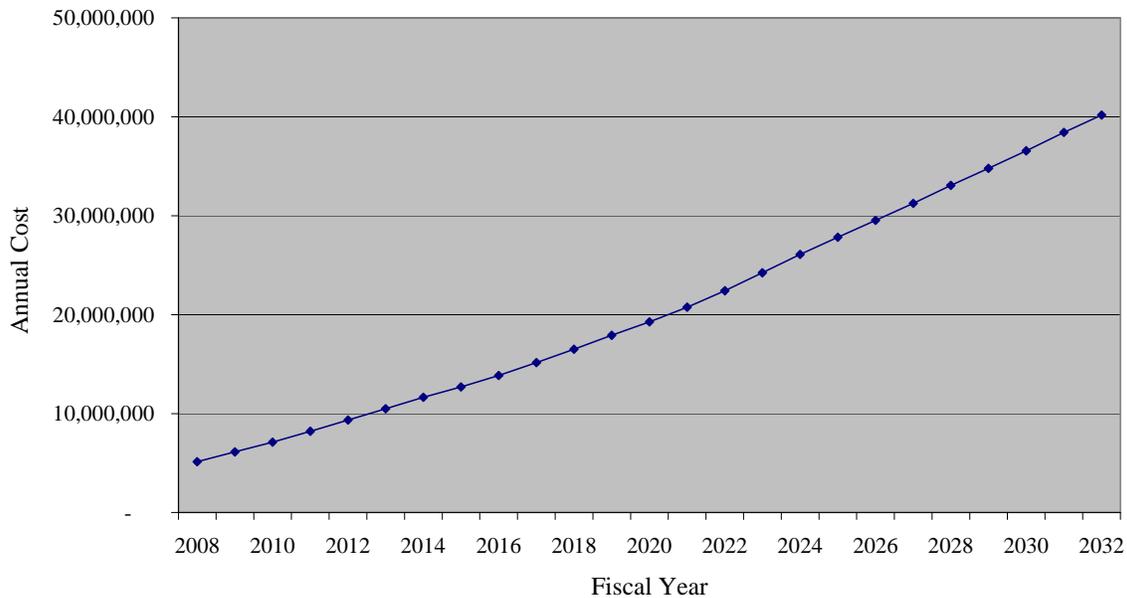


City of Tempe

Date: December 9, 2008
To: Mayor and Council
From: Tom Duensing, Deputy Financial Services Manager (ext. 8866)
Subject: Supplemental Handout - Retiree Health Plan Proposed Changes Related to OPEB

The following charts highlight the issue of sustainability of the current Retiree Health Plan. The first chart estimates the annual cost of the Retiree Health Plan into the future assuming no changes are made to the existing plan consistent with the actuarial projections. The second chart illustrates the cost of the current Retiree Health Plan as a percentage of future salaries also assuming no changes are made to the existing plan.

**Total Retiree Health Plan Costs
Assuming No Plan Changes (Pay-as-you-go)**



**Retiree Health Plan Costs as a Percentage of Salaries
Assuming No Plan Changes (Pay-as-you-go)**

