

April 30, 2013

Mr. Barry Eyre  
KTP Advisors, Inc.  
38 Washington Street  
Newport, RI 02840

Re: Brockton Retiree Health Plan changes

Dear Mr. Eyre,

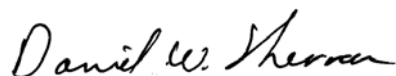
As requested, we have determined the approximate reduction in GASB 45 (OPEB) accounting liabilities and Annual Required Contribution (ARC) due to the plan change. As I understand it, the changes were suggested by KTP Advisors and implemented jointly by the City and KTP Advisors. The results are as follows:

	<u>Without the Change</u>	<u>With the Change</u>	<u>Difference</u>
Accrued Liability	\$665,456,789	\$504,887,601	\$160,569,188
Normal Cost	\$23,570,275	\$18,848,032	\$4,722,243
ARC	\$48,999,005	\$38,141,021	\$10,857,984

The calculations are based on our 2012 Actuarial Valuation for GASB 45, using the 4% discount rate.

If you have any questions regarding this calculation, I can be reached at 617-429-8312, or [Dan@ShermanActuary.com](mailto:Dan@ShermanActuary.com).

Sincerely,



Daniel W. Sherman, ASA, MAAA, EA  
CEO

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