



February 19, 2025

CONFIDENTIAL

Dr. James Woell
Chief School Business Official
Zion Benton Township High School District 126
One Z-B Way
3901 W 21st Street
Zion, Illinois 60099

**Subject: Engagement Letter to Perform GASB Statement No. 75 Actuarial Valuations for
FYE June 30, 2025, FYE June 30, 2026, FYE June 30, 2027, and FYE June 30, 2028, for the
Zion Benton Township High School District 126**

Dear Dr. Woell:

Gabriel, Roeder, Smith & Company ("GRS") is pleased to offer actuarial valuation and related retirement consulting services to the Zion Benton Township High School District 126. This letter agreement will confirm the scope, terms and conditions of our engagement.

1. Scope

GRS will perform a GASB Statement No. 75 Actuarial Valuation for FYE 2025, FYE 2026, FYE 2027, and for FYE 2028 on behalf of the post-employment benefit programs sponsored by Zion Benton Township High School District 126. The specific services GRS will provide are described in Attachment A to this letter (the "Services").

Please understand that our undertakings will be limited to advising you concerning those matters on which we have been specifically engaged. GRS is not a law firm and we do not provide legal advice. GRS is not being engaged to perform any fiduciary functions with respect to you or any employee benefit plan maintained by you or your affiliates. Unless otherwise expressly agreed, we are not assuming the responsibilities of any plan administrator. Except for the warranties expressed in these general terms, GRS makes no warranty, either express or implied, with respect to our services.

2. Schedule

We expect to complete the GASB Statement No. 75 Actuarial Valuation for FYE June 30, 2025 by July 10, 2025, assuming receipt of complete and usable data, as requested in Attachments C, D and E, is received by April 14, 2025. GRS will use reasonable efforts to adhere to this schedule, but shall not be liable for any delays in completing the assignment. If the requested information provided is inaccurate, incomplete or delayed, then timing may be delayed. We will work closely with you on all scheduling matters. We will promptly notify you of any material delays in the expected schedule.

We will work with you on all scheduling for completion of the GASB Statement No. 75 Actuarial Valuations for FYE 2026, FYE 2027, and FYE 2028. We plan to send updated versions of Attachments C, D and E prior to beginning work on the GASB Statement No 75 Actuarial Valuation for FYE June 30, 2027.

3. Service Quality

GRS shall perform the Services with due care and in accordance with the requirements of this agreement and applicable Actuarial Standards of Practice. In cases where this agreement does not specify a standard of performance, the services shall be performed in accordance with prevailing industry or professional standards, and actuarial services shall be performed in accordance with generally accepted actuarial principles. GRS will endeavor to perform all of the services to the reasonable satisfaction of Zion Benton Township High School District 126.

4. Consulting Fees

Our fees will be determined considering factors which generally include the circumstances relevant to the particular engagement, the time required to perform our services, the novelty and difficulty of the work, the skill required, the experience and seniority of the associates who perform the services, any time limitations or other unusual conditions that may be applicable, and standard hourly rates of our associates in effect at the time services are performed.

GRS fees for the Services are described in Attachment B.

5. Other Services

From time-to-time, Zion Benton Township High School District 126 may require assistance with regard to services other than those described in Attachment A. GRS may be asked to provide impact statements, legislative proposal studies, communication services, applied technology services, defined contribution plan services or other supplemental consulting services not described in Attachment A. GRS fees for such additional services shall be based on the terms defined in a separate Letter of Engagement.

6. Reimbursable Expenses

If GRS is required by governmental regulation, subpoena or other legal process to produce records or any personnel as a witness with respect to the services provided to Zion Benton Township High School District 126, Zion Benton Township High School District 126 will reimburse GRS for the costs of professional time and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in responding to such requests, so long as GRS is not a party to the proceeding in which the information is sought.



7. Invoicing

GRS will invoice Zion Benton Township High School District 126 for fees and expenses on a monthly basis as work is performed. Generally, we will send invoices to you on or before the 15th of each month for Services provided during the preceding month. Invoices are payable upon receipt, and payment will be due thirty (30) days following the date of the invoice.

8. Zion Benton Township High School District 126 Responsibilities

The schedule and cost estimates contained in this letter are based on our understanding that you will make Zion Benton Township High School District 126 personnel (including Zion Benton Township High School District 126's employees, legal counsel, plan trustees, accountants and other service providers) reasonably available as appropriate to enable GRS to perform the Services and to ensure successful completion of the project. We also anticipate that you will provide all necessary data and information (described in Attachments C, D and E) in a timely manner and that such data will be accurate and in acceptable formats and media. If Zion Benton Township High School District 126 is unable to participate in the project as specified in project plans or if information provided is inaccurate, incomplete, or delayed, then the scope of the project may be different, timing may be delayed and GRS' fees may be higher than described in this agreement.

9. Proprietary Interest and Confidentiality

At the conclusion of this engagement and upon request by Zion Benton Township High School District 126, GRS will return to Zion Benton Township High School District 126 all materials, data and documents, provided to GRS by Zion Benton Township High School District 126, provided that GRS may retain one copy of such materials for archival purposes. GRS shall take reasonable measures to preserve the confidentiality of any proprietary or confidential information provided to GRS by Zion Benton Township High School District 126, and will comply with all Illinois laws regarding privacy protection, and this provision shall survive termination of this agreement.

Final reports delivered to Zion Benton Township High School District 126 will become the property of Zion Benton Township High School District 126.

All proprietary information, materials and software owned or created by GRS and all work papers, computer runs, software, databases and drafts created during the course of this engagement will remain the property of GRS. Any computer software to be furnished to Zion Benton Township High School District 126 pursuant to this engagement shall be licensed to Zion Benton Township High School District 126 in accordance with the terms of a separate software license agreement. Reports and Fund participant data used in the completion of the valuation will be made available to the Fund in hard copy and in an electronic format.



All information associated with the engagement will be destroyed in accordance with GRS' internal retention/destruction policy.

10. Liability Insurance and General Indemnity

GRS shall purchase and maintain such insurance as will protect it from claims which may arise out of or result from its performance under the contract, whether such performance be by GRS or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The insurance shall be written for not less than the greater of \$1,000,000 and any limits required by law, and shall include contractual liability insurance as applicable to GRS' obligations under the indemnification clause of this contract.

GRS agrees to indemnify Zion Benton Township High School District 126 for the actual amount of all direct losses Zion Benton Township High School District 126 suffers due to gross negligence, error, or willful misconduct on the part of GRS in performing the services hereunder in an amount not to exceed five (5) times the fees paid under this contract during the year in which said gross negligence, error, or willful misconduct is alleged to have occurred, but in any event not to exceed (a) \$250,000 in any consecutive 12-month period in which this Agreement is in effect, commencing as of the first day of the provision of services hereunder, or (b) \$500,000 in the aggregate for all such damages. The indemnification provided by GRS for any single act of gross negligence, error or willful misconduct shall not exceed \$250,000.

In the event of disputes, both parties to this contract agree to waive their right to a jury trial and that any claims or dispute arising out of this agreement, will be submitted to mandatory binding arbitration before an arbitrator in good standing with the American Arbitration Association. Zion Benton Township High School District 126 must notify GRS of any lawsuit, complaint or other situation for which indemnification may be sought within six (6) months of the date Zion Benton Township High School District 126 is notified of the matter. Zion Benton Township High School District 126 agrees to indemnify, defend and hold harmless GRS for third party claims to the extent that such third party claims would cause the aggregate damages to exceed \$500,000.

Furthermore, Zion Benton Township High School District 126 shall indemnify GRS against third party derivative lawsuits, to the extent that such lawsuits result in a judgment payable to Zion Benton Township High School District 126. In no event will GRS be liable to Zion Benton Township High School District 126 for any indirect, incidental, special, consequential, exemplary or reliance damages (including, without limitation, lost business opportunities or lost sales or profits) arising out of GRS' services to Zion Benton Township High School District 126, regardless of whether GRS is advised of the likelihood of such damages.

11. Changes

This letter states the entire understanding of the parties concerning GRS' provision of the Services and supersedes any prior proposals, correspondence or discussions concerning this engagement. The terms and conditions of this letter agreement may be amended only in writing signed by the duly authorized representatives of Zion Benton Township High School District 126 and GRS.



12. Term and Termination

This Agreement shall remain in effect until September 30, 2028, or until the Services are fully performed, whichever occurs first. Either party may terminate this agreement with or without cause by giving ten (10) days prior written notice of termination to the other party. Zion Benton Township High School District 126 shall be responsible for all fees and expenses incurred through the effective date of termination.

13. Tax Advice, Legal Advice and Investment Advice

Based upon its general background and research on Federal Income Tax, Legal Issues and Investment Matters, GRS employees may from time-to-time provide general comments and information on same. However, no GRS work product shall be deemed to provide income tax advice, legal advice or investment advice unless such work product contains one of the following phrases or substantially equivalent language.

- "This work product is intended to provide income tax advice."
- "This work product is intended to provide legal advice."
- "This work product is intended to provide investment advice."

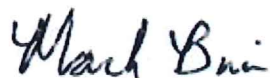
No oral communication of any GRS employee shall be interpreted to provide income tax advice, legal advice or investment advice. Further, no GRS work product shall be used for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) marketing or recommending to another party any tax-related matter addressed within the work product.

If this letter and the attachments accurately describe our engagement, please have an authorized representative of Zion Benton Township High School District 126 sign and return a copy of this letter to Mark Buis.

Upon receipt of a signed copy of both the engagement letter and the required data we will proceed with the actuarial valuation.

GRS appreciates the opportunity to be of service to the Zion Benton Township High School District 126. If you have any questions concerning this letter, please contact Joshua Murner at 312.368.6837.

Very truly yours,



Mark Buis, FSA, EA, MAAA, FCA
Senior Consultant



AGREED AND ACCEPTED:

Zion Benton Township High School District 126

By: 

Title: CFO/CSBO

Date: 2/19/2025

cc: Alex Rivera, Gabriel, Roeder, Smith & Company
Kristen Brundirks, Gabriel, Roeder, Smith & Company
Amy Williams, Gabriel, Roeder, Smith & Company
Joshua Murner, Gabriel, Roeder, Smith & Company

**ZION BENTON TOWNSHIP HIGH SCHOOL
DISTRICT 126
ACTUARIAL AND CONSULTING SERVICES**

The following items will be included in the July 1, 2024, GASB Statement No. 75 actuarial valuation for fiscal year end 2025 and in the July 1, 2026, GASB Statement No. 75 actuarial valuation for fiscal year end 2027 of the Retiree Healthcare Program sponsored by the Zion Benton Township High School District 126:

- Review of census information;
- Review of healthcare plan design and the “substantive” plan relating to eligibility for retiree healthcare benefits;
- Review of premium and claim experience and development of per capita claim costs applicable to the GASB Statement No. 75 actuarial valuation;
- Discussion of basis for actuarial assumptions and methods;
- GASB Statement No. 75 actuarial valuation of program for current fiscal year;
- Results assuming a pay-as-you-go contribution policy;
- Conference call to discuss preliminary results of the valuation; and
- Formal report to satisfy GASB Statement No. 75 accounting requirements, including footnote disclosure information.

The same July 1, 2024 actuarial valuation will be used as the basis for the GASB Statement No. 75 actuarial valuation applicable to fiscal year end 2026. We will project the July 1, 2024 actuarial valuation results to June 30, 2025, using the GO Rate as of June 30, 2025, which will be used for fiscal year ending June 30, 2026. Similarly, the same July 1, 2026 actuarial valuation will be used as the basis for the GASB Statement No. 75 actuarial valuation applicable to fiscal year end 2028. We will project the July 1, 2026 actuarial valuation results to June 30, 2027, using the GO Rate as of June 30, 2027, which will be used for fiscal year ending June 30, 2028.



**FEES FOR ACTUARIAL AND
CONSULTING SERVICES**

Our fees for the preceding basic GASB Statement No. 75 valuation services will equal \$9,500 for the FYE 2025 and FYE 2027 valuation cycles and \$5,850 for the FYE 2026 and FYE 2028 valuation cycles.

Fiscal Year Valuation	Fees
FYE 2025	\$9,500
FYE 2026	\$5,850
FYE 2027	\$9,500
FYE 2028	\$5,850

For the FYE 2026 GASB Statement No. 75 actuarial valuation cycle, the results will be based on the results of July 1, 2024 actuarial valuation, projected to June 30, 2025, using the GO Rate as of June 30, 2025. Similarly, for the FYE 2028 GASB Statement No. 75 actuarial valuation cycle, the results will be based on the results of July 1, 2026 actuarial valuation, projected to June 30, 2027, using the GO Rate as of June 30, 2027.

For other non-routine services, we will provide a detailed scope of services, timing and delivery of services, along with the estimated number of hours before we proceed with the project. Services beyond the GASB Statement No. 75 valuation services listed above will be provided at the following hourly rates:

Staff Category	Hourly Rates
Senior Consulting Actuary	\$480
Consulting Actuary	\$345
Senior Actuarial Analyst	\$285
Actuarial Analyst	\$210
Chicago Office Administrator	\$178

These rates have been set based on standard GRS rates currently in effect. These rates will apply through June 30, 2026. Updated standard hourly rates will apply each July 1, beginning in 2026.



Zion Benton Township High School District 126 Retiree Healthcare and Benefit Program
GASB Statement No. 75 Actuarial Valuation as of July 1, 2024
Census Information

Please provide the following information as of July 1, 2024, for each active employee and each terminated employee entitled to retiree healthcare benefits:

- 1) Name
- 2) Social Security number or employee ID
- 3) Date of birth
- 4) Gender code
- 5) Date of hire
- 6) Total service earned with Zion Benton Township High School District 126 (or other service used for retiree healthcare benefit eligibility purposes)
- 7) Date of termination
- 8) Active or terminated employee indicator
- 9) Pension employee group code¹
- 10) Pension plan tier (Tier 1 or Tier 2)
- 11) Zion Benton Township High School District 126 employee group code²
- 12) Healthcare coverage code (e.g., PPO, HMO, etc.)
- 13) Single, two-person, or family health coverage indicator
- 14) Covered spouse date of birth, if available
- 15) Number of covered children
- 16) Employee healthcare contribution rate
- 17) Annual compensation rate as of July 1, 2024³
- 18) Life Insurance Coverage (if applicable)

Please provide all census information in Excel as shown in the enclosed workbook.

¹Please provide the pension plan in which the member participates. This indicator will be used to apply the appropriate demographic assumptions for the valuation.

²Please indicate the employee group for purposes of reporting separate valuation results. In addition, please provide if retiree premiums differ by employee group.

³Needed to allocate retiree healthcare costs over employee's active career and express costs as a percentage of payroll.



Please provide the following information as of July 1, 2024, for each **retired** employee receiving healthcare benefits:

- 1) Name
- 2) Social Security number or employee ID
- 3) Date of birth
- 4) Gender code
- 5) Retiree type (service retirement, disability retirement, surviving spouse)
- 6) Pension employee group code¹
- 7) Pension plan tier (Tier 1 or Tier 2)
- 8) Zion Benton Township High School District 126 employee group code²
- 9) Healthcare coverage code (e.g., PPO, HMO, etc.)
- 10) Single, two-person, or family health coverage indicator
- 11) Spouse date of birth, if applicable
- 12) Number of covered children
- 13) Retiree/Spouse contributions
- 14) Date of retirement
- 15) Life insurance coverage amount, if applicable

Please provide all census information in Excel as shown in the enclosed workbook.

¹Please provide the pension plan in which the member participates. This indicator will be used to apply the appropriate demographic assumptions for the valuation.

²Please indicate the employee group for purposes of reporting separate valuation results. In addition, please provide if retiree premiums differ by employee group.



**Zion Benton Township High School District 126 Retiree Healthcare and Benefit Program
GASB Statement No. 75 Actuarial Valuation as of July 1, 2024
Healthcare Claims/Enrollment Experience and Substantive Plan Information**

Please provide the following information for fiscal years 2024 and 2025 broken out separately for active/inactive employees and retirees.

- 1) Paid claims for each plan type (PPO, Indemnity, etc.) shown separately for pre-Medicare medical, post-Medicare medical and prescription benefits for fiscal years 2023 and 2024
- 2) Monthly premium equivalent rates for each plan type and tier (PPO, Indemnity, HMO, Single, and Family, etc.) as of July 1, 2024 and July 1, 2025 (when available)
- 3) Monthly enrollment statistics showing the number of covered members by plan and tier
- 4) Specific and aggregate stop loss premiums, if applicable
- 5) Claims in excess of specific or stop loss limits, if applicable. Also indicate if paid claims include or exclude stop loss claims
- 6) Administrative and other expenses
- 7) Experience rating or underwriting reports showing the development of premiums including any credibility or pooling factors
- 8) The maximum District paid subsidy for July 1, 2024 through June 30, 2025 and for July 1, 2025 through June 30, 2026 (when available)
- 9) Total District paid subsidy for FY 2025 and for FY 2026 (when available)



**Zion Benton Township High School District 126 Retiree Healthcare and Benefit Program
GASB Statement No. 75 Actuarial Valuation as of July 1, 2024
Substantive Plan and Additional Information**

Attached is a copy of the Plan Provision section from the July 1, 2022 actuarial valuation report (used for fiscal 2023 and 2024 reporting). Please indicate if any of the information including premium rates, cost-sharing and plan design has changed since the last actuarial valuation.

Please provide substantive plan provisions that define the eligibility for retiree healthcare benefits. For example, eligibility may be formally written in a District Ordinance, bargaining agreement or a memo to employees. In some cases, the substantive plan may be an unwritten but consistent historical practice which creates an expectation of an employer provided benefit promise to current and future retirees.

Please provide a copy of the most recent Zion Benton Township High School District 126's footnote as required under GASB No. 75.

We will provide separate results for certified (TRS) and non-certified (IMRF) participants. Please indicate if you would like any additional employee groups for which separate valuation results will be calculated for the valuation.

Please explain any significant plan or demographic changes occurring to the healthcare benefit programs during the last two-year period, or any changes which have been adopted.

Please provide the healthcare plan design – such as deductibles, coinsurance, co-pays, etc. – for the last two years associated with the claims information provided above. Also, please provide the details of any plan changes that have been adopted.

To aid in the recommendation of assumptions for the actuarial valuation, please provide answers to the following:

- In order to recommend participation assumptions, please provide the number of non-certified active members who retired in each of the last five years who were eligible for retiree healthcare benefits and the number who continued healthcare coverage after retirement.
- Please provide the number of certified active members who retired in each of the last five years who were eligible for retiree healthcare benefits under TRIP and the number who enrolled in TRIP and requested reimbursement of premiums from the District after retirement.

