



Overview MBTA Pension Funds, Deferred Comp and Retiree Health Benefits

- MBTA Retirement Fund

- Managed by an Independent Board
- \$2.44B Liability (\$1.63B Asset Value and \$816M Unfunded Liability - 67% Funded)
- 8% Expected Return
- Last Asset Valuation Date 12/31/2014
- MBTA FY16B Cash Funding is \$77M

- Police Association Fund

- Managed by an Independent Board
- \$92M Liability (\$72M Asset Value and \$20M Unfunded Liability - 72% Funded)
- 7% Expected Return
- Last Asset Valuation Date 12/31/2014
- MBTA FY16B Cash Funding is \$3M

- Deferred Compensation Fund

- Available to Local 453, Transportation Executive Association (TEA), Steelworkers and Unaffiliated Employees
- \$57M Unfunded Liability (No Invested Assets – Costs are Paid as Incurred)
- 7.5% Expected Return
- MBTA FY16B Cash Funding is \$6M

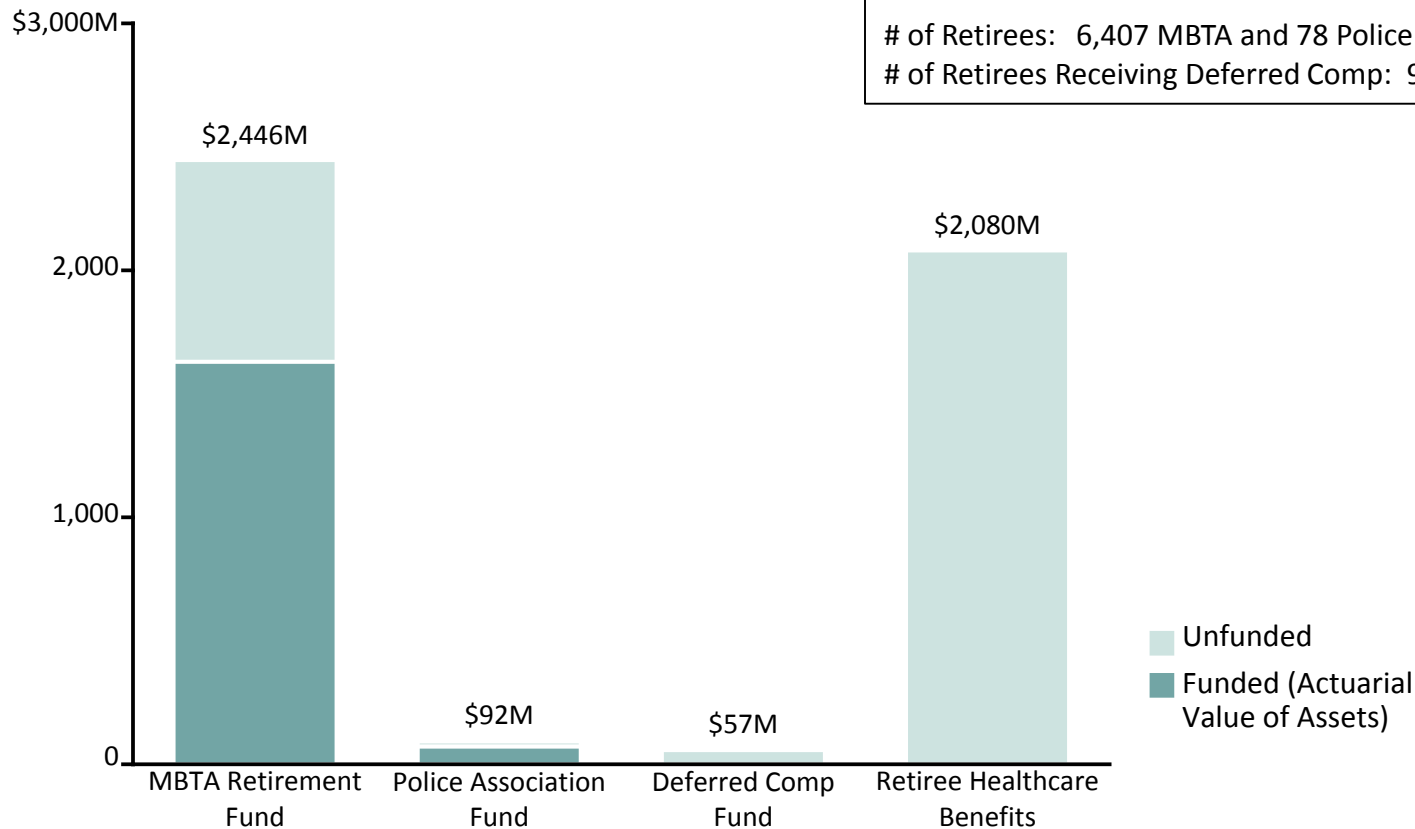
- Retiree Healthcare (also known as “OPEB” or Other Post Employment Benefits)

- Last Valuation Date 6/30/2014
- \$2.08B Unfunded Liability (No Invested Assets – Costs are Paid as Incurred)
- MBTA FY16B Total Healthcare Spending is \$124M, of which 44% (\$55M) is for Retirees



MBTA and Police Pensions Have Invested Assets; Deferred Comp and Retiree Healthcare Costs are Paid as Incurred

Actuarial Accrued Liability as of 12/31/2014



Unfunded Actuarial Accrued Liability (excluding Retiree Healthcare): \$893M

of Retirees: 6,407 MBTA and 78 Police

of Retirees Receiving Deferred Comp: 923

Funded Ratio

67%

72%

Types of MBTA Debt

The MBTA has 7 Types of Debt

- **General Transportation System Bonds (GTS)** - (\$230M as of 6/30 FY2015A)
 - Debt inherited by the MBTA at the start of Forward Funding
- **Boston Metropolitan District Bonds (BMD)** – (\$0M as of 6/30 FY2015A)
 - Debt inherited by the MBTA from its predecessor, Metropolitan Transit Authority, in 1964
- **Revenue Bonds** - (\$4,064M as of 6/30 FY2015A)
 - Debt issued to fund the MBTA's share of the Capital Investment Program
- **Build America** - (\$428M as of 6/30 FY2015A)
 - Revenue bond financing available through the Federal stimulus program which receives a federal subsidy
- **Grant Anticipation Notes (Gans)** - (\$0M as of 6/30 FY2015A)
 - Obligations secured by future Federal Grants
- **Commercial Paper (CP)** - (\$94M as of 6/30 FY2015A)
 - Short term financing
- **Parking** - (\$305M as of 6/30 FY2015A)
 - Parking revenue securitization program

Total Long-Term Debt is \$5.1B as of 6/30/15

