

Supplemental Health Insurance Conversion Credit Program

Presented to the Wisconsin Department of Employee Trust Funds
GASB Statement Nos. 74 and 75, Accounting and Financial
Reporting for Postemployment Benefits Other Than Pensions
December 31, 2021





August 31, 2022

Employee Trust Funds Board
Wisconsin Retirement System
4822 Madison Yards Way
Madison, Wisconsin 53705

Ladies and Gentleman:

This report provides information on behalf of the Supplemental Health Insurance Conversion Credit Program (SHICC Program) in connection with the Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75. GASB Statement No. 74 is the accounting standard, which applies to Other Postemployment Benefits (OPEB) plans that are administered through trusts or equivalent arrangements. GASB Statement No. 75 establishes accounting and financial reporting requirements for state and local government employers that provide their employees with postemployment benefits other than pension.

The calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement Nos. 74 and 75. The Net OPEB Liability/(Asset) is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net OPEB Liability/(Asset) is not an appropriate measure for assessing the need for or amount of future employer contributions. The calculation of the plan's liability for this report is not applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 74 and 75 may produce significantly different results. This report may be provided to parties other than the Department of Employee Trust Funds (DETF) only in its entirety and only with the permission of the DETF. GRS is not responsible for unauthorized use of this report.

This report complements the Wisconsin Sick Leave Conversion Credit Programs Annual Actuarial Valuation report prepared for funding purposes as of December 31, 2021, and information herein should be considered along with the information from that report, especially for additional discussions of the nature of actuarial calculations and for more information related to participant data, economic, demographic, health care trend, morbidity assumptions, and benefit provisions. This valuation reflects the use of revised accumulated sick leave balance data for University members provided by the DETF subsequent to the completion of the sick leave funding valuation published June 2, 2022.

This report is based upon information, furnished to us by the DETF, concerning Other Postemployment Benefits (OPEB), active members, preserved (deferred vested) members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited.

Based on the available data, the information contained in this report is accurate and fairly represents the actuarial position of the SHICC Program as of the reporting date. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as the Actuarial Standards of Practice. If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of the report prior to making such decision.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

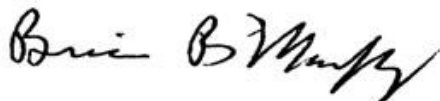
This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Section I of the report details the calculation of the single discount rate and is not required to be included in your financial statements. However, this information may be requested by your auditors; therefore, we have included it in this report.

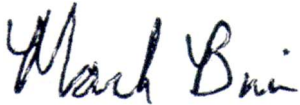
The signing actuaries are independent of the plan sponsor.

Brian B. Murphy, Mark Buis, and James D. Anderson are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

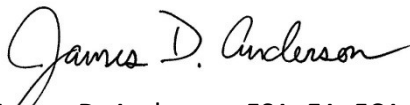
Respectfully submitted,
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Auditor's Note – This information is intended to assist in preparation of the financial statements of the SHICC Program. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.



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SECTION A

EXECUTIVE SUMMARY

Executive Summary as of December 31, 2021

| | |
|---|-------------------|
| Actuarial Valuation Date | December 31, 2021 |
| SHICC Program's Fiscal Year Ending Date (Measurement Date & Reporting Date) | December 31, 2021 |

Membership⁽¹⁾

| | |
|--------------------------------|------------------|
| Number of | |
| - Retirees and Beneficiaries | 21,715 |
| - Inactive, Nonretired Members | 366 |
| - Active Members | 72,701 |
| - Total | 94,782 |
| Covered Payroll ⁽²⁾ | \$ 5,215,543,512 |

Net OPEB Liability/(Asset)

| | |
|---|------------------|
| Total OPEB Liability | \$ 1,042,736,543 |
| Plan Fiduciary Net Position | 1,371,705,828 |
| Net OPEB Liability/(Asset) | \$ (328,969,285) |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 131.55 % |
| Net OPEB Liability/(Asset) as a Percentage of Covered Payroll | (6.31)% |

Development of the Single Discount Rate

| | |
|--|--------|
| Single Discount Rate | 6.80 % |
| Long-Term Municipal Bond Rate ⁽³⁾ | 1.84 % |

| | |
|-------------------------------------|------------------------|
| Total OPEB Expense/(Revenue) | \$ (60,590,419) |
|-------------------------------------|------------------------|

Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses/(Revenues)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 0 | \$ 142,480,862 |
| Changes in assumptions | 121,199,552 | 0 |
| Net difference between projected and actual earnings on OPEB plan investments | 0 | 169,277,134 |
| Total | \$ 121,199,552 | \$ 311,757,996 |

⁽¹⁾ Retiree and Beneficiary as well as inactive number counts include only those members with a SHICC account balance.

⁽²⁾ Covered payroll is for 2021 and was provided by DETF.

⁽³⁾ Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

Discussion

Accounting Standard

For postemployment (OPEB) benefit plans that are administered through trusts or equivalent arrangements, the applicable accounting standards are Governmental Accounting Standards Board (GASB) Statement No. 74 and GASB Statement No. 75. GASB Statement No. 75 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose Net OPEB Liability/(Asset), OPEB expense/(revenue), and other information associated with providing OPEB to their employees (and former employees) on their financial statements.

GASB Statement Nos. 74 and 75 are effective for fiscal years beginning after June 15, 2016 and June 15, 2017, respectively.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report. As a result, the plan sponsor will be responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

Financial Statements

GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability/(asset) and the OPEB expense/(revenue) on their financial statements, along with the related deferred outflows and inflows of resources. The net OPEB liability/(asset) is the difference between the total OPEB liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets.

GASB Statement No. 75 states the employer contributions made to the OPEB plan subsequent to the measurement date and before the end of the employer's reporting period should be reported as a deferred outflow of resources. The information contained in this report does not incorporate any employer contributions made subsequent to the measurement date of December 31, 2021.

The OPEB expense/(revenue) recognized each fiscal year is equal to the change in the net OPEB liability/(asset) from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

GASB Statement No. 74 requires defined benefit OPEB plans which are administered as trusts or equivalent arrangements to present two financial statements: a statement of fiduciary net position and a statement of changes in fiduciary net position. The statement of fiduciary net position presents the assets and liabilities of the OPEB plan at the end of the OPEB plan's reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expense, and net increase or decrease in the fiduciary net position.

Notes to Financial Statements

GASB Statement No. 75 requires the notes of the employer's financial statements to disclose the total OPEB expense/(revenue), the OPEB plan's liabilities and assets, and deferred outflows of resources and inflows of resources related to OPEB.

GASB Statement Nos. 74 and 75 require the notes of the financial statements for employers and OPEB plans to include certain additional information. The list of disclosure items should include:

- The name of the OPEB plan, the administrator of the OPEB plan, and the identification of whether the OPEB plan is a single-employer, agent, or cost-sharing OPEB plan;
- A description of the benefits provided by the plan;
- A brief description of changes in benefit terms or assumptions that affected the measurement of the total OPEB liability since the prior measurement date;
- The number of plan members by category and if the plan is closed;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The OPEB plan's investment policies;
- The OPEB plan's fiduciary net position and the net OPEB liability/(asset);
- The net OPEB liability/(asset) using +/- 1% on the discount rate;
- The net OPEB liability/(asset) using +/- 1% on the healthcare trend rate;
- Significant assumptions and methods used to calculate the total OPEB liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

OPEB plans that are administered through trusts or equivalent arrangements are required to disclose additional information in accordance with GASB Statement No. 74. This information includes:

- The composition of the OPEB plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

Required Supplementary Information

GASB Statement No. 74 requires a 10-year fiscal history of:

- Sources of changes in the net OPEB liability/(asset);
- Information about the components of the net OPEB liability/(asset) and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability/(asset) as a percent of covered-employee payroll;
- Comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy; and
- For plans with an actuarially determined contribution, the schedule covering each of the 10 most recent fiscal years of the actuarially determined contribution, contributions to the OPEB plan and related ratios.

These tables will be built prospectively as the information becomes available.

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 6.80% on the actuarial value of assets), then the following outcomes are expected:

1. The employer normal cost is expected to remain level as a percentage of payroll.
2. The unfunded liability is expected to decrease in dollar amount until it is fully funded.
3. The funded status of the plan will remain very close to a 100% funded ratio under the Frozen Initial Liability cost method.

This funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits through at least 2121. The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

Frequency and Timing of the Actuarial Valuation

An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. For the employer's financial reporting purposes, the net OPEB liability/(asset) and OPEB expense/(revenue) should be measured as of the employer's "measurement date," which may not be earlier than the employer's prior fiscal year-end date. If the actuarial valuation used to determine the total OPEB liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total OPEB liability shown in this report is based on an actuarial valuation performed as of December 31, 2021 and a measurement date of December 31, 2021.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.80%; the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 6.80%.

Actuarial Assumptions

The actuarial assumptions used to value the liabilities are outlined in Section H, including detail related to demographic assumptions, economic assumptions, the healthcare trend assumption, as well as the cost method used to develop the OPEB expense/(revenue). The assumptions used were adopted in connection with separate experience studies of the Wisconsin Retirement System and the Wisconsin Sick Leave Conversion Credit Programs covering the period 2018-2020.

Future Uncertainty or Risk

Future results may differ from those anticipated in this valuation. Reasons include, but are not limited to:

- Actual medical trend differing from expected;
- Changes in the healthcare plan designs offered to active and retired members; and
- Participant behavior differing from expected; e.g.,
 - Elections at retirement;
 - One-person versus two-person coverage elections; and
 - Time of retirement or termination.

Benefits Valued

The benefit provisions that were valued are described in Section E. The valuation is required to be performed on the current benefit terms and existing legal agreements. Consideration is to be given to the written plan document as well as other communications between the employer and plan members and an established pattern of practice for cost sharing. The summary of major plan provisions is designed to outline principal plan benefits. If the plan summary is not in accordance with the actual provisions, please alert the actuaries immediately, so they can be sure the proper provisions are valued.

Effective Date and Transition

GASB Statement Nos. 74 and 75 are effective for fiscal years beginning after June 15, 2016, and June 15, 2017, respectively.



SECTION B

FINANCIAL STATEMENTS

Auditor's Note – This information is intended to assist in preparation of the financial statements of the Supplemental Health Insurance Conversion Credit Program. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Statement of OPEB Expense/(Revenue) Under GASB Statement No. 75

Fiscal Year Ended December 31, 2021

A. Expense

| | | |
|---|-----------|---------------------|
| 1. Service Cost | \$ | 23,485,958 |
| 2. Interest on the Total OPEB Liability | | 63,660,991 |
| 3. Current-Period Benefit Changes | | 0 |
| 4. Employee Contributions (made negative for addition here) | | 0 |
| 5. Projected Earnings on Plan Investments (made negative for addition here) | | (83,296,433) |
| 6. OPEB Plan Administrative Expense | | 710,273 |
| 7. Other Changes in Plan Fiduciary Net Position | | 0 |
| 8. Recognition of Outflow (Inflow) of Resources due to Liabilities | | (7,827,186) |
| 9. Recognition of Outflow (Inflow) of Resources due to Assets | | (57,324,022) |
| 10. Total OPEB Expense/(Revenue) | \$ | (60,590,419) |

Recognition of Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in the OPEB expense/(revenue) using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 861,053 years. Additionally, the total plan membership (active employees and inactive employees) was 95,747. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 8.993 years.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in the OPEB expense/(revenue) using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense/(revenue) as a level dollar amount over the closed period identified above.

Statement of Outflows and Inflows Arising from Current Reporting Period Fiscal Year Ended December 31, 2021

A. Outflows (Inflows) of Resources Due to Liabilities

| | |
|---|-----------------|
| 1. Difference between expected and actual experience of the Total OPEB Liability (gains) or losses | \$ (36,204,282) |
| 2. Assumption Changes (gains) or losses | \$ 120,410,120 |
| 3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years} | 8.9930 |
| 4. Outflow (Inflow) of Resources to be recognized in the current OPEB expense/(revenue) for the difference between expected and actual experience of the Total OPEB Liability | \$ (4,025,829) |
| 5. Outflow (Inflow) of Resources to be recognized in the current OPEB expense/(revenue) for assumption changes | \$ 13,389,316 |
| 6. Outflow (Inflow) of Resources to be recognized in the current OPEB expense/(revenue) due to Liabilities | \$ 9,363,487 |
| 7. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses/(revenues) for the difference between expected and actual experience of the Total OPEB Liability | \$ (32,178,453) |
| 8. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses/(revenues) for assumption changes | \$ 107,020,804 |
| 9. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses/(revenues) due to Liabilities | \$ 74,842,351 |

B. Outflows (Inflows) of Resources Due to Assets

| | |
|---|------------------|
| 1. Net difference between projected and actual earnings on OPEB plan investments (gains) or losses | \$ (117,302,508) |
| 2. Recognition period for Assets {in years} | 5.0000 |
| 3. Outflow (Inflow) of Resources to be recognized in the current OPEB expense/(revenue) due to Assets | \$ (23,460,502) |
| 4. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses/(revenues) due to Assets | \$ (93,842,006) |



Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended December 31, 2021

A. Outflows and Inflows of Resources by Source to be Recognized in Current OPEB Expense/(Revenue)

| | Outflows of Resources | Inflows of Resources | Net Outflows/(Inflows) of Resources |
|--|--------------------------|-------------------------|--|
| 1. Differences between expected and actual experience | \$ 0 | \$ 23,966,667 | \$ (23,966,667) |
| 2. Assumption changes | 16,139,481 | 0 | 16,139,481 |
| 3. Net difference between projected and actual earnings on OPEB plan investments | 0 | 57,324,022 | (57,324,022) |
| 4. Total | \$ 16,139,481 | \$ 81,290,689 | \$ (65,151,208) |

B. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses/(Revenues)

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows/ (Inflows) of Resources |
|--|-----------------------------------|----------------------------------|--|
| 1. Differences between expected and actual experience | \$ 0 | \$ 142,480,862 | \$ (142,480,862) |
| 2. Assumption changes | 121,199,552 | 0 | 121,199,552 |
| 3. Net difference between projected and actual earnings on OPEB plan investments | 0 | 169,277,134 | (169,277,134) |
| 4. Total | \$ 121,199,552 | \$ 311,757,996 | \$ (190,558,444) |

C. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future OPEB Expenses/(Revenues)

| Year Ending December 31 | Net Deferred Outflows/ (Inflows) of Resources |
|----------------------------|--|
| 2022 | \$ (49,683,536) |
| 2023 | (71,369,368) |
| 2024 | (48,245,288) |
| 2025 | (31,287,686) |
| 2026 | (4,989,835) |
| 2027 | (321,665) |
| 2028 | 6,040,992 |
| 2029 | 9,297,942 |
| 2030 | 0 |
| 2031 | 0 |
| Thereafter | 0 |
| Total | \$ (190,558,444) |



Recognition of Deferred Outflows and Inflows of Resources

Fiscal Year Ended December 31, 2021

| Year Established | Initial Amount | Initial Recognition Period | Current Year Recognition | Remaining Recognition | Remaining Recognition Period |
|---|-----------------|----------------------------|--------------------------|-------------------------|------------------------------|
| Deferred Outflow (Inflow) Due to Differences Between Expected and Actual Experience on Liabilities | | | | | |
| 2017 | \$ (31,625,769) | 9.1767 | \$ (3,446,312) | \$ (14,394,209) | 4.1767 |
| 2018 | (41,561,731) | 9.1556 | (4,539,487) | (23,403,783) | 5.1556 |
| 2019 | (55,251,074) | 8.6032 | (6,422,154) | (35,984,612) | 5.6032 |
| 2020 | (47,585,575) | 8.6005 | (5,532,885) | (36,519,805) | 6.6005 |
| 2021 | (36,204,282) | 8.9930 | (4,025,829) | (32,178,453) | 7.9930 |
| Total | | | \$ (23,966,667) | \$ (142,480,862) | |
| Deferred Outflow (Inflow) Due to Assumption Changes | | | | | |
| 2017 | \$ 0 | 9.1767 | \$ 0 | \$ 0 | 4.1767 |
| 2018 | 25,179,408 | 9.1556 | 2,750,165 | 14,178,748 | 5.1556 |
| 2019 | 0 | 8.6032 | 0 | 0 | 5.6032 |
| 2020 | 0 | 8.6005 | 0 | 0 | 6.6005 |
| 2021 | 120,410,120 | 8.9930 | 13,389,316 | 107,020,804 | 7.9930 |
| Total | | | \$ 16,139,481 | \$ 121,199,552 | |
| Deferred Outflow (Inflow) Due to Differences Between Projected and Actual Earnings on Plan Investments | | | | | |
| 2017 | \$ (77,338,355) | 5.0000 | \$ (15,467,671) | \$ 0 | 0.0000 |
| 2018 | 108,429,156 | 5.0000 | 21,685,831 | 21,685,832 | 1.0000 |
| 2019 | (115,620,400) | 5.0000 | (23,124,080) | (46,248,160) | 2.0000 |
| 2020 | (84,788,000) | 5.0000 | (16,957,600) | (50,872,800) | 3.0000 |
| 2021 | (117,302,508) | 5.0000 | (23,460,502) | (93,842,006) | 4.0000 |
| Total | | | \$ (57,324,022) | \$ (169,277,134) | |

Statement of Fiduciary Net Position as of December 31, 2021

| | 2021 |
|---|-------------------------|
| Assets | |
| Cash and Deposits | \$ 4,347,723 |
| Receivables | |
| Contributions | \$ 1,741,506 |
| Accounts Receivable - Due From Other Benefit Programs | 1,204,372 |
| Accounts Receivable - Other | 976 |
| Total Receivables | \$ 2,946,854 |
| Investments | |
| Investment in Core Fund | \$ 1,364,812,058 |
| Total Investments | \$ 1,364,812,058 |
| Total Assets | \$ 1,372,106,635 |
| Liabilities | |
| Payables | |
| Accounts Payable - Due to Other Benefit Programs | \$ 400,807 |
| Total Liabilities | \$ 400,807 |
| Net Position Restricted for OPEB | \$ 1,371,705,828 |

Statement of Changes in Fiduciary Net Position for Year Ended December 31, 2021

| | 2021 |
|---|-----------------------|
| Additions | |
| Contributions | |
| Employer | \$ 15,657,937 |
| Total Contributions | \$ 15,657,937 |
| Investment Income | |
| Net Appreciation in Fair Value of Investments | \$ 200,598,941 |
| Net Investment Income | \$ 200,598,941 |
| Total Additions | \$ 216,256,878 |
| Deductions | |
| Benefit Payments | \$ 52,631,984 |
| OPEB Plan Administrative Expense | 710,273 |
| Total Deductions | \$ 53,342,257 |
| Net Increase in Net Position | \$ 162,914,621 |
| Net Position Restricted for OPEB | |
| Beginning of Year | \$ 1,208,791,207 |
| End of Year | \$ 1,371,705,828 |

SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Auditor's Note – This information is intended to assist in preparation of the financial statements of the Supplemental Health Insurance Conversion Credit Program. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios Current Reporting Period

Fiscal Year Ended December 31, 2021

| | |
|---|---------------------------------------|
| A. Total OPEB Liability | |
| 1. Service cost | \$ 23,485,958 |
| 2. Interest on the Total OPEB Liability | 63,660,991 |
| 3. Changes of benefit terms | 0 |
| 4. Difference between expected and actual experience of the Total OPEB Liability | (36,204,282) |
| 5. Changes of assumptions | 120,410,120 |
| 6. Benefit payments | <u>(52,631,984)</u> |
| 7. Net change in Total OPEB Liability | 118,720,803 |
| 8. Total OPEB Liability – Beginning | <u>924,015,740</u> |
| 9. Total OPEB Liability – Ending | <u><u>\$ 1,042,736,543</u></u> |
| B. Plan Fiduciary Net Position | |
| 1. Contributions – employer | \$ 15,657,937 |
| 2. Contributions – nonemployer contributing entities | 0 |
| 3. Contributions – employee | 0 |
| 4. Net investment income | 200,598,941 |
| 5. Benefit payments | (52,631,984) |
| 6. OPEB plan administrative expense | (710,273) |
| 7. Other | <u>0</u> |
| 8. Net change in Plan Fiduciary Net Position | 162,914,621 |
| 9. Plan Fiduciary Net Position – Beginning | <u>1,208,791,207</u> |
| 10. Plan Fiduciary Net Position – Ending | <u><u>\$ 1,371,705,828</u></u> |
| C. Net OPEB Liability/(Asset) | <u><u>\$ (328,969,285)</u></u> |
| D. Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 131.55 % |
| E. Covered payroll⁽¹⁾ | \$ 5,215,543,512 |
| F. Net OPEB Liability/(Asset) as a percentage of covered-employee payroll | (6.31)% |

⁽¹⁾ Covered payroll was provided by DETF.

Schedules of Required Supplementary Information

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios Multiyear

| Measurement Date - December 31, | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------|------|------|------|------|
| Total OPEB Liability | | | | | | | | | | |
| Service cost | \$ 23,485,958 | \$ 24,092,160 | \$ 25,480,349 | \$ 23,419,279 | \$ 23,090,058 | | | | | |
| Interest on the Total OPEB Liability | 63,660,991 | 64,393,209 | 65,525,451 | 65,968,930 | 65,855,518 | | | | | |
| Changes of benefit terms | 0 | 0 | 0 | 0 | 0 | | | | | |
| Difference between expected and actual experience | (36,204,282) | (47,585,575) | (55,251,074) | (41,561,731) | (31,625,769) | | | | | |
| Changes of assumptions | 120,410,120 | 0 | 0 | 25,179,408 | 0 | | | | | |
| Benefit payments | (52,631,984) | (49,481,918) | (52,989,110) | (55,398,266) | (56,420,238) | | | | | |
| Net change in Total OPEB Liability | 118,720,803 | (8,582,124) | (17,234,384) | 17,607,620 | 899,569 | | | | | |
| Total OPEB Liability - Beginning | 924,015,740 | 932,597,864 | 949,832,248 | 932,224,628 | 931,325,059 | | | | | |
| Total OPEB Liability - Ending (a) | \$ 1,042,736,543 | \$ 924,015,740 | \$ 932,597,864 | \$ 949,832,248 | \$ 932,224,628 | | | | | |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Employer contributions | \$ 15,657,937 | \$ 15,080,311 | \$ 14,368,898 | \$ 18,207,993 | \$ 17,864,218 | | | | | |
| Nonemployer contributing entities contributions | 0 | 0 | 0 | 0 | 0 | | | | | |
| Employee contributions | 0 | 0 | 0 | 0 | 0 | | | | | |
| OPEB plan net investment income | 200,598,941 | 159,467,130 | 180,270,630 | (36,549,391) | 141,758,344 | | | | | |
| Benefit payments | (52,631,984) | (49,481,918) | (52,989,110) | (55,398,266) | (56,420,238) | | | | | |
| OPEB plan administrative expense | (710,273) | (639,658) | (339,791) | (261,661) | (292,733) | | | | | |
| Other | 0 | 0 | 0 | 0 | 0 | | | | | |
| Net change in Plan Fiduciary Net Position | 162,914,621 | 124,425,865 | 141,310,627 | (74,001,325) | 102,909,591 | | | | | |
| Plan Fiduciary Net Position - Beginning | 1,208,791,207 | 1,084,365,342 | 943,054,715 | 1,017,056,040 | 914,146,449 | | | | | |
| Plan Fiduciary Net Position - Ending (b) | \$ 1,371,705,828 | \$ 1,208,791,207 | \$ 1,084,365,342 | \$ 943,054,715 | \$ 1,017,056,040 | | | | | |
| Net OPEB Liability/(Asset) - ending (a) - (b) | \$ (328,969,285) | \$ (284,775,467) | \$ (151,767,478) | \$ 6,777,533 | \$ (84,831,412) | | | | | |
| Plan Fiduciary Net Position as a percentage of Total OPEB Liability | 131.55 % | 130.82 % | 116.27 % | 99.29 % | 109.10 % | | | | | |
| Covered payroll⁽¹⁾ | \$ 5,215,543,512 | \$ 5,018,527,271 | \$ 4,796,071,588 | \$ 4,562,647,414 | \$ 4,454,515,567 | | | | | |
| Net OPEB Liability/(Asset) as a percentage of covered-employee payroll | (6.31)% | (5.67)% | (3.16)% | 0.15 % | (1.90)% | | | | | |

⁽¹⁾ Covered payroll was provided by DETF.



Schedules of Required Supplementary Information

Schedule of the Net OPEB Liability/(Asset) Multiyear

| FY Ending December 31, | Total OPEB Liability | Plan Net Position | Net OPEB Liability/(Asset) | Plan Net Position as a % of Total OPEB Liability | Covered Payroll ⁽¹⁾ | Net OPEB Liability/(Asset) as a % of Covered Payroll |
|---------------------------|----------------------------|----------------------|-------------------------------|--|-----------------------------------|--|
| 2012 | | | | | | |
| 2013 | | | | | | |
| 2014 | | | | | | |
| 2015 | | | | | | |
| 2016 | | | | | | |
| 2017 | \$ 932,224,628 | \$ 1,017,056,040 | \$ (84,831,412) | 109.10 % | \$ 4,454,515,567 | (1.90)% |
| 2018 | 949,832,248 | 943,054,715 | 6,777,533 | 99.29 % | 4,562,647,414 | 0.15 % |
| 2019 | 932,597,864 | 1,084,365,342 | (151,767,478) | 116.27 % | 4,796,071,588 | (3.16)% |
| 2020 | 924,015,740 | 1,208,791,207 | (284,775,467) | 130.82 % | 5,018,527,271 | (5.67)% |
| 2021 | 1,042,736,543 | 1,371,705,828 | (328,969,285) | 131.55 % | 5,215,543,512 | (6.31)% |

⁽¹⁾ Covered payroll was provided by DETF.

Schedule of Contributions Multiyear

| FY Ending December 31, | Actuarially Determined Contribution ⁽¹⁾ | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll ⁽²⁾ | Actual Contribution as a % of Covered Payroll |
|---------------------------|--|------------------------|--|-----------------------------------|---|
| 2012 | | | | | |
| 2013 | | | | | |
| 2014 | | | | | |
| 2015 | | | | | |
| 2016 | | | | | |
| 2017 | \$ 17,864,218 | \$ 17,864,218 | \$ 0 | \$ 4,454,515,567 | 0.40 % |
| 2018 | 18,207,993 | 18,207,993 | 0 | 4,562,647,414 | 0.40 % |
| 2019 | 14,368,898 | 14,368,898 | 0 | 4,796,071,588 | 0.30 % |
| 2020 | 15,080,311 | 15,080,311 | 0 | 5,018,527,271 | 0.30 % |
| 2021 | 15,657,937 | 15,657,937 | 0 | 5,215,543,512 | 0.30 % |

⁽¹⁾ Since it is the actuary's understanding that the practice is to require employers to contribute the percent-of-payroll employer contribution rate shown in the actuarial valuation report, the Actuarially Determined Contributions shown in the Schedule of Contributions are the actual contributions made by the participating employers in the fiscal year.

⁽²⁾ Covered payroll was provided by DETF.

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Amounts for the Fiscal Year Ending December 31, 2021*:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Frozen Initial Liability |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | 6 years |
| Asset Valuation Method | 5-year smoothed value |
| Wage Inflation | 3.00% |
| Salary Increases | 3.1% to 8.6% including inflation. |
| Investment Rate of Return | 7.00% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017. |
| Mortality | Fully generational mortality utilizing the WRS 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%). |
| Health Care Trend Rates | 3.0% per year |

Other Information:

Notes There were no benefit changes during the year.

** Based on the December 31, 2019 Annual Actuarial Valuation of the Wisconsin Accumulated Sick Leave Conversion Credit Programs*

Schedule of Investment Returns Multiyear

| <u>FY Ending December 31,</u> | <u>Annual Return⁽¹⁾</u> |
|-----------------------------------|--|
| 2017 | 15.85 % |
| 2018 | (3.56)% |
| 2019 | 19.49 % |
| 2020 | 15.06 % |
| 2021 | 17.03 % |

⁽¹⁾ Annual money-weighted rate of return, net of investment expenses.

SECTION D

NOTES TO FINANCIAL STATEMENTS

Auditor's Note – This information is intended to assist in preparation of the financial statements of the Supplemental Health Insurance Conversion Credit Program. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return is reviewed every three years in conjunction with the Wisconsin Retirement System experience study. For each major asset class that is included in the OPEB plan's target asset allocation as of December 31, 2021, these best estimates of geometric real rates of return were provided by DETF and are summarized in the following table:

Core Asset Allocation

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|--------------------------|---|
| Global Equities | 52.00% | 4.20% |
| Fixed Income | 25.00% | 1.80% |
| Inflation Sens. Assets | 19.00% | 0.20% |
| Real Estate | 7.00% | 3.00% |
| Private Equity/Debt | 12.00% | 7.00% |
| Cash | -15.00% | 0.90% |
| Total | 100.00 % | |

⁽¹⁾ Long-term expected real rate of return is based on New England Pension Consultants long term US CPI (inflation) forecast of 2.5%.

Single Discount Rate

A Single Discount Rate of 6.80% was used to measure the total OPEB liability. This Single Discount Rate was based on the expected rate of return on OPEB plan investments of 6.80%. The projection of cash flows used to determine this Single Discount Rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability and projections were excluded from this report.

Summary of Membership Information

The following table provides a summary of the number of participants in the plan as of the valuation date:

| | |
|------------------------------|---------------|
| Retirees and Beneficiaries | 21,715 |
| Inactive, Nonretired Members | 366 |
| Active Members | <u>72,701</u> |
| Total Plan Members | 94,782 |

Sensitivity of Net OPEB Liability/(Asset)

Regarding the sensitivity of the net OPEB liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net OPEB liability/(asset), calculated using a Single Discount Rate of 6.80%, as well as what the plan's net OPEB liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability/(Asset) to the Single Discount Rate Assumption

| Discount Rate | Current Single Discount | | |
|-----------------------------|-------------------------|--------------------------|----------------------|
| | 1% Decrease 5.80% | Rate Assumption 6.80% | 1% Increase 7.80% |
| Total OPEB Liability | \$ 1,153,061,852 | \$ 1,042,736,543 | \$ 947,647,043 |
| Plan Fiduciary Net Position | 1,371,705,828 | 1,371,705,828 | 1,371,705,828 |
| Net OPEB Liability/(Asset) | \$ (218,643,976) | \$ (328,969,285) | \$ (424,058,785) |

Regarding the sensitivity of the net OPEB liability/(asset) to changes in the healthcare cost trend rates, the following presents the plan's net OPEB liability/(asset), calculated using the assumed trend rates as well as what the plan's net OPEB liability/(asset) would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability/(Asset) to the Healthcare Cost Trend Rate Assumption

| Healthcare Cost Trend Rate | Current Healthcare Cost | | |
|-----------------------------|-------------------------|-----------------------|------------------|
| | 1% Decrease | Trend Rate Assumption | 1% Increase |
| Total OPEB Liability | \$ 974,379,535 | \$ 1,042,736,543 | \$ 1,107,441,851 |
| Plan Fiduciary Net Position | 1,371,705,828 | 1,371,705,828 | 1,371,705,828 |
| Net OPEB Liability/(Asset) | \$ (397,326,293) | \$ (328,969,285) | \$ (264,263,977) |

SECTION E

SUMMARY OF BENEFITS

Section 40.05(4)(b)

Accumulated Sick Leave Conversion Credit Program Summary of Accumulation and Payment Conditions

Accumulation. For purposes of estimating sick leave balances at retirement, each individual was assumed to continue accumulating unused sick leave at the same rate as in the past but not less than 25% of their gross accrual rate (based upon their employer group). The annual gross accrual rates used are 6.4 days for Beyond Vision, 12 days for University Hospital and Non-Staff University employees and 16.25 days for all other members based on documentation received from the Department of Employee Trust Funds.

Eligibility for Payment of Accrued Sick Leave. Termination of employment with 20 or more years of service or eligibility for an immediate annuity from the Wisconsin Retirement System. State elected officials and certain State administrative officials terminating before their minimum service retirement age retain eligibility for benefits at their minimum service retirement age providing they do not elect a WRS separation benefit.

Amount of Payment for Unused Sick Leave. A conversion credit is computed at the time of retirement or death by multiplying the number of days of unused sick leave by the highest basic pay rate. The conversion credit is then used to cover the cost of health insurance premiums for the employee and eligible dependents. Unused portions are carried forward from year to year without interest and when total health insurance premiums paid on behalf of the retired employee equal or exceed the conversion credit, no further payments are made under the ASLCC Program. Payments from the sick leave account may be escrowed indefinitely after retirement for participants who provide evidence of comparable health insurance coverage from another source.

The section above describes the provisions of the ASLCC Program. The Supplemental Health Insurance Conversion Credit Program provides matching credits for participants retiring with 15 or more years of State service as follows:

- **Protective:** Match up to 78 hours (9.75 days) per full year of service through 24 years, plus up to 104 hours (13 days) per full year of service over 24 years.
- **Others:** Match up to 52 hours (6.5 days) per full year of service through 24 years, plus up to 104 hours (13 days) per full year of service over 24 years.

ASLCC Program sick leave conversion credits must be used before SHICC Program credits.

SECTION F

DEVELOPMENT OF BASELINE PREMIUM COSTS

Development of Baseline Premium Costs

Retirees & Beneficiaries

| | Rate Category | |
|---|--------------------|------------------|
| | Non-Medicare | Medicare |
| 1. Number of 1-Person Contracts* | 2,142 | 7,200 |
| 2. Total Monthly Premium of 1-Person Contracts | \$1,830,381 | \$2,642,501 |
| 3. Average 1-Person Premium as of 1/1/2022 (2./1.) | \$ 854.52 | \$ 367.01 |
| 4. Number of Multiple-Person Contracts* | 1,935 | 7,171 |
| 5. Total Monthly Premium of Multiple-Person Contracts | \$3,539,005 | \$5,310,512 |
| 6. Average Multiple-Person Premium as of 1/1/2022 (5./4.) | \$ 1,828.94 | \$ 740.55 |
| 7. Average Net Premium as of 1/1/2022 (50%*3. + 50%*6.)^ | \$ 1,341.73 | \$ 553.78 |

* Retirees with an account status of active and a premium amount populated in the data provided (some of whom have exhausted their sick leave credits). The number counts above were used strictly for developing average premiums and may be different from retiree counts shown throughout this report.

^ Used in the valuation of all non-active annuitants (i.e., current actives, preserved members and on-hold/escrowed Retirees). For active annuitants, the actual premiums provided in the data are used. Net premium is a blend of the 1-person and 2-person average premiums based on the 50% 1-person/2-person election percent assumption.

The average premiums were calculated assuming the premiums provided in the annuitant data were premiums effective for calendar year 2022.

For retirees provided with a premium amount, a sick leave account balance, and an account status of active, the premium amounts supplied in the data were used directly. In the case of individuals not covered by Medicare, they were assumed to convert to the average Medicare premium upon attainment of Medicare eligibility pro-rated based on the ratio of their non-Medicare premium to the average non-Medicare premium. For non-retired members, the average projected non-Medicare premium was applied to Medicare eligibility and the average projected Medicare premium was applied after Medicare eligibility.

SECTION G

SUMMARY OF PARTICIPANT DATA

Summary of Participant Data

Active Participants

| | State Employees | | | |
|--------------------------|------------------|------------------|---------------------|------------------|
| | (Non-University) | University | University Hospital | Total |
| Number | 32,359 | 30,738 | 9,604 | 72,701 |
| Annual Payroll | \$2,074,127,892 | \$ 2,429,610,508 | \$684,731,947 | \$ 5,188,470,347 |
| Accrued Unused Sick Days | 2,690,771 days | 2,805,641 days | 365,719 days | 5,862,131 days |
| Averages: Age | 44.9 years | 46.2 years | 40.7 years | 44.9 years |
| Service | 11.4 years | 10.9 years | 8.0 years | 10.8 years |
| Sick Leave Days | 83.2 days | 91.3 days | 38.1 days | 80.6 days |

Terminated Vested Participants

| Number | ASLCC Sick Leave Balance | SHICC Sick Leave Balance | Total Sick Leave Balance |
|--------|--------------------------|--------------------------|--------------------------|
| 366 | \$16,724,492 | \$11,934,585 | \$28,659,077 |

Members noted above terminated with 20 or more years of service and are eligible to begin using sick leave credits to cover health care costs upon reaching retirement age. Further, the data above includes only those terminated vested participants with a SHICC account balance.

Retirees and Beneficiaries Provided by ETF

| Status | Number | ASLCC Sick Leave Balance | SHICC Sick Leave Balance | Total Sick Leave Balance |
|--|--------|--------------------------|--------------------------|--------------------------|
| Annuitants Actively Using Sick Leave Credits | 17,431 | \$621,703,016 | \$ 1,032,379,739 | \$1,654,082,755 |
| Escrowed/On-Hold Annuitants | 4,284 | 232,707,245 | 189,263,806 | 421,971,051 |
| Total | 21,715 | \$854,410,261 | \$1,221,643,545 | \$2,076,053,806 |

Data in the table above includes only those retirees and beneficiaries with a SHICC account balance. Further, annuitants provided in the data with any of the following were excluded from the valuation:

- An account status other than active, escrowed or on-hold (i.e., closed, canceled, ineligible, etc.); or
- A \$0 sick leave balance.

SECTION H

VALUATION METHODS AND ACTUARIAL ASSUMPTIONS

Actuarial Valuation Method

For funding requirement purposes, the Supplemental Health Insurance Conversion Credit Program uses the Frozen Initial Liability Cost Method. GASB Statement No. 74 requires the use of the Entry Age Normal (EAN) Cost Method for accounting purposes, as such we develop the Total OPEB Liability based on EAN.

Asset Valuation Method

The market value of assets was used for GASB valuation purposes.

Actuarial Methods and Assumptions Used in Valuations

The principal areas of risk assumption are:

- Long-term **rates of investment return** likely to be generated by system assets;
- **Rates of mortality** among participants, retirees and beneficiaries;
- **Rates of withdrawal** of active participants;
- **Rates of disability** among participants;
- **Patterns of salary increases** to be experienced by participants;
- The age and service **distribution of actual retirements**; and
- Future **rates of sick leave usage** by plan participants.

In an actuarial valuation, the actuary projects the monetary effect of each risk assumption for each distinct experience group, for the next year and for each year over the next half-century or longer.

Once actual risk experience has occurred and been observed, it will not coincide exactly with assumed risk experience, regardless of the skill of the actuary, the completeness of the data, and the precision of the calculations. Each valuation provides a complete recalculation of assumed future risk experience and takes into account all past differences between assumed and actual risk experience. The result is a continual series of small adjustments to the computed contribution rate. From time to time it becomes necessary to adjust the package of risk measurements to reflect basic experience trends -- but not random year to year fluctuations.

Annual Actuarial Valuations

Assumptions Adopted by ETF Board After Consulting with Actuary

Economic Assumptions

The rationale for these assumptions is based upon an experience study covering the period 2018-2020. The experience study for the Wisconsin Retirement System developed separate assumptions for State and non-State employees. Since the Sick Leave Conversion Credit Programs are only available to State employees, the State assumptions were used in this valuation with the exception of Public School employees. The Public Schools group did not have enough State employees to develop separate assumptions, therefore the non-State assumptions were used for this group.

The long-term rates of investment return used in making the valuation was 6.8% a year, compounded yearly.

The **Wage Inflation Rate** assumed in this valuation was 3.00% per year. The wage inflation rate is defined to be the portion of total pay increases for an individual that is due to macro-economic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

No specific **Price Inflation** assumption is required to perform this valuation. The price inflation assumption used to evaluate the investment return assumption is 2.4%.

Health Care Cost Trend. The valuation of the Sick Leave Programs requires a health care cost trend assumption for purposes of projecting future health care costs. The trend vector used in this valuation begins with a near-term trend assumption and declines over time to an ultimate trend rate. The near-term rates reflect the increases in the current cost of health care goods and services. The process of trending down to a lower ultimate trend relies on the theory that premium levels will moderate over the long-term, otherwise the healthcare sector would eventually consume the entire GDP. It is on this basis that projected premium rate increases continue to exceed wage inflation for the next twelve years, but by less each year until leveling off at an ultimate rate, assumed to be 3.50% in this valuation; see below for the trend vector used in this valuation.

| Year Beginning January 1, | Increase in Premiums |
|------------------------------|-------------------------|
| 2023 | 6.00 % |
| 2024 | 5.75 |
| 2025 | 5.50 |
| 2026 | 5.25 |
| 2027 | 5.00 |
| 2028 | 4.75 |
| 2029 | 4.50 |
| 2030 | 4.25 |
| 2031 | 4.00 |
| 2032 | 3.75 |
| 2033 | 3.75 |
| 2034 & Later | 3.50 |



Salary adjustment factors used to project earnings for each participant between the valuation date and the participant's retirement age are shown below for sample years of service. This assumption is used to project a participant's current earnings to the earnings upon which benefits will be based.

Sick leave extracts were provided for State employees, University and University Hospital units of government. These extracts were then matched to our pension valuation data where assumptions are developed for the groups shown below:

| % Merit and Longevity Increase Next Year | | | | | | |
|---|----------------|--------------------------------|----------------------------|-------------------------------|-------------------|-----------------|
| Service | General | Executive & Elected | University Teachers | Public School Teachers | Protective | |
| | | | | | With S.S. | W/O S.S. |
| 1 | 3.5 % | 2.5 % | 3.0 % | 5.6 % | 4.8 % | 5.5 % |
| 2 | 3.5 % | 2.5 % | 3.0 % | 5.6 % | 4.8 % | 5.5 % |
| 3 | 3.1 % | 2.0 % | 2.9 % | 5.2 % | 4.1 % | 4.7 % |
| 4 | 2.8 % | 1.6 % | 2.8 % | 4.7 % | 3.5 % | 3.8 % |
| 5 | 2.5 % | 1.1 % | 2.7 % | 4.3 % | 2.8 % | 3.0 % |
| 10 | 1.5 % | 0.2 % | 2.2 % | 2.6 % | 1.1 % | 0.9 % |
| 15 | 1.1 % | 0.2 % | 1.7 % | 1.4 % | 0.8 % | 0.5 % |
| 20 | 0.9 % | 0.2 % | 1.2 % | 0.6 % | 0.7 % | 0.4 % |
| 25 | 0.6 % | 0.2 % | 0.9 % | 0.3 % | 0.6 % | 0.3 % |
| 30 | 0.4 % | 0.2 % | 0.7 % | 0.2 % | 0.5 % | 0.2 % |

If the number of active participants remains constant, then the total active participant payroll will increase 3.0% a year, the base portion of the individual salary increase assumptions. This increasing payroll was recognized in amortizing unfunded actuarial accrued liabilities.

Decrement Probabilities

The mortality table used was the 2020 WRS Experience Tables adopted by the Board in connection with the 2018-2020 Experience Study. The rates in this table were based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010. Sample retirement values from this table are shown below. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement. For any current annuitants with a multiple person contract, no mortality was applied in the calculation of the present value of future benefits.

Single Life Expectancy 2020 WRS Experience Table

| Sample Attained Ages in 2021 | Future Life Expectancy (Years)* | |
|------------------------------------|------------------------------------|---------|
| | Males | Females |
| 40 | 47.0 | 49.1 |
| 45 | 41.8 | 43.9 |
| 50 | 36.6 | 38.7 |
| 55 | 31.5 | 33.5 |
| 60 | 26.6 | 28.6 |
| 65 | 21.9 | 23.9 |
| 70 | 17.5 | 19.2 |
| 75 | 13.3 | 14.9 |
| 80 | 9.7 | 11.0 |
| 85 | 6.7 | 7.7 |

** With a fully generational mortality table, the mortality rate depends on the year of birth. Later years of birth will correspond to a lower mortality rate at a given age.*

The values shown above are for non-disabled participants.

Active Participant Mortality Rates

| Sample Attained Ages in 2021 | Mortality Rates* | |
|------------------------------------|------------------|----------|
| | Males | Females |
| 20 | 0.000398 | 0.000164 |
| 25 | 0.000213 | 0.000128 |
| 30 | 0.000345 | 0.000222 |
| 35 | 0.000500 | 0.000318 |
| 40 | 0.000624 | 0.000421 |
| 45 | 0.000806 | 0.000543 |
| 50 | 0.001189 | 0.000789 |
| 55 | 0.001891 | 0.001258 |
| 60 | 0.003118 | 0.001971 |
| 65 | 0.005013 | 0.003022 |
| 70 | 0.007513 | 0.005019 |
| 75 | 0.011006 | 0.009610 |
| 80 | 0.021987 | 0.019764 |

** With a fully generational mortality table, the mortality rate depends on the year of birth. Later years of birth will correspond to a lower mortality rate at a given age.*

This assumption is used to measure the probability of participants dying while in service.

Rates of Retirement for Those Eligible to Retire

Normal Retirement Pattern

| Age | General | | Executive & Elected | University | | Public School | | Protective* | |
|-----|---------|---------|------------------------|------------|---------|---------------|---------|-------------|----------|
| | Males | Females | | Males | Females | Males | Females | With S.S. | W/O S.S. |
| 50 | | | | | | | | 7.5% | 3.0% |
| 51 | | | | | | | | 9.0% | 3.5% |
| 52 | | | | | | | | 11.0% | 4.5% |
| 53 | | | | | | | | 25.0% | 17.0% |
| 54 | | | | | | | | 20.0% | 24.0% |
| 55 | | | | | | | | 20.0% | 29.0% |
| 56 | | | | | | | | 20.0% | 32.0% |
| 57 | 19.0% | 19.0% | 12.0% | 12.0% | 10.0% | 31.0% | 27.5% | 20.0% | 23.0% |
| 58 | 19.0% | 19.0% | 12.0% | 16.0% | 20.0% | 29.0% | 27.5% | 20.0% | 27.0% |
| 59 | 19.0% | 19.0% | 12.0% | 9.0% | 12.0% | 28.0% | 26.0% | 20.0% | 40.0% |
| 60 | 19.0% | 21.0% | 12.0% | 15.0% | 14.0% | 27.0% | 29.0% | 20.0% | 25.0% |
| 61 | 19.0% | 25.0% | 12.0% | 9.0% | 13.0% | 26.0% | 27.0% | 20.0% | 25.0% |
| 62 | 28.0% | 29.0% | 18.0% | 10.0% | 15.0% | 39.0% | 36.0% | 25.0% | 31.0% |
| 63 | 30.0% | 28.0% | 18.0% | 11.0% | 19.0% | 33.0% | 31.0% | 25.0% | 40.0% |
| 64 | 25.0% | 31.0% | 18.0% | 15.5% | 17.0% | 30.0% | 30.0% | 36.0% | 40.0% |
| 65 | 27.0% | 31.0% | 18.0% | 15.5% | 21.0% | 32.0% | 38.5% | 38.0% | 40.0% |
| 66 | 35.0% | 36.0% | 18.0% | 21.0% | 25.0% | 35.0% | 44.0% | 38.0% | 100.0% |
| 67 | 32.0% | 33.0% | 18.0% | 18.0% | 25.0% | 31.0% | 31.0% | 38.0% | 100.0% |
| 68 | 21.0% | 25.0% | 18.0% | 19.0% | 18.0% | 28.0% | 30.0% | 38.0% | 100.0% |
| 69 | 21.0% | 27.0% | 18.0% | 14.0% | 16.5% | 20.0% | 30.0% | 38.0% | 100.0% |
| 70 | 21.0% | 29.0% | 18.0% | 21.0% | 22.0% | 30.0% | 32.0% | 100.0% | 100.0% |
| 71 | 21.0% | 34.0% | 15.0% | 24.0% | 16.5% | 25.0% | 25.0% | 100.0% | 100.0% |
| 72 | 21.0% | 33.0% | 15.0% | 24.0% | 17.0% | 25.0% | 25.0% | 100.0% | 100.0% |
| 73 | 30.0% | 24.0% | 15.0% | 24.0% | 21.0% | 25.0% | 25.0% | 100.0% | 100.0% |
| 74 | 30.0% | 18.0% | 15.0% | 24.0% | 14.0% | 25.0% | 25.0% | 100.0% | 100.0% |
| 75 | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

* Includes reduced retirements for Protective with 20+ years of service.

Reduced Retirement Pattern

| Age | % Retiring Next Year | | | | | | |
|-----|----------------------|---------|------------------------|------------|---------|---------------|---------|
| | General | | Executive & Elected | University | | Public School | |
| | Males | Females | | Males | Females | Males | Females |
| 55 | 5.5% | 6.0% | 6.0% | 3.3% | 5.0% | 12.0% | 11.0% |
| 56 | 6.5% | 8.0% | 6.0% | 3.3% | 5.0% | 13.0% | 13.0% |
| 57 | 5.5% | 6.0% | 6.0% | 4.0% | 5.0% | 13.0% | 12.0% |
| 58 | 5.5% | 9.0% | 6.0% | 4.0% | 5.5% | 12.0% | 13.0% |
| 59 | 6.5% | 7.5% | 6.0% | 4.4% | 6.0% | 14.3% | 13.5% |
| 60 | 9.0% | 10.0% | 6.0% | 4.8% | 7.5% | 16.0% | 17.0% |
| 61 | 12.5% | 11.0% | 6.0% | 4.8% | 9.0% | 16.0% | 17.0% |
| 62 | 16.0% | 18.0% | 6.0% | 7.0% | 11.0% | 23.0% | 24.0% |
| 63 | 17.0% | 19.5% | 3.0% | 8.3% | 12.0% | 21.0% | 24.0% |
| 64 | 21.0% | 18.0% | 3.0% | 11.5% | 14.5% | 21.0% | 24.0% |



The assumed rates of separation from employment prior to service retirement due to disability and other causes are shown below for sample ages. All participants terminating prior to normal retirement age with less than 20 years of service are not eligible for sick leave program benefits.

Assumed Termination Rates by Attained Age and Years of Service

| Age | Service | % of Active Participants Terminating | | | | | | | | |
|-----|-----------|--------------------------------------|---------|------------------------|------------|---------|----------------|---------|----------------------|-------------------------|
| | | General | | Executive & Elected | University | | Public Schools | | Protective | |
| | | Males | Females | | Males | Females | Males | Females | With Soc. Sec. | Without Soc. Sec. |
| | 0-1 | 17.2% | 19.5% | 19.0% | 14.0% | 14.1% | 12.6% | 12.0% | 18.8% | 4.5% |
| | 1-2 | 12.9% | 15.5% | 16.0% | 13.8% | 14.0% | 11.6% | 10.0% | 15.5% | 4.0% |
| | 2-3 | 9.5% | 12.5% | 13.0% | 12.6% | 12.7% | 8.5% | 8.5% | 10.5% | 2.0% |
| | 3-4 | 7.4% | 10.0% | 12.5% | 11.0% | 10.0% | 6.0% | 6.2% | 6.5% | 1.8% |
| | 4-5 | 7.3% | 8.7% | 12.0% | 8.6% | 9.3% | 5.6% | 5.8% | 5.5% | 1.7% |
| | 5-6 | 6.1% | 7.8% | 6.0% | 8.5% | 8.1% | 4.5% | 4.8% | 5.0% | 1.3% |
| | 6-7 | 5.2% | 6.9% | 6.0% | 7.0% | 7.0% | 3.7% | 4.1% | 4.5% | 1.2% |
| | 7-8 | 5.1% | 6.0% | 6.0% | 5.6% | 5.6% | 2.9% | 3.5% | 4.0% | 0.9% |
| | 8-9 | 4.5% | 5.6% | 6.0% | 4.6% | 4.9% | 2.6% | 3.4% | 3.5% | 0.8% |
| | 9-10 | 3.6% | 5.5% | 6.0% | 4.3% | 4.3% | 2.5% | 3.0% | 3.3% | 0.7% |
| 30 | 10 & Over | 3.1% | 4.8% | 4.5% | 4.2% | 4.0% | 2.0% | 2.2% | 2.9% | 0.7% |
| 35 | | 2.7% | 3.9% | 4.5% | 4.0% | 4.0% | 1.6% | 1.9% | 2.4% | 0.6% |
| 40 | | 2.6% | 3.0% | 4.5% | 3.4% | 3.7% | 1.4% | 1.6% | 1.8% | 0.6% |
| 45 | | 2.4% | 2.7% | 4.2% | 2.8% | 3.2% | 1.4% | 1.4% | 1.4% | 0.5% |
| 50 | | 1.9% | 2.1% | 3.7% | 2.3% | 2.7% | 1.3% | 1.2% | 1.2% | 0.5% |
| 54 | | 1.7% | 1.8% | 3.5% | 2.2% | 2.5% | 1.3% | 1.2% | 1.2% | 0.5% |

Disability Rates

| Age | % of Active Participants Becoming Disabled | | | | | | | | | |
|-----|--|---------|---------------------|---------|------------|---------|----------------|---------|------------|--------|
| | General | | Executive & Elected | | University | | Public Schools | | Protective | |
| | Males | Females | Males | Females | Males | Females | Males | Females | With SS | W/O SS |
| 20 | 0.01% | 0.01% | 0.00% | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.02% | 0.03% |
| 25 | 0.01% | 0.01% | 0.00% | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.02% | 0.03% |
| 30 | 0.01% | 0.04% | 0.00% | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.02% | 0.03% |
| 35 | 0.01% | 0.05% | 0.01% | 0.01% | 0.00% | 0.03% | 0.01% | 0.01% | 0.03% | 0.03% |
| 40 | 0.03% | 0.07% | 0.01% | 0.01% | 0.01% | 0.04% | 0.01% | 0.02% | 0.05% | 0.05% |
| 45 | 0.06% | 0.10% | 0.01% | 0.01% | 0.02% | 0.04% | 0.03% | 0.05% | 0.07% | 0.10% |
| 50 | 0.13% | 0.16% | 0.02% | 0.02% | 0.03% | 0.07% | 0.08% | 0.10% | 0.11% | 0.55% |
| 55 | 0.24% | 0.29% | 0.09% | 0.09% | 0.08% | 0.11% | 0.14% | 0.14% | 1.73% | 0.41% |
| 60 | 0.43% | 0.41% | 0.11% | 0.11% | 0.11% | 0.17% | 0.24% | 0.21% | 2.92% | 0.12% |

Miscellaneous and Technical Assumptions

| | |
|-------------------------------------|---|
| Active Member Data: | For purposes of determining eligibility for the sick leave conversion credit programs, the active member data provided for the sick leave valuation was compared against the data provided for the active lives valuation. Only members with a corresponding record in the active lives data were included in the sick leave valuation. For each member, date of birth, gender and service credit were used as provided in the active lives data. Pay rate and sick leave specific information (sick leave balance, accrual rate, average usage) were used as provided in the sick leave data extract for purposes of calculating active member sick leave credits at retirement. It was assumed that all active members would begin using sick leave credits to pay for retiree health care immediately upon becoming eligible to do so. |
| Decrement Operation: | Disability operates during the retirement pattern. |
| Decrement Relativity: | Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects. |
| Decrement Timing: | Decrements of all types are assumed to occur mid-year. |
| Election Percent Assumption: | It was assumed that 50% of future retirees would elect 1-person coverage and 50% would elect multiple-person coverage upon retirement. |
| Eligibility Testing: | Eligibility for benefits is determined based upon the age nearest birthday and total service (in all benefit groups) nearest whole year on the date the decrement is assumed to occur. |
| Escrowed Liabilities: | The actuarial accrued liability for annuitants with a sick leave account balance and an account status of escrowed or on-hold provided in the data was calculated by drawing down each member's account balance using the same average net premiums applicable to active members. The present value was then multiplied by 50% to account for the assumption that only 50% of on-hold/escrowed retirees will, at some point, begin using their sick leave balance to pay for health care costs. |
| Liability Adjustments: | None |

Miscellaneous and Technical Assumptions

Missing Premiums:

For any active annuitants with a sick leave balance but no premium in the data, the average premiums were used to develop liabilities.

Terminated Vested Members Usage:

For purposes of developing the present value of future benefits for terminated vested members, it was assumed that 100% of the members would begin using their sick leave credits to cover health care costs immediately upon reaching eligibility to do so.

SECTION I

CALCULATION OF THE SINGLE DISCOUNT RATE

Calculation of the Single Discount Rate

GASB Statement No. 74 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on OPEB plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.80%; the municipal bond rate is 1.84%; and the resulting Single Discount Rate is 6.80%.

Administrative expenses were not included in the single discount rate projection.

The tables in this section provide background for the development of the SDR.

The **Projection of Contributions** table shows the development of expected contributions in future years. Given the Plan is over 100% funded, current assets are projected to be sufficient to cover all future benefit obligations. As such, the projection of contributions have been excluded from this report.

The **Projection of Fiduciary Net Position** table shows the development of expected asset levels in future years.

The **Present Values of Projected Benefit Payments** table shows the development of the Single Discount Rate (SDR). It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

Single Discount Rate Development Projection of Plan Fiduciary Net Position Ending December 31, 2121

| Year | Projected Beginning Plan Net Position | Projected Total Contributions | Projected Benefit Payments | Projected Investment Earnings at 6.80% | Projected Ending Plan Net Position |
|------|---|-------------------------------------|-------------------------------|---|--|
| | (a) | (b) | (c) | (d) | (e)=(a)+(b)-(c)+(d) |
| 1 | \$ 1,371,705,828 | \$ 0 | \$ 58,284,963 | \$ 91,326,897 | \$ 1,404,747,762 |
| 2 | 1,404,747,762 | 0 | 64,220,698 | 93,375,253 | 1,433,902,317 |
| 3 | 1,433,902,317 | 0 | 69,587,874 | 95,178,280 | 1,459,492,723 |
| 4 | 1,459,492,723 | 0 | 73,836,471 | 96,776,351 | 1,482,432,603 |
| 5 | 1,482,432,603 | 0 | 77,496,056 | 98,213,883 | 1,503,150,430 |
| 6 | 1,503,150,430 | 0 | 80,512,500 | 99,521,822 | 1,522,159,753 |
| 7 | 1,522,159,753 | 0 | 82,948,325 | 100,733,000 | 1,539,944,429 |
| 8 | 1,539,944,429 | 0 | 84,759,232 | 101,881,800 | 1,557,066,997 |
| 9 | 1,557,066,997 | 0 | 86,744,121 | 102,979,758 | 1,573,302,635 |
| 10 | 1,573,302,635 | 0 | 88,535,433 | 104,023,879 | 1,588,791,081 |
| 11 | 1,588,791,081 | 0 | 90,129,017 | 105,023,802 | 1,603,685,866 |
| 12 | 1,603,685,866 | 0 | 91,286,926 | 105,997,926 | 1,618,396,866 |
| 13 | 1,618,396,866 | 0 | 92,207,651 | 106,967,484 | 1,633,156,699 |
| 14 | 1,633,156,699 | 0 | 93,378,564 | 107,931,997 | 1,647,710,132 |
| 15 | 1,647,710,132 | 0 | 94,553,191 | 108,882,349 | 1,662,039,291 |
| 16 | 1,662,039,291 | 0 | 96,365,266 | 109,796,135 | 1,675,470,161 |
| 17 | 1,675,470,161 | 0 | 98,143,171 | 110,649,979 | 1,687,976,969 |
| 18 | 1,687,976,969 | 0 | 100,112,910 | 111,434,573 | 1,699,298,632 |
| 19 | 1,699,298,632 | 0 | 102,337,827 | 112,130,043 | 1,709,090,848 |
| 20 | 1,709,090,848 | 0 | 103,943,967 | 112,742,203 | 1,717,889,083 |
| 21 | 1,717,889,083 | 0 | 105,765,478 | 113,279,570 | 1,725,403,175 |
| 22 | 1,725,403,175 | 0 | 107,610,002 | 113,728,846 | 1,731,522,019 |
| 23 | 1,731,522,019 | 0 | 109,349,237 | 114,086,765 | 1,736,259,548 |
| 24 | 1,736,259,548 | 0 | 111,336,064 | 114,342,476 | 1,739,265,960 |
| 25 | 1,739,265,960 | 0 | 113,184,925 | 114,485,085 | 1,740,566,120 |
| 26 | 1,740,566,120 | 0 | 115,163,444 | 114,507,332 | 1,739,910,008 |
| 27 | 1,739,910,008 | 0 | 116,594,358 | 114,414,866 | 1,737,730,516 |
| 28 | 1,737,730,516 | 0 | 117,427,754 | 114,238,791 | 1,734,541,553 |
| 29 | 1,734,541,553 | 0 | 117,923,239 | 114,005,372 | 1,730,623,685 |
| 30 | 1,730,623,685 | 0 | 117,931,284 | 113,738,688 | 1,726,431,089 |
| 31 | 1,726,431,089 | 0 | 117,818,404 | 113,457,366 | 1,722,070,051 |
| 32 | 1,722,070,051 | 0 | 117,808,649 | 113,161,142 | 1,717,422,544 |
| 33 | 1,717,422,544 | 0 | 117,838,742 | 112,844,105 | 1,712,427,907 |
| 34 | 1,712,427,907 | 0 | 117,409,987 | 112,518,807 | 1,707,536,727 |
| 35 | 1,707,536,727 | 0 | 116,101,517 | 112,229,963 | 1,703,665,174 |
| 36 | 1,703,665,174 | 0 | 114,038,072 | 112,035,701 | 1,701,662,803 |
| 37 | 1,701,662,803 | 0 | 110,956,985 | 112,002,574 | 1,702,708,393 |
| 38 | 1,702,708,393 | 0 | 107,330,168 | 112,194,958 | 1,707,573,183 |
| 39 | 1,707,573,183 | 0 | 102,959,883 | 112,671,910 | 1,717,285,211 |
| 40 | 1,717,285,211 | 0 | 97,727,383 | 113,507,307 | 1,733,065,135 |
| 41 | 1,733,065,135 | 0 | 91,651,869 | 114,783,512 | 1,756,196,778 |
| 42 | 1,756,196,778 | 0 | 85,655,147 | 116,557,000 | 1,787,098,631 |
| 43 | 1,787,098,631 | 0 | 80,217,805 | 118,840,155 | 1,825,720,981 |
| 44 | 1,825,720,981 | 0 | 75,250,756 | 121,632,577 | 1,872,102,802 |
| 45 | 1,872,102,802 | 0 | 70,464,271 | 124,946,605 | 1,926,585,136 |
| 46 | 1,926,585,136 | 0 | 65,386,976 | 128,821,193 | 1,990,019,353 |
| 47 | 1,990,019,353 | 0 | 60,078,711 | 133,312,233 | 2,063,252,875 |
| 48 | 2,063,252,875 | 0 | 54,744,302 | 138,470,499 | 2,146,979,072 |
| 49 | 2,146,979,072 | 0 | 49,479,922 | 144,339,926 | 2,241,839,076 |
| 50 | 2,241,839,076 | 0 | 44,401,652 | 150,960,228 | 2,348,397,652 |



Single Discount Rate Development Projection of Plan Fiduciary Net Position Ending December 31, 2121 (Concluded)

| Year | Projected Beginning Plan Net Position | Projected Total Contributions | Projected Benefit Payments | Projected Investment Earnings at 6.80% | Projected Ending Plan Net Position |
|------|---|-------------------------------------|-------------------------------|---|--|
| | (a) | (b) | (c) | (d) | (e)=(a)+(b)-(c)+(d) |
| 51 | \$ 2,348,397,652 | \$ 0 | \$ 39,609,866 | \$ 158,366,453 | \$ 2,467,154,239 |
| 52 | 2,467,154,239 | 0 | 35,199,781 | 166,589,377 | 2,598,543,835 |
| 53 | 2,598,543,835 | 0 | 31,106,949 | 175,660,738 | 2,743,097,624 |
| 54 | 2,743,097,624 | 0 | 27,272,068 | 185,618,637 | 2,901,444,193 |
| 55 | 2,901,444,193 | 0 | 23,675,102 | 196,506,489 | 3,074,275,581 |
| 56 | 3,074,275,581 | 0 | 20,311,716 | 208,371,498 | 3,262,335,363 |
| 57 | 3,262,335,363 | 0 | 17,204,513 | 221,263,471 | 3,466,394,321 |
| 58 | 3,466,394,321 | 0 | 14,379,011 | 235,233,967 | 3,687,249,277 |
| 59 | 3,687,249,277 | 0 | 11,862,251 | 250,336,267 | 3,925,723,293 |
| 60 | 3,925,723,293 | 0 | 9,646,644 | 266,626,592 | 4,182,703,241 |
| 61 | 4,182,703,241 | 0 | 7,733,336 | 284,165,211 | 4,459,135,116 |
| 62 | 4,459,135,116 | 0 | 6,096,633 | 303,017,311 | 4,756,055,795 |
| 63 | 4,756,055,795 | 0 | 4,728,102 | 323,253,682 | 5,074,581,375 |
| 64 | 5,074,581,375 | 0 | 3,602,337 | 344,951,068 | 5,415,930,106 |
| 65 | 5,415,930,106 | 0 | 2,689,639 | 368,193,303 | 5,781,433,771 |
| 66 | 5,781,433,771 | 0 | 1,962,329 | 393,071,874 | 6,172,543,316 |
| 67 | 6,172,543,316 | 0 | 1,392,988 | 419,686,363 | 6,590,836,691 |
| 68 | 6,590,836,691 | 0 | 958,182 | 448,144,853 | 7,038,023,361 |
| 69 | 7,038,023,361 | 0 | 636,041 | 478,564,319 | 7,515,951,639 |
| 70 | 7,515,951,639 | 0 | 406,799 | 511,071,108 | 8,026,615,948 |
| 71 | 8,026,615,948 | 0 | 248,428 | 545,801,577 | 8,572,169,097 |
| 72 | 8,572,169,097 | 0 | 144,599 | 582,902,663 | 9,154,927,161 |
| 73 | 9,154,927,161 | 0 | 80,535 | 622,532,354 | 9,777,378,979 |
| 74 | 9,777,378,979 | 0 | 42,765 | 664,860,341 | 10,442,196,555 |
| 75 | 10,442,196,555 | 0 | 21,761 | 710,068,638 | 11,152,243,432 |
| 76 | 11,152,243,432 | 0 | 10,554 | 758,352,200 | 11,910,585,078 |
| 77 | 11,910,585,078 | 0 | 4,678 | 809,919,629 | 12,720,500,029 |
| 78 | 12,720,500,029 | 0 | 2,025 | 864,993,934 | 13,585,491,939 |
| 79 | 13,585,491,939 | 0 | 882 | 923,813,422 | 14,509,304,479 |
| 80 | 14,509,304,479 | 0 | 362 | 986,632,692 | 15,495,936,809 |
| 81 | 15,495,936,809 | 0 | 132 | 1,053,723,699 | 16,549,660,376 |
| 82 | 16,549,660,376 | 0 | 49 | 1,125,376,904 | 17,675,037,231 |
| 83 | 17,675,037,231 | 0 | 18 | 1,201,902,531 | 18,876,939,744 |
| 84 | 18,876,939,744 | 0 | 7 | 1,283,631,902 | 20,160,571,639 |
| 85 | 20,160,571,639 | 0 | 2 | 1,370,918,871 | 21,531,490,509 |
| 86 | 21,531,490,509 | 0 | 1 | 1,464,141,355 | 22,995,631,862 |
| 87 | 22,995,631,862 | 0 | 0 | 1,563,702,967 | 24,559,334,829 |
| 88 | 24,559,334,829 | 0 | 0 | 1,670,034,768 | 26,229,369,598 |
| 89 | 26,229,369,598 | 0 | 0 | 1,783,597,133 | 28,012,966,730 |
| 90 | 28,012,966,730 | 0 | 0 | 1,904,881,738 | 29,917,848,468 |
| 91 | 29,917,848,468 | 0 | 0 | 2,034,413,696 | 31,952,262,164 |
| 92 | 31,952,262,164 | 0 | 0 | 2,172,753,827 | 34,125,015,991 |
| 93 | 34,125,015,991 | 0 | 0 | 2,320,501,087 | 36,445,517,078 |
| 94 | 36,445,517,078 | 0 | 0 | 2,478,295,161 | 38,923,812,239 |
| 95 | 38,923,812,239 | 0 | 0 | 2,646,819,232 | 41,570,631,472 |
| 96 | 41,570,631,472 | 0 | 0 | 2,826,802,940 | 44,397,434,412 |
| 97 | 44,397,434,412 | 0 | 0 | 3,019,025,540 | 47,416,459,952 |
| 98 | 47,416,459,952 | 0 | 0 | 3,224,319,277 | 50,640,779,228 |
| 99 | 50,640,779,228 | 0 | 0 | 3,443,572,988 | 54,084,352,216 |
| 100 | 54,084,352,216 | 0 | 0 | 3,677,735,951 | 57,762,088,167 |



Single Discount Rate Development

Present Values of Projected Benefits Ending December 31, 2121

| Year | Projected Beginning Plan Net Position | Projected Benefit Payments | Funded Portion of Projected Benefit Payments | Unfunded Portion of Projected Benefit Payments | Present Value of Funded Benefit Payments using Expected Return Rate (v) | Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf) | Present Value of All Benefit Payments using Single Discount Rate (SDR) |
|------|---------------------------------------|----------------------------|--|--|---|---|--|
| (a) | (b) | (c) | (d) | (e) | (f)=(d)*v ^a ((a)-.5) | (g)=(e)*vf ^a ((a)-.5) | (h)=(c)/(1+SDR) ^a ((a)-.5) |
| 1 | \$ 1,371,705,828 | \$ 58,284,963 | \$ 58,284,963 | \$ 0 | \$ 56,398,934 | \$ 0 | \$ 56,398,934 |
| 2 | 1,404,747,762 | 64,220,698 | 64,220,698 | 0 | 58,185,952 | 0 | 58,185,952 |
| 3 | 1,433,902,317 | 69,587,874 | 69,587,874 | 0 | 59,034,438 | 0 | 59,034,438 |
| 4 | 1,459,492,723 | 73,836,471 | 73,836,471 | 0 | 58,650,476 | 0 | 58,650,476 |
| 5 | 1,482,432,603 | 77,496,056 | 77,496,056 | 0 | 57,638,008 | 0 | 57,638,008 |
| 6 | 1,503,150,430 | 80,512,500 | 80,512,500 | 0 | 56,068,821 | 0 | 56,068,821 |
| 7 | 1,522,159,753 | 82,948,325 | 82,948,325 | 0 | 54,087,197 | 0 | 54,087,197 |
| 8 | 1,539,944,429 | 84,759,232 | 84,759,232 | 0 | 51,749,078 | 0 | 51,749,078 |
| 9 | 1,557,066,997 | 86,744,121 | 86,744,121 | 0 | 49,588,891 | 0 | 49,588,891 |
| 10 | 1,573,302,635 | 88,535,433 | 88,535,433 | 0 | 47,390,382 | 0 | 47,390,382 |
| 11 | 1,588,791,081 | 90,129,017 | 90,129,017 | 0 | 45,171,705 | 0 | 45,171,705 |
| 12 | 1,603,685,866 | 91,286,926 | 91,286,926 | 0 | 42,838,985 | 0 | 42,838,985 |
| 13 | 1,618,396,866 | 92,207,651 | 92,207,651 | 0 | 40,515,975 | 0 | 40,515,975 |
| 14 | 1,633,156,699 | 93,378,564 | 93,378,564 | 0 | 38,418,046 | 0 | 38,418,046 |
| 15 | 1,647,710,132 | 94,553,191 | 94,553,191 | 0 | 36,424,452 | 0 | 36,424,452 |
| 16 | 1,662,039,291 | 96,365,266 | 96,365,266 | 0 | 34,758,907 | 0 | 34,758,907 |
| 17 | 1,675,470,161 | 98,143,171 | 98,143,171 | 0 | 33,146,251 | 0 | 33,146,251 |
| 18 | 1,687,976,969 | 100,112,910 | 100,112,910 | 0 | 31,658,706 | 0 | 31,658,706 |
| 19 | 1,699,298,632 | 102,337,827 | 102,337,827 | 0 | 30,301,771 | 0 | 30,301,771 |
| 20 | 1,709,090,848 | 103,943,967 | 103,943,967 | 0 | 28,817,736 | 0 | 28,817,736 |
| 21 | 1,717,889,083 | 105,765,478 | 105,765,478 | 0 | 27,455,746 | 0 | 27,455,746 |
| 22 | 1,725,403,175 | 107,610,002 | 107,610,002 | 0 | 26,155,962 | 0 | 26,155,962 |
| 23 | 1,731,522,019 | 109,349,237 | 109,349,237 | 0 | 24,886,428 | 0 | 24,886,428 |
| 24 | 1,736,259,548 | 111,336,064 | 111,336,064 | 0 | 23,725,284 | 0 | 23,725,284 |
| 25 | 1,739,265,960 | 113,184,925 | 113,184,925 | 0 | 22,583,586 | 0 | 22,583,586 |
| 26 | 1,740,566,120 | 115,163,444 | 115,163,444 | 0 | 21,515,315 | 0 | 21,515,315 |
| 27 | 1,739,910,008 | 116,594,358 | 116,594,358 | 0 | 20,395,734 | 0 | 20,395,734 |
| 28 | 1,737,730,516 | 117,427,754 | 117,427,754 | 0 | 19,233,632 | 0 | 19,233,632 |
| 29 | 1,734,541,553 | 117,923,239 | 117,923,239 | 0 | 18,085,008 | 0 | 18,085,008 |
| 30 | 1,730,623,685 | 117,931,284 | 117,931,284 | 0 | 16,934,683 | 0 | 16,934,683 |
| 31 | 1,726,431,089 | 117,818,404 | 117,818,404 | 0 | 15,841,268 | 0 | 15,841,268 |
| 32 | 1,722,070,051 | 117,808,649 | 117,808,649 | 0 | 14,831,419 | 0 | 14,831,419 |
| 33 | 1,717,422,544 | 117,838,742 | 117,838,742 | 0 | 13,890,644 | 0 | 13,890,644 |
| 34 | 1,712,427,907 | 117,409,987 | 117,409,987 | 0 | 12,958,898 | 0 | 12,958,898 |
| 35 | 1,707,536,727 | 116,101,517 | 116,101,517 | 0 | 11,998,575 | 0 | 11,998,575 |
| 36 | 1,703,665,174 | 114,038,072 | 114,038,072 | 0 | 11,034,951 | 0 | 11,034,951 |
| 37 | 1,701,662,803 | 110,956,985 | 110,956,985 | 0 | 10,053,191 | 0 | 10,053,191 |
| 38 | 1,702,708,393 | 107,330,168 | 107,330,168 | 0 | 9,105,417 | 0 | 9,105,417 |
| 39 | 1,707,573,183 | 102,959,883 | 102,959,883 | 0 | 8,178,522 | 0 | 8,178,522 |
| 40 | 1,717,285,211 | 97,727,383 | 97,727,383 | 0 | 7,268,617 | 0 | 7,268,617 |
| 41 | 1,733,065,135 | 91,651,869 | 91,651,869 | 0 | 6,382,717 | 0 | 6,382,717 |
| 42 | 1,756,196,778 | 85,655,147 | 85,655,147 | 0 | 5,585,300 | 0 | 5,585,300 |
| 43 | 1,787,098,631 | 80,217,805 | 80,217,805 | 0 | 4,897,704 | 0 | 4,897,704 |
| 44 | 1,825,720,981 | 75,250,756 | 75,250,756 | 0 | 4,301,911 | 0 | 4,301,911 |
| 45 | 1,872,102,802 | 70,464,271 | 70,464,271 | 0 | 3,771,796 | 0 | 3,771,796 |
| 46 | 1,926,585,136 | 65,386,976 | 65,386,976 | 0 | 3,277,172 | 0 | 3,277,172 |
| 47 | 1,990,019,353 | 60,078,711 | 60,078,711 | 0 | 2,819,404 | 0 | 2,819,404 |
| 48 | 2,063,252,875 | 54,744,302 | 54,744,302 | 0 | 2,405,495 | 0 | 2,405,495 |
| 49 | 2,146,979,072 | 49,479,922 | 49,479,922 | 0 | 2,035,744 | 0 | 2,035,744 |
| 50 | 2,241,839,076 | 44,401,652 | 44,401,652 | 0 | 1,710,496 | 0 | 1,710,496 |



Single Discount Rate Development

Present Values of Projected Benefits Ending December 31, 2121 (Concluded)

| Year | Projected Beginning Plan Net Position | Projected Benefit Payments | Funded Portion of Projected Benefit Payments | Unfunded Portion of Projected Benefit Payments | Present Value of Funded Benefit Payments using Expected Return Rate (v) | Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf) | Present Value of All Benefit Payments using Single Discount Rate (SDR) |
|---------------|---|-------------------------------|--|--|---|---|--|
| (a) | (b) | (c) | (d) | (e) | (f)=(d)*v^(a)-.5) | (g)=(e)*vf^(a)-.5) | (h)=(c)/(1+SDR)^(a)-.5) |
| 51 | \$ 2,348,397,652 | \$ 39,609,866 | \$ 39,609,866 | \$ 0 | \$ 1,428,746 | \$ 0 | \$ 1,428,746 |
| 52 | 2,467,154,239 | 35,199,781 | 35,199,781 | 0 | 1,188,832 | 0 | 1,188,832 |
| 53 | 2,598,543,835 | 31,106,949 | 31,106,949 | 0 | 983,709 | 0 | 983,709 |
| 54 | 2,743,097,624 | 27,272,068 | 27,272,068 | 0 | 807,525 | 0 | 807,525 |
| 55 | 2,901,444,193 | 23,675,102 | 23,675,102 | 0 | 656,385 | 0 | 656,385 |
| 56 | 3,074,275,581 | 20,311,716 | 20,311,716 | 0 | 527,281 | 0 | 527,281 |
| 57 | 3,262,335,363 | 17,204,513 | 17,204,513 | 0 | 418,183 | 0 | 418,183 |
| 58 | 3,466,394,321 | 14,379,011 | 14,379,011 | 0 | 327,252 | 0 | 327,252 |
| 59 | 3,687,249,277 | 11,862,251 | 11,862,251 | 0 | 252,784 | 0 | 252,784 |
| 60 | 3,925,723,293 | 9,646,644 | 9,646,644 | 0 | 192,480 | 0 | 192,480 |
| 61 | 4,182,703,241 | 7,733,336 | 7,733,336 | 0 | 144,479 | 0 | 144,479 |
| 62 | 4,459,135,116 | 6,096,633 | 6,096,633 | 0 | 106,649 | 0 | 106,649 |
| 63 | 4,756,055,795 | 4,728,102 | 4,728,102 | 0 | 77,443 | 0 | 77,443 |
| 64 | 5,074,583,375 | 3,602,337 | 3,602,337 | 0 | 55,247 | 0 | 55,247 |
| 65 | 5,415,930,106 | 2,689,639 | 2,689,639 | 0 | 38,623 | 0 | 38,623 |
| 66 | 5,781,433,771 | 1,962,329 | 1,962,329 | 0 | 26,385 | 0 | 26,385 |
| 67 | 6,172,543,316 | 1,392,988 | 1,392,988 | 0 | 17,537 | 0 | 17,537 |
| 68 | 6,590,836,691 | 958,182 | 958,182 | 0 | 11,295 | 0 | 11,295 |
| 69 | 7,038,023,361 | 636,041 | 636,041 | 0 | 7,020 | 0 | 7,020 |
| 70 | 7,515,951,639 | 406,799 | 406,799 | 0 | 4,204 | 0 | 4,204 |
| 71 | 8,026,615,948 | 248,428 | 248,428 | 0 | 2,404 | 0 | 2,404 |
| 72 | 8,572,169,097 | 144,599 | 144,599 | 0 | 1,310 | 0 | 1,310 |
| 73 | 9,154,927,161 | 80,535 | 80,535 | 0 | 683 | 0 | 683 |
| 74 | 9,777,378,979 | 42,765 | 42,765 | 0 | 340 | 0 | 340 |
| 75 | 10,442,196,555 | 21,761 | 21,761 | 0 | 162 | 0 | 162 |
| 76 | 11,152,243,432 | 10,554 | 10,554 | 0 | 74 | 0 | 74 |
| 77 | 11,910,585,078 | 4,678 | 4,678 | 0 | 31 | 0 | 31 |
| 78 | 12,720,500,029 | 2,025 | 2,025 | 0 | 12 | 0 | 12 |
| 79 | 13,585,491,939 | 882 | 882 | 0 | 5 | 0 | 5 |
| 80 | 14,509,304,479 | 362 | 362 | 0 | 2 | 0 | 2 |
| 81 | 15,495,936,809 | 132 | 132 | 0 | 1 | 0 | 1 |
| 82 | 16,549,660,376 | 49 | 49 | 0 | 0 | 0 | 0 |
| 83 | 17,675,037,231 | 18 | 18 | 0 | 0 | 0 | 0 |
| 84 | 18,876,939,744 | 7 | 7 | 0 | 0 | 0 | 0 |
| 85 | 20,160,571,639 | 2 | 2 | 0 | 0 | 0 | 0 |
| 86 | 21,531,490,509 | 1 | 1 | 0 | 0 | 0 | 0 |
| 87 | 22,995,631,862 | 0 | 0 | 0 | 0 | 0 | 0 |
| 88 | 24,559,334,829 | 0 | 0 | 0 | 0 | 0 | 0 |
| 89 | 26,229,369,598 | 0 | 0 | 0 | 0 | 0 | 0 |
| 90 | 28,012,966,730 | 0 | 0 | 0 | 0 | 0 | 0 |
| 91 | 29,917,848,468 | 0 | 0 | 0 | 0 | 0 | 0 |
| 92 | 31,952,262,164 | 0 | 0 | 0 | 0 | 0 | 0 |
| 93 | 34,125,015,991 | 0 | 0 | 0 | 0 | 0 | 0 |
| 94 | 36,445,517,078 | 0 | 0 | 0 | 0 | 0 | 0 |
| 95 | 38,923,812,239 | 0 | 0 | 0 | 0 | 0 | 0 |
| 96 | 41,570,631,472 | 0 | 0 | 0 | 0 | 0 | 0 |
| 97 | 44,397,434,412 | 0 | 0 | 0 | 0 | 0 | 0 |
| 98 | 47,416,459,952 | 0 | 0 | 0 | 0 | 0 | 0 |
| 99 | 50,640,779,228 | 0 | 0 | 0 | 0 | 0 | 0 |
| 100 | 54,084,352,216 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | | | | | \$ 1,291,442,416 | \$ 0 | \$ 1,291,442,416 |



SECTION J

GLOSSARY OF TERMS

Glossary of Terms

| | |
|--|---|
| Accrued Service | Service credited under the system that was rendered before the date of the actuarial valuation. |
| Actuarial Accrued Liability (AAL) | The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability." |
| Actuarial Assumptions | These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation. |
| Actuarial Cost Method | A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the OPEB trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method. |
| Actuarial Equivalent | A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions. |
| Actuarial Gain (Loss) | The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities. |
| Actuarial Present Value (APV) | The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment. |
| Actuarial Valuation | The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total OPEB liability, and related actuarial present value of projected benefit payments for OPEB. |
| Actuarial Valuation Date | The date as of which an actuarial valuation is performed. |

Glossary of Terms

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| Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC) | A calculated contribution into an OPEB plan for the reporting period, most often determined based on the funding policy of the plan. Typically the Actuarially Determined Contribution has a normal cost payment and an amortization payment. |
| Amortization Method | The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be “open” (meaning, reset each year) or “closed” (the number of years remaining will decline each year). |
| Amortization Payment | The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal. |
| Cost-of-Living Adjustments | Postemployment benefit changes intended to adjust benefit payments for the effects of inflation. |
| Cost-Sharing Multiple-Employer Defined Benefit OPEB Plan (cost-sharing OPEB plan) | A multiple-employer defined benefit OPEB plan in which the OPEB obligations to the employees of more than one employer are pooled and OPEB plan assets can be used to pay the benefits of the employees of any employer that provides benefits through the OPEB plan. |
| Covered-Employee Payroll | The payroll of employees that are provided with benefits through the OPEB plan. |
| Deferred Inflows and Outflows | The deferred inflows and outflows of OPEB resources are amounts used under GASB Statement No. 75 in developing the annual OPEB expense/(revenue). Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in the OPEB expense/(revenue) should be included in the deferred inflows or outflows of resources. |
| Discount Rate | For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: <ol style="list-style-type: none">1. The benefit payments to be made while the OPEB plans’ fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate. |

Glossary of Terms

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| Entry Age Actuarial Cost Method (EAN) | The EAN is a cost method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits. |
| Fiduciary Net Position | The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions. |
| GASB | The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities. |
| Long-Term Expected Rate of Return | The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio. |
| Money-Weighted Rate of Return | The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 74, the money-weighted rate of return is calculated as the internal rate of return on OPEB plan investments, net of OPEB plan investment expense. |
| Multiple-Employer Defined Benefit OPEB Plan | A multiple-employer plan is a defined benefit OPEB plan that is used to provide OPEB payments to the employees of more than one employer. |
| Municipal Bond Rate | The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted. |
| Net OPEB Liability (NOL) | The NOL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan. |
| Non-Employer Contributing Entities | Non-employer contributing entities are entities that make contributions to an OPEB plan that is used to provide OPEB payments to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contributing entities. |

Glossary of Terms

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|--|---|
| Normal Cost | The portion of the actuarial present value allocated to a valuation year is called the normal cost. For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost. |
| Other Postemployment Benefits (OPEB) | All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits regardless of the manner in which they are provided. Other post-employment benefits do not include termination benefits. |
| Real Rate of Return | The real rate of return is the rate of return on an investment after adjustment to eliminate inflation. |
| Service Cost | The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year. |
| Total OPEB Expense/(Revenue) | The total OPEB expense/(revenue) is the sum of the following items that are recognized at the end of the employer's fiscal year: <ol style="list-style-type: none">1. Service Cost2. Interest on the Total OPEB Liability3. Current-Period Benefit Changes4. Employee Contributions (made negative for addition here)5. Projected Earnings on Plan Investments (made negative for addition here)6. OPEB Plan Administrative Expense7. Other Changes in Plan Fiduciary Net Position8. Recognition of Outflow (Inflow) of Resources due to Liabilities9. Recognition of Outflow (Inflow) of Resources due to Assets |
| Total OPEB Liability (TOL) | The TOL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service. |
| Unfunded Actuarial Accrued Liability (UAAL) | The UAAL is the difference between actuarial accrued liability and valuation assets. |
| Valuation Assets | The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 74 and 75, the valuation assets are equal to the market value of assets. |