



**BARTEL**  
ASSOCIATES, LLC

**CITY OF ROCKLIN  
RETIREE HEALTHCARE PLAN**

**June 30, 2020 OPEB Actuarial Valuation  
Plan Funding for 2021/22 and 2022/23**

**Doug Pryor, Vice President & Actuary**  
Matthew Childs, Actuarial Analyst  
Rachel Sun, Actuarial Analyst  
**Bartel Associates, LLC**

December 18, 2020

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## BENEFIT SUMMARY

■ Eligibility	■ Full-time employees retiring directly from City under CalPERS (age 50 <sup>1</sup> and 5 years, or disability)
■ Medical <sup>2</sup>	■ \$1,200 monthly City cap
■ Surviving Spouse	■ Surviving spouse coverage based on retirement plan election ■ Same benefit continues to surviving spouse
■ Other	■ No City paid dental, vision, life, Medicare Part B

<sup>1</sup> Miscellaneous PEPRA retirees age 52 and 5 years

<sup>2</sup> Unrepresented/Hourly receive PEMHCA minimum (\$136/month in 2019; \$139/month 2020; \$143/month 2021)

1 Fire retiree receives higher existing benefit of \$1,766/month, and 2 Police retiree receive the higher existing benefit of \$1,377/month.



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## BENEFIT SUMMARY

■ Pay As <sup>3</sup> You Go (\$000s)	<u>Fiscal Year</u>	<u>Cash Payments</u>
	2019/20	\$1,607
	2018/19	1,434
	2017/18	1,345
	2016/17	1,281
	2015/16	1,222
	2014/15	1,121
	2013/14	1,014
	2012/13	918
	2011/12	806
	2010/11	697
	2009/10	578
	2008/09	483
	2007/08	454
	2006/07	384
	2005/06	350

<sup>3</sup> Reported in CAFR



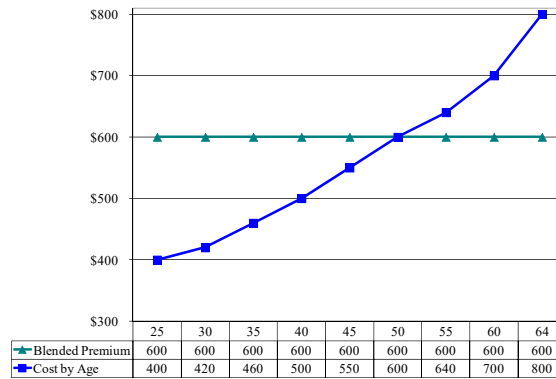
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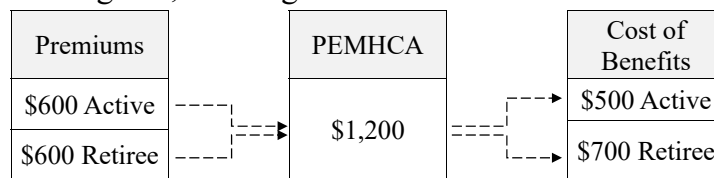


## IMPLIED SUBSIDY

- For PEMHCA, employer cost for allowing retirees to participate at active rates.
  - General trend:



- Sample active age 40, retire age 60:



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## IMPLIED SUBSIDY

- GASBS 75 defers to actuarial standards of practice.
- Previous Actuarial Standards of Practice No. 6<sup>4</sup> (ASOP 6) allowed community rated plans to value liability using premiums, resulting in no implied subsidy.
- In May 2014, Actuarial Standards Board released revised ASOP 6:
  - Requires implied subsidy valued for community rated plans such as PEMHCA.
  - Timing: effective with all valuations on or after March 31, 2015 with earlier implementation encouraged
- Valuations on and after 6/30/15 include the implied subsidy.

<sup>4</sup> Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Plan Costs or Contributions.



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## PARTICIPANT STATISTICS

### Actives

	6/30/13	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20
■ Count							
• Miscellaneous	139	144	138	143	143	140	141
• Unrepresented/ Hourly	23	8	5	4	-	-	-
• Safety	<u>86</u>	<u>89</u>	<u>89</u>	<u>86</u>	<u>91</u>	<u>94</u>	<u>94</u>
• Total	248	241	232	233	234	234	235
■ Average							
• Age	44.1	44.5	44.5	45.0	45.0	45.1	44.4
• City Service	10.6	10.5	10.4	10.2	9.8	10.2	9.8
• CalPERS Service	13.0	12.9	12.9	13.0	13.4	13.2	13.0
• Pay	\$69,300	\$85,300	\$87,000	\$91,700	\$95,000	\$92,000	\$91,200
■ Total Payroll (000's)	17,174	20,553	20,186	21,373	22,240	21,534	21,421



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## PARTICIPANT STATISTICS

### Retirees

	6/30/13	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20
■ Count <sup>5</sup>							
• Miscellaneous	67	77	84	87	94	97	107
• Safety	<u>31</u>	<u>34</u>	<u>37</u>	<u>38</u>	<u>42</u>	<u>44</u>	<u>52</u>
• Total	98	111	121	125	136	141	159
■ Average							
• Age	62.1	63.2	63.5	64.0	64.2	64.4	64.7
• Service Retirement Age							
➤ Miscellaneous	57.4	57.7	57.8	57.7	57.8	57.6	58.0
➤ Safety	52.7	53.0	53.0	52.8	53.1	52.9	52.8
• Monthly Benefit	\$887	\$860	\$874	\$859	\$845	\$902	\$901

<sup>5</sup> Waived retirees excluded (6, 7, 10, 13, 16, 15, 19, and 18 at June 30, 2012, 2013, 2015, 2016, 2017, 2018, 2019, 2020 respectively)



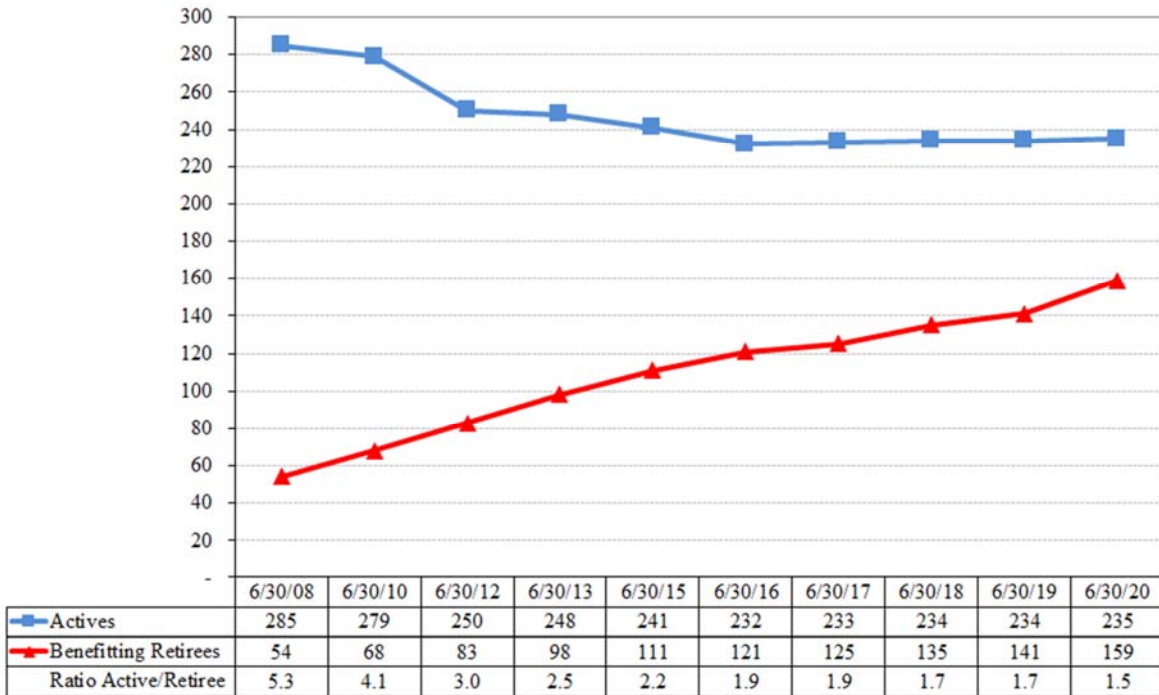
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## PARTICIPANT STATISTICS

### Historical Participant Counts



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## PARTICIPANT STATISTICS

### Participant Reconciliation

	Actives	Retirees <sup>6</sup>	Total
■ <b>June 30, 2019</b>	234	141	375
• Withdrawal/Death	(14)	-	(14)
• New Retirees	(15)	15	-
• New Retirees - Waived	-	-	-
• Retirees Adding Coverage	-	2	2
• New Hires	30	-	30
• Data Corrections	-	1	1
■ <b>June 30, 2020</b>	235	159	394

<sup>6</sup> Waived retirees excluded (19 and 18 at June 30, 2019 and 2020, respectively)



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**ACTUARIAL ASSUMPTION HIGHLIGHTS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2020 Valuation</b>
■ Valuation Date	■ June 30, 2019 ■ 2020/21 Funding	■ June 30, 2020 ■ 2021/22 & 2022/23 Funding
■ Funding Plan	■ City pays full ADC	■ Same
■ Valuation Discount Rate	■ 6.75% ■ Pre-funded through CERBT Strategy 1 starting 13/14	■ Same
■ General Inflation	■ 2.75%	■ Same
■ Mortality, Termination, Disability	■ CalPERS 1997-2015 Experience Study ■ Mortality projected fully generational with Scale MP-2019	■ Same
■ City Cap Increases	■ None	■ Same



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**ACTUARIAL ASSUMPTION HIGHLIGHTS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2020 Valuation</b>														
■ PEMHCA Minimum Increases	<table border="0"> <tr> <td></td> <td align="center">PEMHCA</td> </tr> <tr> <td></td> <td align="center"><u>Minimum</u></td> </tr> <tr> <td><u>Year</u></td> <td></td> </tr> <tr> <td>2019</td> <td align="center">\$ 136</td> </tr> <tr> <td>2020</td> <td align="center">139</td> </tr> <tr> <td>2021</td> <td align="center">143</td> </tr> <tr> <td>2022</td> <td align="center">4.25% increase/year</td> </tr> </table>		PEMHCA		<u>Minimum</u>	<u>Year</u>		2019	\$ 136	2020	139	2021	143	2022	4.25% increase/year	■ Same
	PEMHCA															
	<u>Minimum</u>															
<u>Year</u>																
2019	\$ 136															
2020	139															
2021	143															
2022	4.25% increase/year															



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**ACTUARIAL ASSUMPTION HIGHLIGHTS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2020 Valuation</b>
<b>■ Medical Plan at Retirement</b>	<b>■ Actives:</b> <u>Medical Plan</u> <u>Pre-65</u> <u>Post-65</u> Blue Shield        10%        0% Kaiser                60%        35% UnitedHealth       10%        15% PERS Choice        15%        30% PERSCare            5%         20%	<b>■ Same</b>
	<b>■ Retirees &lt; 65:</b> ● Pre-65: Same as current election ● Post 65: Post 65 assumptions for actives	
	<b>■ Retirees ≥ 65: Same as current election</b>	



**ACTUARIAL ASSUMPTION HIGHLIGHTS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2020 Valuation</b>
<b>■ Healthcare Trend</b>	<u>Increase from Prior Year</u> <u>Non-Medicare</u> <u>Medicare</u> <u>All Plans</u> <u>All Plans</u> <u>Year</u>	<b>■ Same</b>
	2019        Actual Premiums	
	2020        Actual Premiums	
	2021        7.25%        6.30%	
	2022        7.00%        6.10%	
	2023        6.75%        5.90%	
	2024        6.50%        5.70%	
	2025        6.25%        5.50%	
	2026        6.00%        5.30%	
	2027        5.80%        5.15%	
	2028        5.60%        5.00%	
	2029        5.40%        4.85%	
	2030        5.20%        4.70%	
	2031-2035    5.05%        4.60%	
	2036-2045    4.90%        4.50%	
	2046-2055    4.75%        4.45%	
	2056-2065    4.60%        4.40%	
2066-2075    4.30%        4.20%		
2076+        4.00%        4.00%		



ASSETS

**Market Value of Plan Assets**

(Amounts in 000's)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 <sup>7</sup>
■ <b>Market Value (Beginning of Year)</b>	\$1,772	\$4,045	\$8,342	\$12,330	\$13,796	21,157
• Contributions	2,277 <sup>8</sup>	4,266 <sup>9</sup>	3,155	506	6,431	7,686
• Benefit Payments	-	-	-	-	-	-
• Expenses	(2)	(3)	(6)	(23)	(3)	(21)
• Investment Earnings	(2)	34	839	983	933	518
■ <b>Market Value (End of Year)</b>	4,045	8,342	12,330 <sup>10</sup>	13,796	21,157	29,341
■ <b>Approximate Return</b>	(0.2%)	0.8%	10.0%	7.8%	6.3%	2.0%

<sup>7</sup> Contributions, expenses and investment earnings based on CERBT unaudited 6/30/20 asset statement.

<sup>8</sup> Includes contribution accrual of \$777,000.

<sup>9</sup> Includes contribution accrual of \$1,766,400.

<sup>10</sup> Based on CERBT audited asset statements beginning 6/30/17.

Beginning balance and changes during 2016/17 for GASBS 75 reporting will differ.



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ASSETS

**Actuarial Value of Plan Assets**

(Amounts in 000's)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
■ <b>Actuarial Value (Beginning of Year)</b>	\$1,757	\$4,138	\$8,632	\$12,380	\$13,737	21,160
• Contributions	2,277	4,266	3,155	506	6,431	7,686
• Benefit Payments	-	-	-	-	-	-
• Credited Return	104	228	593	851	992	1,406
■ <b>Actuarial Value (End of Year)</b>	4,138	8,632	12,380	13,737	21,160	30,252
■ <b>Approximate Return</b>	5.9%	5.5%	6.9%	6.9%	6.7%	5.8%



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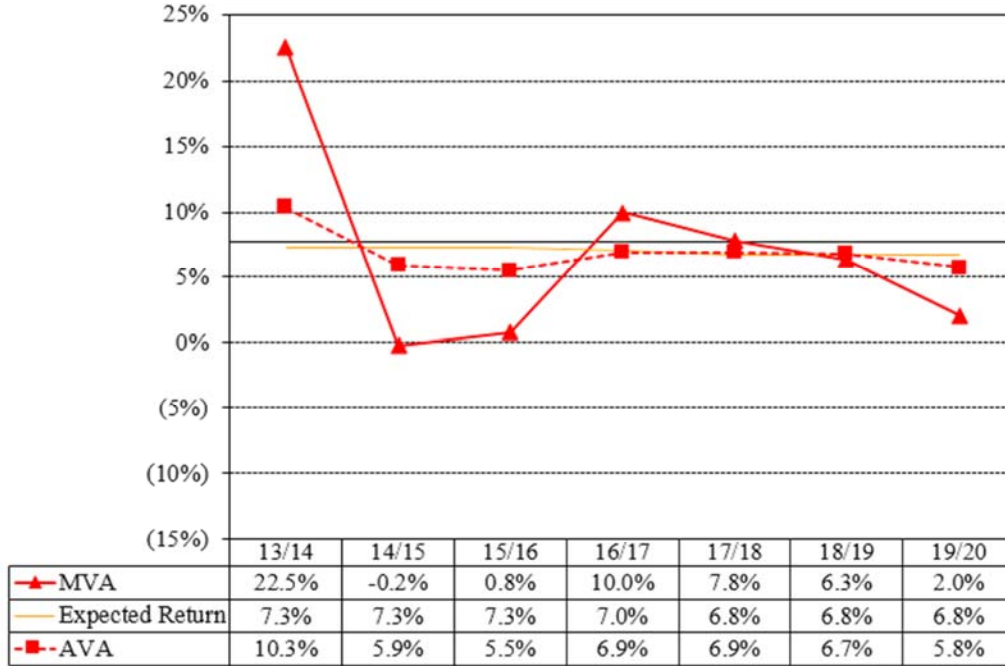
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## ASSETS

### Historical Asset Returns



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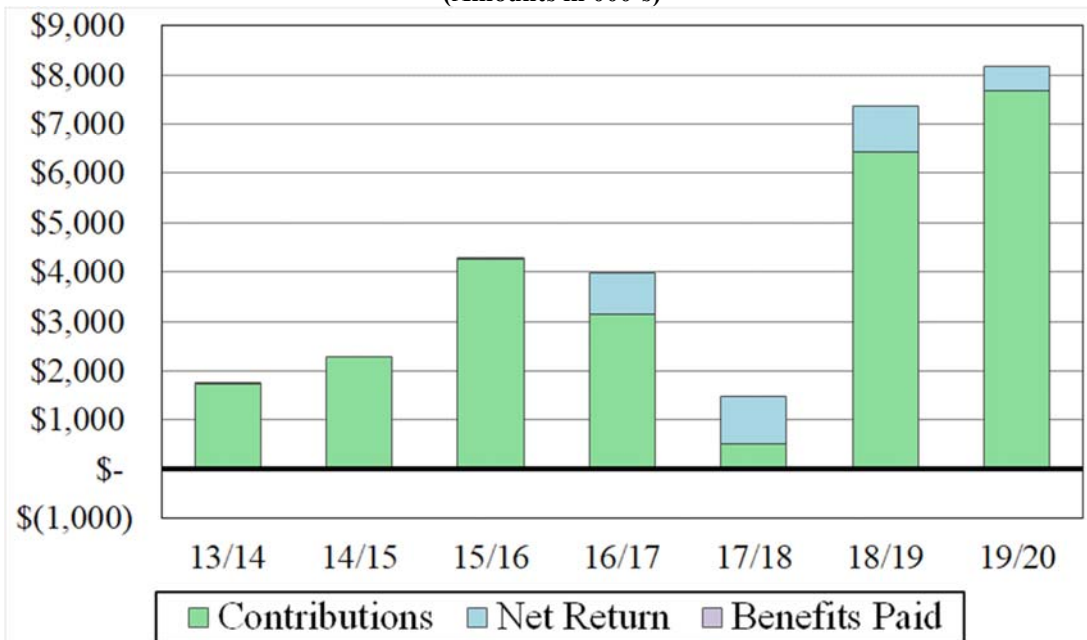
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## ASSETS

### Historical Contributions and Returns

(Amounts in 000's)



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**RESULTS**

**Plan Funded Status**

(Amounts in 000's)

	<b>6/30/19</b>	<b>6/30/20</b>
■ <b>Present Value of Benefits</b>		
• Actives	\$23,197	\$23,138
• Retirees	<u>22,403</u>	<u>25,222</u>
• Total	45,600	48,360
■ <b>Actuarial Accrued Liability (AAL)</b>		
• Actives	12,828	12,732
• Retirees	<u>22,403</u>	<u>25,222</u>
• Total	35,231	37,954
■ <b>Actuarial Value of Assets</b>	<u>21,160</u>	<u>30,252</u>
■ <b>Unfunded AAL (UAAL)</b>	14,071	7,702
■ <b>Funded Ratio</b>	60.1%	79.7%



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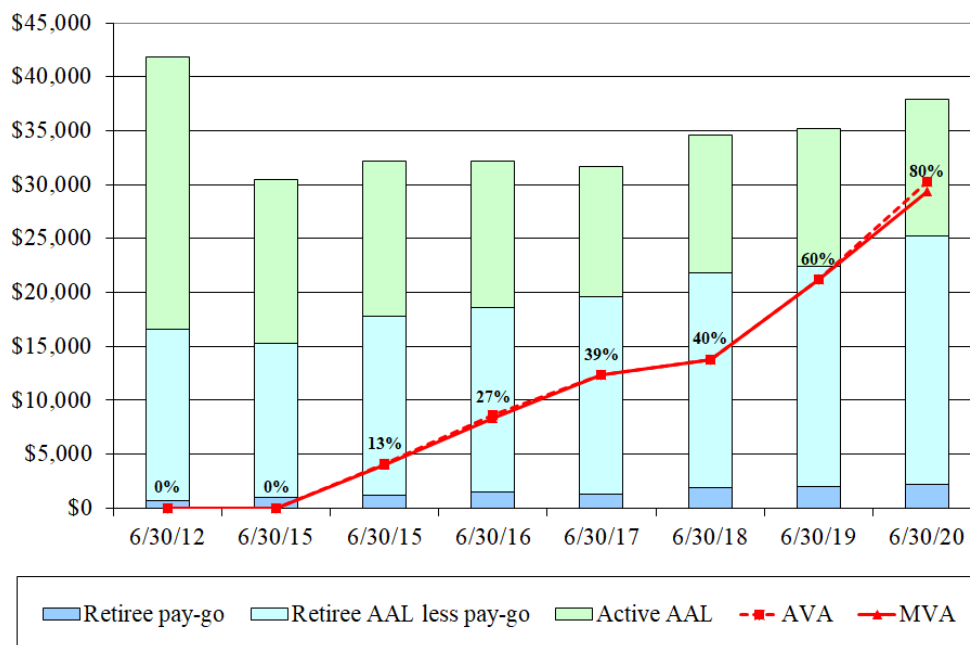
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**RESULTS**

**Historical Plan Funded Status**

(Amounts in 000's)



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**RESULTS**

**Actuarial (Gain)/Loss Analysis**

(Amounts in 000's)

	<b>Actuarial Accrued Liability</b>
■ <b>6/30/19 Actual</b>	\$35,231
■ <b>6/30/20 Expected</b>	36,889
• Demographic Change <sup>11</sup>	1,065
• <b>Total (Gain)/Loss</b>	1,065
• <b>6/30/20 Actual</b>	37,954

<sup>11</sup> Primarily more/earlier retirements than expected.



**RESULTS**

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## RESULTS

### Actuarially Determined Contribution (ADC)

(Amounts in 000's)

	6/30/19 Valuation		6/30/20 Valuation	
	2020/21	2021/22 <sup>12</sup>	2021/22	2022/23
■ <b>ADC - \$</b>				
• Service Cost <sup>13</sup>	\$1,379	\$1,422	\$1,326	\$1,366
• UAAL Amortization	<u>720</u>	<u>755</u>	<u>867</u>	<u>903</u>
• Total	2,099	2,177	2,193	2,269
■ <b>Payroll</b>	22,845	23,531	22,726	23,407
■ <b>ADC - % of Total City Payroll</b>				
• Service Cost	6.0%	6.0%	5.8%	5.8%
• UAAL Amortization	<u>3.2%</u>	<u>3.2%</u>	<u>3.8%</u>	<u>3.9%</u>
• Total	9.2%	9.2%	9.6%	9.7%

<sup>12</sup> Provided for illustrative purposes only.

<sup>13</sup> Included estimated expenses of \$19k, \$21k, \$21k, and \$22k, respectively.



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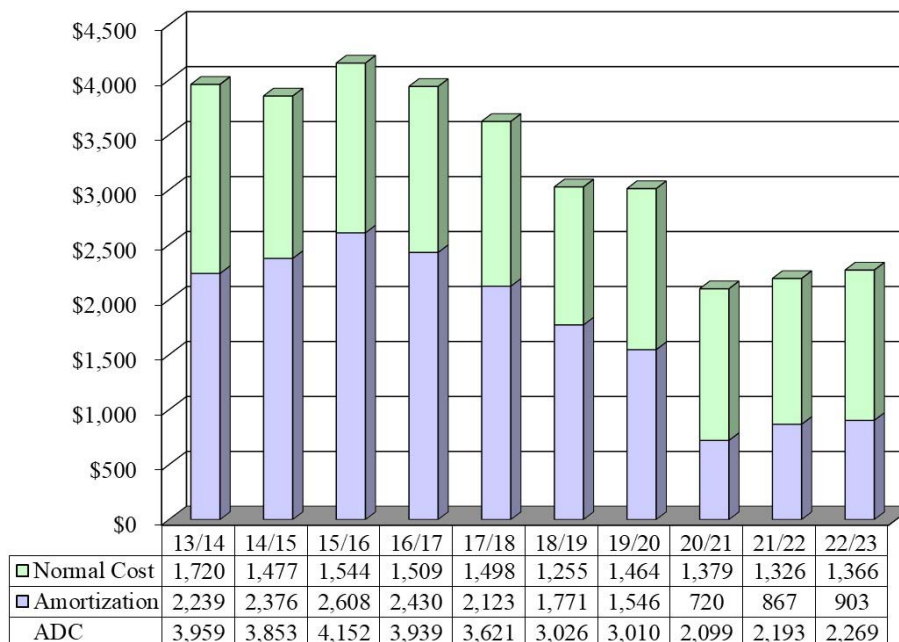
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## RESULTS

### Actuarially Determined Contributions

(Amounts in 000's)



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**RESULTS**

**Amortization Bases**

(Amounts in 000's)

	6/30/19 Valuation		6/30/20 Valuation	
	6/30/20	6/30/21	6/30/21	6/30/22
■ <b>Outstanding Balance</b>	\$6,699	\$6,545	\$7,518	\$7,238

**Amortization Payments**

(Amounts in 000's)

	6/30/19 Valuation		6/30/20 Valuation	
	2020/21	2021/22	2021/22	2022/23
■ <b>Amortization Payment</b>	\$ 720	\$ 755	\$ 867	\$ 903
■ <b>Amortization Years</b>	12	11	11	10



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**RESULTS**

**10-Year Contribution Projection**

(Amounts in 000's)

Fiscal Year Ending	(a) ADC	Contributions				
		Benefit Payments			(e) Pre- Funding (a) -(d)	(f) Total Contribution (d) + (e)
		(b) Cash	(c) Implied Subsidy	(d) Total (b) + (c)		
2021/22	\$2,193	\$1,768	\$393	\$2,161	\$ 32	\$2,193
2022/23	2,269	1,854	413	2,267	2	2,269
2023/24	2,345	1,960	433	2,393	(48)	2,345
2024/25	2,420	2,076	489	2,565	(145)	2,420
2025/26	2,493	2,208	501	2,709	(216)	2,493
2026/27	2,565	2,311	554	2,864	(299)	2,565
2027/28	2,633	2,411	554	2,965	(332)	2,633
2028/29	2,697	2,517	625	3,142	(445)	2,697
2029/30	2,752	2,640	714	3,354	(602)	2,752
2030/31	2,788	2,735	732	3,467	(679)	2,788



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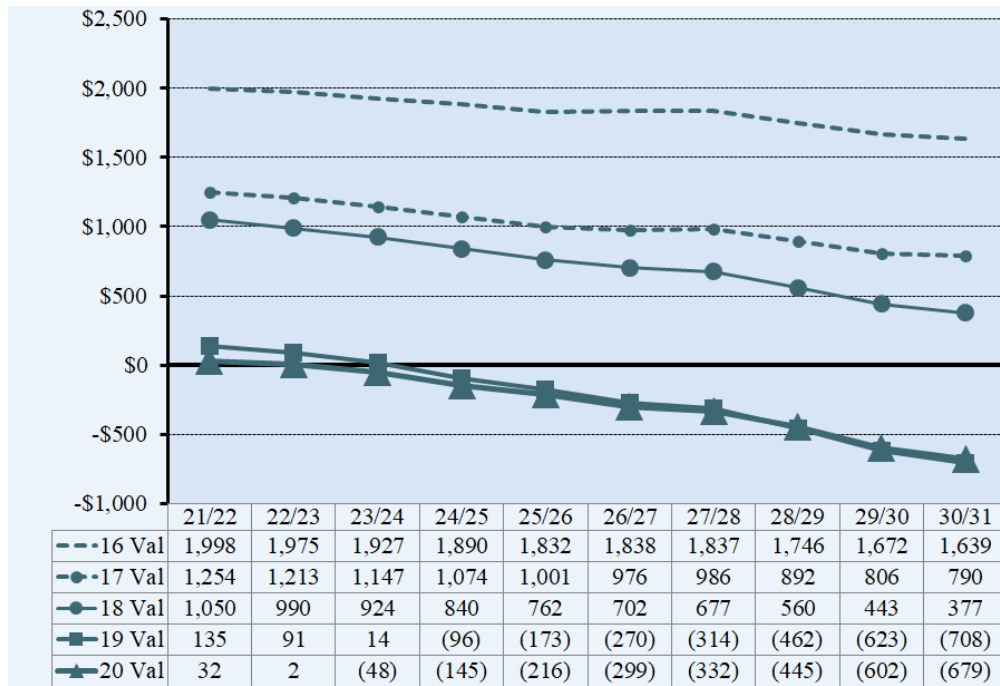
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## RESULTS

### Projected Trust Contribution Comparison

(Amounts in 000's)



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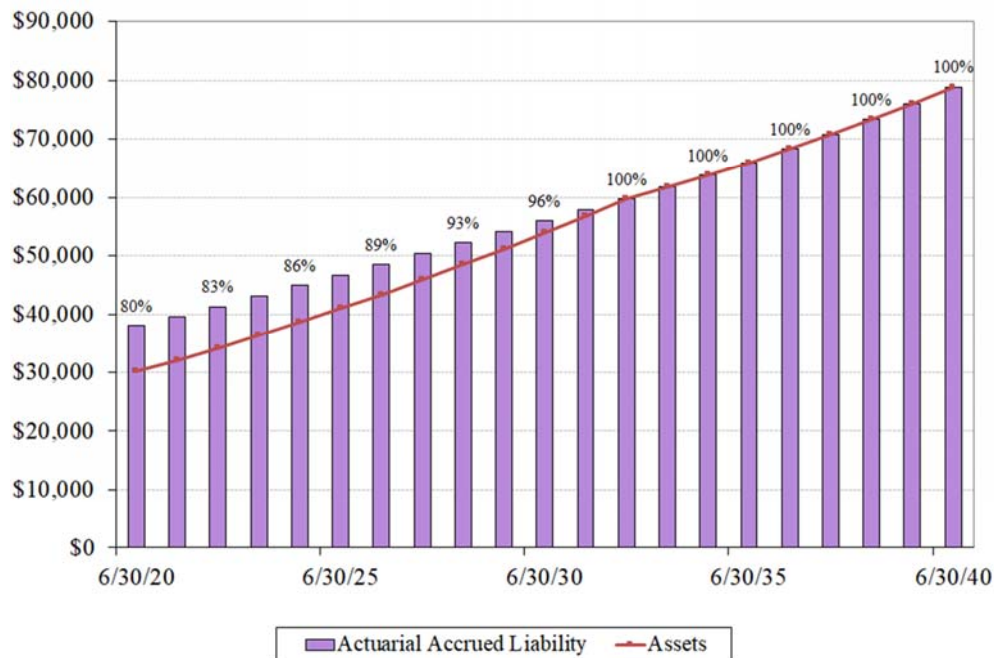
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## RESULTS

### Projected Funded Status

(Amounts in 000's)



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RESULTS

**Actuarial Obligations by Cash and Implied Subsidy**

**June 30, 2020**  
(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
<b>■ Present Value of Benefits</b>			
• Actives	\$16,887	\$ 6,251	\$23,138
• Retirees	<u>21,194</u>	<u>4,028</u>	<u>25,222</u>
• Total	38,081	10,279	48,360
<b>■ Actuarial Accrued Liability (AAL)</b>			
• Actives	9,367	3,365	12,732
• Retirees	<u>21,194</u>	<u>4,028</u>	<u>25,222</u>
• Total	30,561	7,393	37,954
<b>■ Actuarial Assets<sup>14</sup></b>	<u>24,359</u>	<u>5,893</u>	<u>30,252</u>
<b>■ Unfunded AAL (UAAL)</b>	6,202	1,500	7,702
<b>■ 2021/22 Service Cost<sup>15</sup></b>	997	329	1,326
<b>■ 2021/22 Pay-As-You-Go Cost</b>	1,768	393	2,161

<sup>14</sup> Assets allocated on AAL.

<sup>15</sup> Included estimated expenses of \$21k for 21/22.



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**Actuarially Determined Contribution (ADC)**

**2021/22 Fiscal Year**  
(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
<b>■ ADC - \$</b>			
• Service Cost <sup>16</sup>	\$997	\$329	\$1,326
• UAAL Amortization	<u>697</u>	<u>170</u>	<u>867</u>
• Total	1,694	498	2,193
<b>■ Projected Payroll</b>	22,726	22,726	22,726
<b>■ ADC - %</b>			
• Service Cost	4.4%	1.4%	5.8%
• UAAL Amortization	<u>3.1%</u>	<u>0.7%</u>	<u>3.8%</u>
• Total	7.5%	2.2%	9.6%

<sup>16</sup> Included estimated expenses of \$21k for 2021/22.



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## ACTUARIAL CERTIFICATION

This report presents the City of Rocklin Retiree Healthcare Plan (“Plan”) June 30, 2020 actuarial valuation. The purpose of this valuation is to:

- Determine the Plan’s June 30, 2020 Funded Status, and
- Calculate the 2021/22 and 2022/23 Actuarially Determined Contributions.

Information provided in this report may be useful to the City for the Plan’s financial management. Future valuations may differ significantly if the Plan’s experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions, participant data, and asset information provided by the City as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of my knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the actuarial results and opinions herein.

Respectfully submitted,



Doug Pryor, ASA, MAAA, EA  
Vice President  
Bartel Associates, LLC  
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## ACTUARIAL CERTIFICATION

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**PREMIUMS**

**2019 PEMHCA Monthly Medical Premiums**  
**Sacramento**

Plan	Non-Medicare			Medicare		
	EE	EE+1	Family	EE	EE+1	Family
Anthem Select	\$946.14	\$1,892.28	\$2,459.96	n/a	n/a	n/a
Anthem Tradional	1,178.79	2,357.58	3,064.85	\$357.44	\$714.88	\$1,072.32
Blue Shield Access+	881.01	1,762.02	2,290.63	n/a	n/a	n/a
Kaiser	687.99	1,375.98	1,788.77	323.74	647.48	971.22
UnitedHealthCare	928.85	1,857.70	2,415.01	299.37	598.74	898.11
Western Health Advantage	696.68	1,393.36	1,811.37	n/a	n/a	n/a
PERS Choice	798.58	1,597.16	2,076.31	360.41	720.82	1,081.23
PERS Select	508.68	1,017.36	1,322.57	360.41	720.82	1,081.23
PERSCare	1,027.99	2,055.98	2,672.77	394.83	789.66	1,184.49
PORAC	774.00	1,623.00	2,076.00	513.00	1,022.00	1,635.00



**PREMIUMS**

**2020 PEMHCA Monthly Medical Premiums**  
**Sacramento/Region 1**

Plan	Non-Medicare			Medicare		
	EE	EE+1	Family	EE	EE+1	Family
Anthem Select	\$868.98	\$1,737.96	\$2,259.35	\$388.15	\$776.30	\$1,164.45
Anthem Tradional	1,184.84	2,369.68	3,080.58	388.15	776.30	1,164.45
Blue Shield Access+	1,127.77	2,255.54	2,932.20	n/a	n/a	n/a
Blue Shield Trio	833.00	1,666.00	2,165.80	n/a	n/a	n/a
Health Net SmartCare	1,000.52	2,001.04	2,601.35	n/a	n/a	n/a
Kaiser	768.49	1,536.98	1,998.07	339.43	678.86	1,018.29
UnitedHealthCare	899.94	1,799.88	2,339.84	327.03	654.06	981.09
Western Health Advantage	731.96	1,463.92	1,903.10	n/a	n/a	n/a
Anthem EPO Del Norte	861.18	1,722.36	2,239.07	n/a	n/a	n/a
PERS Choice	861.18	1,722.36	2,239.07	351.39	702.78	1,054.17
PERS Select	520.29	1,040.58	1,352.75	351.39	702.78	1,054.17
PERSCare	1,133.14	2,266.28	2,946.16	384.78	769.56	1,154.34
PORAC	774.00	1,699.00	2,199.00	513.00	1,022.00	1,635.00



**PREMIUMS**

**PEMHCA Monthly Premium Increases<sup>20</sup>**

**Sacramento**

Medical Plan	Non-Medicare		Medicare	
	2019	2020	2019	2020
Anthem Select	0.4%	(8.2%)	n/a	n/a
Anthem Traditional	1.8%	0.5%	(3.5%)	8.6%
Blue Shield Access+	9.2%	28.0%	n/a	n/a
Kaiser	(2.3%)	11.7%	2.3%	4.8%
UnitedHealthcare	11.7%	(3.1%)	(9.5%)	9.2%
Western Health Advantage	(6.5%)	5.1%	n/a	n/a
PERS Choice	8.6%	7.8%	4.2%	(2.5%)
PERS Select	(25.7%)	2.3%	4.2%	(2.5%)
PERSCare	28.9%	10.2%	3.3%	(2.5%)
PORAC	5.4%	0.0%	5.4%	0.0%

<sup>20</sup> The increases are for Single premiums only.



December 18,  
2020



**DATA SUMMARY**

**Active Participant Statistics**

**June 30, 2020**

	Miscellaneous	Safety	Unrepresented Hourly	Total
■ Count	141	94	-	235
■ Average:				
• Age	46.4	41.5	n/a	44.4
• Service	9.5	10.3	n/a	9.8
• CalPERS Service	12.1	14.5	n/a	13.0
• Pay	\$75,700	\$114,400	n/a	\$91,200
■ Total Payroll (000s)	10,667	10,754	n/a	21,421



December 18,  
2020



**DATA SUMMARY**

**Active Participant Statistics**  
**June 30, 2019**

	Miscellaneous	Safety	Unrepresented Hourly	Total
■ Count	140	94	-	234
■ Average:				
• Age	47.4	41.6	n/a	45.1
• Service	10.1	10.5	n/a	10.2
• CalPERS Service	12.2	14.7	n/a	13.2
• Pay	\$78,400	\$112,300	n/a	\$92,000
■ Total Payroll (000s)	10,979	10,555	n/a	21,534



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**DATA SUMMARY**

**Retired Participant Statistics**  
**June 30, 2020**

	Misc.	Safety	Total
■ Currently receiving benefit			
➢ Count < 65	49	42	91
➢ Count > 65	<u>58</u>	<u>10</u>	<u>68</u>
• Total Count	107	52	159
• Average age	67.4	59.1	64.7
• Average Retirement Age			
➢ Disabled Retirees	55.2	43.8	45.9
➢ Service Retirees	58.0	52.8	56.7
■ Waived			
➢ Count < 65	9	1	10
➢ Count > 65	<u>7</u>	<u>1</u>	<u>8</u>
• Total Count	16	2	18
• Average age	65.7	67.5	65.9
• Average retirement age	58.8	43.6	56.9



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**DATA SUMMARY**

**Retired Participant Statistics**  
**June 30, 2019**

	Misc.	Safety	Total
■ Currently receiving benefit			
➢ Count < 65	48	36	84
➢ Count > 65	<u>49</u>	<u>8</u>	<u>57</u>
• Total Count	97	44	141
• Average age	66.9	58.9	64.4
• Average Retirement Age			
➢ Disabled Retirees	55.2	42.8	45.4
➢ Service Retirees	57.6	52.9	56.5
■ Waived			
➢ Count < 65	12	1	13
➢ Count > 65	<u>5</u>	<u>1</u>	<u>6</u>
• Total Count	17	2	19
• Average age	64.2	66.5	64.5
• Average retirement age	57.9	43.6	56.4



**DATA SUMMARY**

**Active Medical Plan Coverage**

Plan	EE	EE+1	Family	Waived	Total
Anthem Select	2	1	2	-	5
Blue Shield Access+	10	-	1	-	11
Blue Shield Trio	-	1	-	-	1
Kaiser	49	22	45	-	116
United Healthcare	11	2	3	-	16
Western Health	2	-	2	-	4
PERS Choice	2	-	4	-	6
PERS Select	-	4	14	-	18
PERSCare	4	-	-	-	4
PORAC	3	2	8	-	13
Waived	-	-	-	41	41
<b>Total</b>	<b>83</b>	<b>32</b>	<b>79</b>	<b>41</b>	<b>235</b>



DATA SUMMARY

**Retiree Medical Plan Coverage**  
**Under Age 65**

Plan	EE	EE+1	Family	Waived	Total
Anthem Select	-	1	-	-	1
Anthem Traditional	1	-	-	-	1
Blue Shield Access+	3	1	-	-	4
Blue Shield Trio	-	1	-	-	1
Kaiser	16	28	5	-	49
United Healthcare	2	3	2	-	7
Western Health	-	3	2	-	5
PERS Choice	2	6	4	-	12
PERS Select	-	1	2	-	3
PERSCare	5	1	-	-	6
PORAC	-	1	1	-	2
Waived	-	-	-	10	10
<b>Total</b>	<b>29</b>	<b>46</b>	<b>16</b>	<b>10</b>	<b>101</b>



DATA SUMMARY

**Retiree Medical Plan Coverage**  
**Over Age 65**

Plan	EE	EE+1	Family	Waived	Total
Anthem Traditional	1	-	-	-	1
Blue Shield Access+	1	-	-	-	1
Kaiser	8	15	2	-	25
United Healthcare	2	9	-	-	11
PERS Choice	4	10	1	-	15
PERS Select	1	1	-	-	2
PERS Care	8	5	-	-	13
Waived	-	-	-	8	8
<b>Total</b>	<b>25</b>	<b>40</b>	<b>3</b>	<b>8</b>	<b>76</b>



**DATA SUMMARY**

**Actives by Age and Service**  
**Total**

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	2	1	-	-	-	-	-	3
25-29	4	11	2	-	-	-	-	17
30-34	6	11	9	2	-	-	-	28
35-39	5	14	6	5	1	-	-	31
40-44	7	13	6	5	10	3	-	44
45-49	1	9	3	4	8	7	-	32
50-54	-	5	7	8	11	11	3	45
55-59	1	4	4	1	5	4	2	21
60-64	1	2	1	1	1	2	4	12
≥ 65	-	-	-	-	1	1	-	2
<b>Total</b>	<b>27</b>	<b>70</b>	<b>38</b>	<b>26</b>	<b>37</b>	<b>28</b>	<b>9</b>	<b>235</b>



**DATA SUMMARY**

**Actives by Age and Service**  
**Miscellaneous**

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	2	-	-	-	-	-	-	2
25-29	3	7	2	-	-	-	-	12
30-34	3	4	4	1	-	-	-	12
35-39	3	4	5	2	-	-	-	14
40-44	5	9	4	1	6	-	-	25
45-49	1	6	-	-	1	2	-	10
50-54	-	5	7	4	8	5	2	31
55-59	1	4	4	1	5	4	2	21
60-64	1	2	1	1	1	2	4	12
≥ 65	-	-	-	-	1	1	-	2
<b>Total</b>	<b>19</b>	<b>41</b>	<b>27</b>	<b>10</b>	<b>22</b>	<b>14</b>	<b>8</b>	<b>141</b>



**DATA SUMMARY**

**Actives by Age and Service**  
**Safety**

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	1	-	-	-	-	-	1
25-29	1	4	-	-	-	-	-	5
30-34	3	7	5	1	-	-	-	16
35-39	2	10	1	3	1	-	-	17
40-44	2	4	2	4	4	3	-	19
45-49	-	3	3	4	7	5	-	22
50-54	-	-	-	4	3	6	1	14
55-59	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-
≥ 65	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8</b>	<b>29</b>	<b>11</b>	<b>16</b>	<b>15</b>	<b>14</b>	<b>1</b>	<b>94</b>



**DATA SUMMARY**

**Retiree Medical Coverage by Age Group**  
**Total**

Age	EE	EE+1	Family	Waived	Total
Under 50	-	2	4	-	6
50-54	5	3	3	1	12
55-59	9	18	5	1	33
60-64	15	23	4	8	50
65-69	10	17	1	3	31
70-74	6	15	2	4	27
75-79	3	4	-	-	7
80-84	4	3	-	1	8
85 & Over	2	1	-	-	3
Total < 65	29	46	16	10	101
Total ≥ 65	25	40	3	8	76
<b>Total</b>	<b>54</b>	<b>86</b>	<b>19</b>	<b>18</b>	<b>177</b>
Average Age	66.1	65.4	57.3	65.9	64.8



**DATA SUMMARY**

**Retiree Medical Coverage by Age Group**

**Miscellaneous**

<b>Age</b>	<b>EE</b>	<b>EE+1</b>	<b>Family</b>	<b>Waived</b>	<b>Total</b>
Under 50	-	-	-	-	-
50-54	1	-	-	-	1
55-59	7	8	2	1	18
60-64	11	16	4	8	39
65-69	9	13	1	3	26
70-74	6	13	1	4	24
75-79	3	3	-	-	6
80-84	3	3	-	-	6
85 & Over	2	1	-	-	3
Total < 65	19	24	6	9	58
Total ≥ 65	23	33	2	7	65
Total	42	57	8	16	123
Average Age	67.6	67.8	63.2	65.7	67.2



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**DATA SUMMARY**

**Retiree Medical Coverage by Age Group**

**Safety**

<b>Age</b>	<b>EE</b>	<b>EE+1</b>	<b>Family</b>	<b>Waived</b>	<b>Total</b>
Under 50	-	2	4	-	6
50-54	4	3	3	1	11
55-59	2	10	3	-	15
60-64	4	7	-	-	11
65-69	1	4	-	-	5
70-74	-	2	1	-	3
75-79	-	1	-	-	1
80-84	1	-	-	1	2
85 & Over	-	-	-	-	-
Total < 65	10	22	10	1	43
Total ≥ 65	2	7	1	1	11
Total	12	29	11	2	54
Average Age	61.1	60.6	53.1	67.5	59.4



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**DATA SUMMARY**

**Medical Plan Participation**  
**Non-Waived Participants**

Plan	Active	Retiree		
		Pre-65	Post-65	Total
Anthem Select	3%	1%	0%	1%
Anthem Traditional	0%	1%	1%	1%
Blue Shield Access+	6%	4%	1%	3%
Blue Shield Trio	1%	1%	0%	1%
Kaiser	60%	54%	37%	47%
United Healthcare	8%	8%	16%	11%
Western Health	2%	5%	0%	3%
PERS Choice	3%	13%	22%	17%
PERS Select	9%	3%	3%	3%
PERSCare	2%	7%	19%	12%
PORAC	7%	2%	0%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



**ACTUARIAL METHODS**

	June 30, 2019 Valuation	June 30, 2020 Valuation
■ Cost Method	■ Entry Age Normal	■ Same
■ Amortization	■ Level percentage of payroll	■ Same
■ Actuarial Value of Assets	■ Valuation assets projected to June 30, 2020 (using actual June 30, 2019 assets) ■ Asset gains/losses recognized over 5 years ■ Corridor: 80% & 120% of market value	■ Valuation assets projected to June 30, 2021 (using actual June 30, 2020 assets) ■ Asset gains/losses recognized over 5 years ■ Corridor: 80% & 120% of market value
■ Future New Entrants	■ Closed group – no new participants	■ Same



**ACTUARIAL METHODS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2020 Valuation</b>
<ul style="list-style-type: none"> <li>■ Unfunded Liability Amortization</li> </ul>	<ul style="list-style-type: none"> <li>■ Initial UAAL – 19-year fixed (closed) period (12 years remaining at 6/30/21)</li> <li>■ Maximum 30-year combined period</li> </ul>	<ul style="list-style-type: none"> <li>■ Initial UAAL – 19-year fixed (closed) period (11 years remaining at 6/30/22)</li> <li>■ Maximum 30-year combined period</li> </ul>



**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2020 Valuation</b>																																				
<ul style="list-style-type: none"> <li>■ Service Retirement</li> </ul>	<ul style="list-style-type: none"> <li>■ CalPERS 1997-2015 Experience Study</li> <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td align="center">Misc.</td> <td align="center">Safety</td> </tr> <tr> <td>Benefit</td> <td align="center">2%@55</td> <td align="center">3%@50</td> </tr> <tr> <td>ERA</td> <td align="center">59.6</td> <td align="center">54.5 (Fire) 54.5 (Police)</td> </tr> </table>   <table border="0" style="margin-left: 20px;"> <tr> <td>PEPRA</td> <td align="center">Misc.</td> <td align="center">Safety</td> </tr> <tr> <td>Benefit</td> <td align="center">2%@62</td> <td align="center">2.7%@57</td> </tr> <tr> <td>ERA</td> <td align="center">62.2</td> <td align="center">56.8 (Fire) 56.5 (Police)</td> </tr> </table> </ul>		Misc.	Safety	Benefit	2%@55	3%@50	ERA	59.6	54.5 (Fire) 54.5 (Police)	PEPRA	Misc.	Safety	Benefit	2%@62	2.7%@57	ERA	62.2	56.8 (Fire) 56.5 (Police)	<ul style="list-style-type: none"> <li>■ CalPERS 1997-2015 Experience Study</li> <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td align="center">Misc.</td> <td align="center">Safety</td> </tr> <tr> <td>Benefit</td> <td align="center">2%@55</td> <td align="center">3%@50</td> </tr> <tr> <td>ERA</td> <td align="center">59.6</td> <td align="center">54.5 (Fire) 54.5 (Police)</td> </tr> </table>   <table border="0" style="margin-left: 20px;"> <tr> <td>PEPRA</td> <td align="center">Misc.</td> <td align="center">Safety</td> </tr> <tr> <td>Benefit</td> <td align="center">2%@62</td> <td align="center">2.7%@57</td> </tr> <tr> <td>ERA</td> <td align="center">62.2</td> <td align="center">57.6 (Fire) 56.5 (Police)</td> </tr> </table> </ul>		Misc.	Safety	Benefit	2%@55	3%@50	ERA	59.6	54.5 (Fire) 54.5 (Police)	PEPRA	Misc.	Safety	Benefit	2%@62	2.7%@57	ERA	62.2	57.6 (Fire) 56.5 (Police)
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<ul style="list-style-type: none"> <li>■ Payroll Increases</li> </ul>	<ul style="list-style-type: none"> <li>■ Aggregate Increases: 3.00%</li> <li>■ Merit Increases: CalPERS 1997-2015 Experience Study</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>																																				



**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2020 Valuation</b>
<p>■ Participation at Retirement</p>	<p>■ Actives and Retirees currently covered: 100%</p> <p>■ Actives currently waived: 80%</p> <p>■ Retirees currently waived: 10% elect at 65</p> <p>■ Unrepresented &amp; Hourly: 60%</p>	<p>■ Same</p>
<p>■ Marital Status at Retirement</p>	<p>■ Currently Covered: same as current election</p> <p>■ Currently Waived: 80% married</p>	<p>■ Same</p>
<p>■ Medicare Eligible Rate</p>	<p>■ 100%</p> <p>■ Everyone eligible for Medicare will elect Part B coverage</p>	<p>■ Same</p>



**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2020 Valuation</b>
<p>■ Spouse Age</p>	<p>■ Males 3 years older than females if spouse birth date not provided</p>	<p>■ Same</p>
<p>■ Dependents at Retirement</p>	<p>■ Actives:</p> <ul style="list-style-type: none"> <li>● Misc: 10%</li> <li>● Safety: 20%</li> </ul> <p>■ Retirees: same as current coverage until age 65</p>	<p>■ Same</p>
<p>■ Surviving Spouse Participation</p>	<p>■ 100%</p>	<p>■ Same</p>



## DEFINITIONS

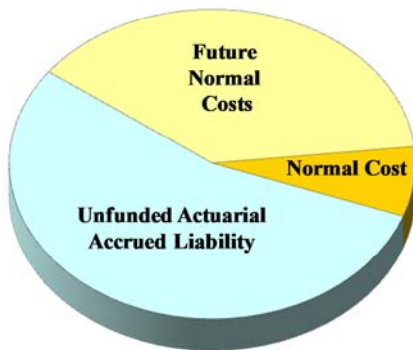
<ul style="list-style-type: none"> <li>■ <b>OPEB Actuarial Valuation</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Project future employer-provided benefit cash flows for current active employees and current retirees</li> <li>■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used to pay benefits) and other actuarial assumptions to determine present value of projected future benefits (PVB)</li> <li>■ Allocate PVB to past, current, and future periods using the actuarial cost method</li> <li>■ Actuarial cost method used for this valuation is the Entry Age Normal Cost method which determines Normal Cost as a level percentage of payroll (same method used by CalPERS)</li> <li>■ Normal Cost is amount allocated to current fiscal year</li> <li>■ Actuarial Accrued Liability (AAL) is amount allocated to prior service with employer</li> <li>■ Unfunded AAL (UAAL) is AAL less plan assets pre-funded in a segregated and restricted trust</li> </ul>
<ul style="list-style-type: none"> <li>■ <b>PayGo Cost</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Cash subsidy is the pay-as-you-go employer benefit payments for retirees</li> <li>■ Implied subsidy is the difference between the actual cost of retiree benefits and retiree premiums subsidized by active employee premiums</li> </ul>



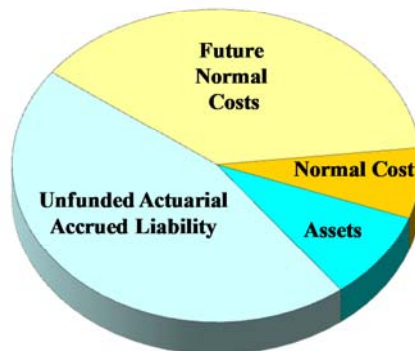
## DEFINITIONS

### Present Value of Benefits

**Present Value of Benefits  
(Without Plan Assets)**



**Present Value of Benefits  
(With Plan Assets)**



## DEFINITIONS

■ Terminology  
Used in  
Report

- AAL - Actuarial Accrued Liability
- ADC - Actuarially Determined Contribution
- AVA - Actuarial Value of Assets
- GASBS 75 - Governmental Accounting Standards Board Statement No. 75
- MVA - Market Value of Assets
- OPEB - Other (than pensions) Post Employment Benefits
- PVB - Present Value of Projected Benefits
- UAAL - Unfunded Actuarial Accrued Liability

