East Bay Municipal Utility District Employees' Retirement System

Governmental Accounting Standards Board Statement (GASBS) 74 Actuarial Valuation for the Health Insurance Benefit Plan

As of June 30, 2022

Segal

Segal

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March 2, 2023

Ms. Sophia Skoda
Director of Finance
East Bay Municipal Utility District
375 Eleventh Street
Oakland, CA 94607-4240

Dear Sophia:

We are pleased to submit this Governmental Accounting Standards Board Statement (GASBS) 74 Actuarial Valuation as of June 30, 2022 for the health insurance benefit plan. It contains various information that will need to be disclosed in order to comply with GASBS 74 for the health plan.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the East Bay Municipal Utility District Employees' Retirement System (EBMUDERS). The census and financial information on which our calculations were based was prepared by EBMUDERS. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary. The health care trend and other related medical assumptions have been reviewed by Mary Kirby, FSA, MAAA, FCA. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the Plan.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal

Andy Yeung

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

Mary Kirby

Mary Kirby, FSA, MAAA, FCA
Senior Vice President and Consulting Actuary

Table of Contents

Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Statement No. 74 of the Governmental Accounting Standards Board (GASB) as of June 30, 2022. This valuation is based on:

- The benefit provisions of the Health Insurance Benefit (HIB) or Other Postemployment Benefits (OPEB) Plan, as administered by the Board;
- The characteristics of covered active members, inactive vested members, retired members and beneficiaries as of June 30, 2022, provided by EBMUDERS;
- The assets of the Plan as of June 30, 2022, provided by EBMUDERS;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other (health and non-health) actuarial assumptions, regarding employee terminations, retirement, death, health care trend and enrollment, etc. that the Board has adopted for the June 30, 2022 valuation.

General observations on GASBS 74 actuarial valuation

1. The GASB rules only define OPEB liability and expense for financial reporting purposes, and do not apply to contribution amounts for OPEB funding purposes. Employers and plans still develop and adopt funding policies under current practices.
2. When measuring the Total OPEB Liability, GASB uses the same actuarial cost method (Entry Age) for benefits that are being funded on an actuarial basis[1] and the same expected return on Plan assets as EBMUDERS uses for funding. This means that the Total OPEB Liability (TOL) measure for financial reporting shown in this report is determined on the same basis as EBMUDERS Actuarial Accrued Liability (AAL) measure for funding with the exception discussed below on the "implicit subsidy". We note that the same is true for the Normal Cost component of the annual plan cost for funding and financial reporting again with the exception discussed below on the "implicit subsidy".
   a. Pursuant to Paragraph 46 of GASB Statement No. 74, projected benefit payments should be based on claims costs or age-adjusted premiums approximating claims costs. In effect, GASB requires employers, such as EBMUD, that pool health insurance premium rates for actives and retirees under age 65 to calculate on an accrual basis the liability associated with

[1] The $450/$550 HIB subsidy has been funded on an actuarial basis.

such pooled premiums for retirees under age 65. That liability, referred to as the implicit subsidy, is included in this valuation in addition to the liability for the $450/$550 subsidy.

b. Pursuant to Paragraph 48 of the GASB Statement No. 74 and based on our understanding of subsequent guidance provided in Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, OPEB plans that are not being fully funded on an actuarial basis (such as the implicit subsidy component of the HIB for EBMUDERS that are being paid on a pay-as-you go basis) are required to go through a cross-over test in determining the discount rate that would be used in the valuation

3. The Net OPEB Liability (NOL) is equal to the difference between the TOL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets. The NOL reflects all investment gains and losses as of the measurement date. This is different from the Unfunded Actuarial Accrued Liability (UAAL) calculated on a valuation value of assets basis in the funding valuation that reflects investment gains and losses over a five-year period.

Highlights of the valuation

1. The NOLs measured as of June 30, 2022 and 2021 have been determined from the actuarial valuations as of June 30, 2022 and June 30, 2021, respectively.
2. Following the method outlined in the Implementation Guide, we have calculated a discount rate of 5.35% instead of 6.75% used in the June 30, 2022 funding valuation.
3. The discount rates used to determine the TOL and NOL as of June 30, 2022 and 2021 were 5.35% and 3.99%, respectively. The detailed calculations in the derivation of the "cross-over date" to determine the discount rate of 5.35% used in the calculation of the TOL and NOL as of June 30, 2022 can be found in Appendix A of Section 3. Various other information that is required to be disclosed can be found throughout Section 2.
4. The discount rate used in the valuation for financial disclosure purposes as of June 30, 2022 is a blend of the assumed investment return on Plan assets (e.g. 6.75% for the June 30, 2022 valuation) and the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (e.g. 3.54% as of June 30, 2022[1]). Because EBMUDERS is not prefunding the implicit subsidy, Plan assets, when projected in accordance with the method prescribed by GASBS 74, are expected to be sufficient to make benefit payment through June 30, 2049 (the projected beginning balance at July 1, 2049 is less than the projected benefit payments for the 2049/2050 year, before including projected contributions for the year). Projected benefit payments are discounted by the Plan investment return assumption of 6.75% until June 30, 2049. Benefit payments after

[1] The comparable rate was 2.16% in the last valuation as of June 30, 2021.

June 30, 2049 are then discounted by the 20-year municipal bond rate of 3.54%. The 5.35% discount rate used in this valuation is the blended discount rate reflecting benefits discounted by the Plan investment return assumption rate and the bond rate.

5. The NOL has decreased from $143.2 million as of June 30, 2021 to $127.7 million as of June 30, 2022. The decrease in NOL was primarily a result of the increase in the discount rate from 3.99% to 5.35%, which was mainly due to the increase to the municipal bond yields from 2.16% to 3.54%. Note, the methodology for developing the blended discount rate was slightly updated, which also contributed to the increase in the discount rate.

Summary of key valuation results

Measurement Date	June 30, 2022	June 30, 2021
Disclosure elements for fiscal year ending June 30:		
• Service cost[1]	$6,725,127	$5,538,278
• Total OPEB Liability	181,229,193	201,134,748
• Plan Fiduciary Net Position	53,571,000	57,959,000
• Net OPEB Liability	127,658,193	143,175,748
Schedule of contributions for fiscal year ending June 30:		
• Actuarially determined contributions	$10,892,000	$11,372,000
• Actual contributions	10,892,000	11,372,000
• Contribution deficiency (excess)	0	0
Demographic data for plan year ending June 30:		
• Number of retired members and beneficiaries receiving a health subsidy	1,806	1,735
• Number of vested terminated members[2]	360	327
• Number of active members	1,895	1,896
Key assumptions as of June 30:		
• Discount rate	5.35%	3.99%
• Health care premium trend rates		
– Non-Medicare medical plans	Actual premium increases for 2022-2023, then 7.125% graded down to 4.50% over 11 years.	Actual premium increases for 2021-2022, then 7.375% graded down to 4.50% over 12 years.
– Medicare medical plans	Actual premium increases for 2022-2023, then 6.125% graded down to 4.50% over 7 years	Actual premium increases for 2021-2022, then 6.375% graded down to 4.50% over 8 years
• Health Insurance Benefit (HIB) subsidy increase	0.00%	0.00%

1 The service cost is based on the previous year's valuation, meaning the June 30, 2022 value is based on the valuation as of June 30, 2021, whereas the June 30, 2021 value is based on the June 30, 2020 valuation.

2 Includes inactive members due a refund of Pension Plan member contributions.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of an OPEB plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan provisions.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	This valuation is based on the market value of assets as of the measurement date, as provided by the System.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, termination, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to health care trends and member enrollment in retiree health benefits. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.

Section 1: Actuarial Valuation Summary

Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary. Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The valuation is prepared at the request of the Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
If the Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
Sections of this report include actuarial results that are not rounded, but that does not imply precision.
Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.

As Segal has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Section 2: GASBS 74 Information

General information about the OPEB plan

Plan Description

Plan administration. The East Bay Municipal Utility District (the District) Employees' Retirement System (EBMUDERS or the System) was established in 1937 to administer a single-employer, contributory, defined benefit OPEB plan (the OPEB Plan). The System provides retirement, disability, survivorship, and post-employment health insurance benefits[1] for eligible directors, officers, and employees of the District. The System is administered by a Retirement Board composed of three members appointed by the board of directors of the District, two members elected by and from the active membership, and one (nonvoting) member elected by and from the retired membership of the System. Retirement Ordinance No. 40 (Ordinance) assigns the authority to establish Plan benefit provisions to the District's board of directors. It should be noted that there are two systems in EBMUDERS (i.e., Water System and Wastewater System).

The System is exempt from the regulations of the Employee Retirement Income Security Act of 1974. The System is also exempt from federal income taxes and California franchise taxes.

The System is an integral part of the District and the District appoints the majority of the Retirement Board of the System and provides for most of its funding. Accordingly, the System's operations have been reported as a Pension and Other Employee Benefit Trust Fund in the District's basic financial statements.

Plan membership. All regular full-time employees of the District are members of the Plan, in addition to certain job share and intermittent employees. Eligible employees become members on the first day they are physically on the job. At June 30, 2022, OPEB Plan membership consisted of the following:

Retired members and beneficiaries currently receiving benefits	1,806
Vested terminated members[2]	360
Active members	1,895
Total	4,061

1 The liabilities and expenses associated with providing retirement, disability and survivorship benefits are reportable under GASB Statements 67 and 68. They have not been included in this report.

2 Includes inactive members due a refund of Pension Plan member contributions.

Section 2: GASBS 74 Information

Benefits provided. EBMUDERS provides post-employment health insurance benefits to eligible employees.

There are two tiers in effect currently, the 1955/1980 Plan and the 2013 Tier. Employees who became members of the retirement system prior to January 1, 2013, or who have reciprocal membership are in the 1955/1980 Plan. Employees who became members on or after January 1, 2013 are in the 2013 Tier.

1955/1980 Plan members may elect voluntary service retirement upon attaining the age of 54 and completing 5 years of continuous full-time employment.

2013 Tier members may elect voluntary reduced service retirement upon attaining the age of 52 and completing 5 years of continuous full-time employment.

Members may receive disability retirement benefits prior to age 65 if the member is determined to be physically or mentally incapacitated, provided the member has 8 or more years of continuous full-time employment.

Death benefits are payable to the eligible beneficiary of a member who dies before retirement. Survivorship benefits are payable to the spouse/domestic partner of a member who dies after retirement, or who was eligible but had not retired from service, provided the spouse/domestic partner was married to/established domestic partnership with the member at the date of retirement and for at least one year prior to the member's death.

The District provides post-employment health benefits assistance (administered by the Employees' Retirement System) for employees who retire from the District or their surviving spouses. As of June 30, 2022 there were 1,806 participants receiving these health care benefits.

Effective July 1, 1996, a 20-year vesting schedule for full benefits was implemented for all new participants with a lesser benefit paid for less than 20 years of service. Effective January 1, 1999, retired members who had separated from the District prior to their retirement and who had at least 5 years of service also became eligible for the post-employment health benefits based on the same sliding scale. The scale provides for 25% of healthcare benefits for service from 5 through 10 years, 50% of healthcare benefits for service from 10 to 15 years, 75% of healthcare benefits for service from 15 through 20 years, and 100% of healthcare benefits for service of 20 years or more. Effective July 1, 2003, the District reimburses up to $450 per month ($550 per month effective July 1, 2004, for members with a spouse or registered domestic partner) for any health, dental, or long-term care insurance premiums paid by the retiree for themselves, current spouse, or domestic partner, or any health, dental, or long-term care insurance premiums paid by the eligible surviving spouse of a retiree. These benefits are paid from a separate post-employment healthcare benefits fund which up until June 17, 2002, was advance funded entirely by the District on an actuarially determined basis without considering the implicit subsidy. Cash reimbursement of these benefits totaled $9,341,000 in the year ended June 30, 2022. Effective June 18, 2002, a portion of the post-employment healthcare benefit costs is recovered through employee contributions.

The District contributes to the Plan based upon actuarially determined contribution rates adopted by the Retirement Board. Employer contribution rates are adopted annually based upon recommendations received from EBMUDERS' actuary (Segal) after the completion of the annual actuarial valuation. The average employer contribution rate (not reflecting any estimated implicit subsidies) as of June 30, 2022 for 2021-2022 (based on contribution rates adopted for the June 30, 2020 valuation) was 4.69% of pensionable compensation.

Section 2: GASBS 74 Information

All members are required to make contributions to EBMUDERS regardless of the OPEB Plan or tier in which they are included. The average member contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation) was 0.09% of pensionable compensation.

Net OPEB Liability

Measurement Date	June 30, 2022	June 30, 2021
Components of the Net OPEB Liability		
Total OPEB Liability	$181,229,193	$201,134,748
Plan Fiduciary Net Position	(53,571,000)	(57,959,000)
Net OPEB Liability	$127,658,193	$143,175,748
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	29.56%	28.82%

The Net OPEB Liability (NOL) was measured as of June 30, 2022 and 2021. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date, while the Total OPEB Liability (TOL) was determined based upon the results of the funding actuarial valuations as of June 30, 2022 and 2021, respectively, with the following exceptions:

- Discount rate has been calculated as a blend of the investment return on plan assets and municipal bond rate in accordance with GASBS 74 and Illustration 2 of Implementation Guide No. 2017-2, Financial Reporting Postemployment Benefit Plans Other Than Pension Plans.
- The implicit subsidy benefit payments are valued based on the age-based costs, which are provided for sample ages in Section 3, Appendix B.

Plan provisions. The plan provisions used in the measurement of the TOL as of June 30, 2022 and 2021 are the same as those used in the EBMUDERS funding valuations as of June 30, 2022 and 2021, respectively.

Actuarial assumptions. The TOL as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2022. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an experience study for the period from July 1, 2016 through June 30, 2020 dated November 12, 2020, the June 30, 2022 Economic Assumptions Review report dated November 8, 2022, and the Retiree Health assumptions letter dated January 12, 2023. They are the same as the assumptions used in the June 30, 2022 funding actuarial valuation for EBMUDERS except the discount rate is calculated as a blend of the investment return on plan assets and municipal bond rate in accordance with GASBS 74, and implicit subsidy benefit payments are valued based on the age-based costs. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Section 2: GASBS 74 Information

Inflation	2.50%
Salary increases	Ranges from 9.25% to 3.75% based on time from hire, including inflation and real "across the board" salary increases
Discount rate	5.35%, net of OPEB Plan investment expense, including inflation
Other assumptions	Same as those used in the June 30, 2022 funding actuarial valuation

The TOL as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2021. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experience study for the period from July 1, 2016 through June 30, 2020 dated November 12, 2020, and the Retiree Health assumptions letter dated January 6, 2022. They are the same as the assumptions used in the June 30, 2021 funding actuarial valuation for EBMUDERS except the discount rate is calculated as a blend of the investment return on plan assets and municipal bond rate in accordance with GASBS 74, and implicit subsidy benefit payments are valued based on the age-based costs. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Ranges from 9.50% to 4.00% based on time from hire, including inflation and real "across the board" salary increases
Discount rate	3.99%, net of OPEB Plan investment expense, including inflation
Other assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

Determination of discount rate and investment rates of return

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of 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 and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, are summarized in the following table. These values were used in the derivation of the long-term expected investment rate of return assumption for the actuarial valuation as of June 30, 2022. This information is subject to change every four years based on the actuarial experience study, or every two years based on the interim economic actuarial assumptions study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Domestic Large Cap Equity	21.75%	5.60%
Domestic Small Cap Equity	3.25%	6.63%
Developed International Large Cap Equity	17.50%	6.39%
Emerging Market Equity	7.50%	8.34%
Core Bonds	20.00%	0.59%
High Yield Bonds	2.50%	3.22%
Bank Loans	2.50%	2.76%
Real Estate	5.00%	5.00%
Covered Calls	20.00%	5.07%
Total	**100.00%**	**4.71%**

Municipal Bond Rate. 3.54% and 2.16% based on the 20-year municipal bond rate for the Bond Buyer 20-Bond GO Index as of June 30, 2022 and June 30, 2021, respectively.

Discount rate. The discount rate used to measure the Total OPEB Liability was 5.35% as of June 30, 2022 and 3.99% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates for the $450/$550 HIB Subsidy excluding the implicit subsidy that will continue to be paid on a pay-as-you go basis. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Only the implicit subsidies for current members were included as employer contributions since the employer is funding the implicit subsidy on a pay-as-you go basis[1]. Based on those assumptions, the OPEB Plan's assets were projected to be sufficient to make projected future benefit payments for current plan members through June 30, 2049. Payments after that date would be funded by employer assets. Therefore, the long-term expected rate of return on OPEB Plan investments (6.75%) was applied to periods of projected benefit payments through June 30, 2049, and the 20-year municipal bond rate (3.54%) was applied to periods after June 30, 2049 to determine the Total OPEB Liability.

[1] See Section 3, Appendix A for derivation

Discount rate and trend sensitivity

Sensitivity of the Net OPEB Liability (NOL) to changes in the discount rate. The following presents the NOL of EBMUDERS as of June 30, 2022, calculated using the discount rate of 5.35%, as well as what EBMUDERS NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (4.35%) or 1-percentage-point higher (6.35%) than the current rate:

	1% Decrease (4.35%)	Current Discount Rate (5.35%)	1% Increase (6.35%)
Net OPEB Liability as of June 30, 2022	$146,500,178	$127,658,193	$111,602,626

Sensitivity of the NOL to changes in the trend rate (only applied to implicit subsidy and not the $450/$550 cash subsidy). The following presents the NOL of EBMUDERS as of June 30, 2022, calculated using the current trend rates as well as what EBMUDERS NOL would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease [1]	Current Trend Rate[1]	1% Increase[1]
Net OPEB Liability as of June 30, 2022	$124,585,859	$127,658,193	$131,128,916

1 Current trend rates: Actual premium increases for fiscal year 2022-2023, then 7.125% in 2023-2024 graded down to 4.50% over 11 years for Non-Medicare medical plan costs and 6.125% in 2023-2024 graded down to 4.50% over 7 years for Medicare medical plan costs.

Schedules of changes in EBMUDERS net OPEB liability – last two fiscal years

Measurement Date	June 30, 2022	June 30, 2021
Total OPEB Liability		
• Service cost[1]	$6,725,127	$5,538,278
• Interest	8,060,939	8,607,804
• Change of benefit terms	0	0
• Difference between actual and expected experience	5,101,873	(4,383,082)
• Change of assumptions	(28,015,634)	7,162,726
• Benefit payments, including implicit subsidies[2]	(11,777,860)	(11,643,872)
Net change in Total OPEB Liability	**($19,905,555)**	**$5,281,854**
Total OPEB Liability – beginning	**201,134,748**	**195,852,894**
Total OPEB Liability – ending	**$181,229,193**	**$201,134,748**
Plan Fiduciary Net Position		
• Contributions – employer	$10,892,000	$11,372,000
• Contributions – member	212,000	200,000
• Net investment income	(6,105,000)	11,638,000
• Benefit payments, including implicit subsidies[2]	(11,777,860)	(11,643,872)
• Administrative expense	(46,000)	(46,000)
• Other[3]	2,436,860	2,420,872
Net change in Plan Fiduciary Net Position	**($4,388,000)**	**$13,941,000**
Plan Fiduciary Net Position – beginning	**57,959,000**	**44,018,000**
Plan Fiduciary Net Position – ending	**$53,571,000**	**$57,959,000**
Net OPEB Liability – ending	**$127,658,193**	**$143,175,748**
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	**29.56%**	**28.82%**
Covered payroll[4]	**$233,939,981**	**$221,809,447**
Net OPEB Liability as percentage of covered payroll	**54.57%**	**64.55%**

1 The service cost is based on the previous year's valuation, meaning the June 30, 2022 and June 30, 2021 value is based on valuation as of June 30, 2021 and June 30, 2020, respectively.

2 Sum of cash benefit payments ($9,341,000) and estimated implicit subsidy benefit payments ($2,436,860) for 2022. Sum of cash benefit payments ($9,223,000) and estimated implicit subsidy benefit payments ($2,420,872) for 2021.

3 The total employer contributions for estimated implicit subsidy calculated based on assumptions disclosed in Note 4 of Appendix A.

4 Pensionable payroll reported by EBMUDERS.

Schedule of EBMUDERS contributions – last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll[1]	Contributions as a Percentage of Covered Payroll
2013	$7,772,000	$7,772,000	0	$153,706,944	5.06%
2014	8,457,000	8,457,000	0	159,513,251	5.30%
2015	8,964,000	8,964,000	0	166,886,146	5.37%
2016	9,454,000	9,454,000	0	174,586,444	5.42%
2017	9,764,000	9,764,000	0	182,031,838	5.36%
2018	9,875,000	9,875,000	0	193,717,364	5.10%
2019	10,518,000	10,518,000	0	203,541,207	5.17%
2020	11,089,000	11,089,000	0	215,109,948	5.16%
2021	11,372,000	11,372,000	0	221,809,447	5.13%
2022	10,892,000	10,892,000	0	233,939,981	4.66%

See accompanying notes to this schedule on the next page.

[1] These amounts are the pensionable payroll amounts reported by EBMUDERS.

Section 2: GASBS 74 Information

Notes to Schedule:

Methods and assumptions used to establish “actuarially determined contribution” (ADC) rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Actuarial cost method	Entry Age Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	Plan changes, assumption changes, and experience gains/losses prior to July 1, 2011 are amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, plan changes are amortized over separate decreasing 15-year periods; assumption changes are amortized over separate decreasing 25-year periods; and experience gains/losses and retiree health assumption changes are amortized over separate decreasing 20-year periods. The amortization methodology described above corresponds to that used in the June 30, 2020 valuation, which determined the ADC for fiscal year ending June 30, 2022.
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five year period, further adjusted, if necessary, to be within 30% of the market value.

Section 2: GASBS 74 Information

Actuarial assumptions:

June 30, 2020 (for the year ended June 30, 2022 ADC)	
Investment rate of return	7.00%
Inflation rate	2.75%
Real across-the-board salary increase	0.50%
Projected salary increases[1]	Ranges from 9.50% to 4.00% based on years of service
Mortality	Healthy: Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020
Other assumptions	Same as those used in the June 30, 2020 funding actuarial valuation
June 30, 2019 (for the year ended June 30, 2021 ADC)	
Investment rate of return	7.00%
Inflation rate	2.75%
Real across-the-board salary increase	0.50%
Projected salary increases[1]	Ranges from 9.25% to 3.75% based on years of service
Mortality	Healthy: Headcount-weighted RP-2014 Healthy Mortality Table projected 20 years with scale MP-2015, set forward two years for males and set forward one year for females
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

[1] Includes inflation at 2.75 plus across the board salary increases of 0.50% plus merit and promotional increases.

Section 3: Appendices

Appendix A: Table 1 - Projection of Plan Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2022

Year Beginning July 1,	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan Fiduciary Net Position (e) = (a) + (b) – (c) – (d) + (e)
2022	$53,571	$13,646	$12,396	$43	$3,657	$58,436
2023	58,436	13,817	12,552	47	3,986	63,639
2024	63,639	14,209	12,979	51	4,335	69,154
2025	69,154	14,400	13,206	55	4,706	75,000
2026	75,000	14,769	13,421	60	5,106	81,393
2027	81,393	12,398	13,694	65	5,448	85,480
2028	85,480	12,512	13,825	68	5,723	89,822
2029	89,822	11,452	13,836	72	5,980	93,346
2030	93,346	10,635	13,930	75	6,187	96,164
2031	96,164	10,527	13,983	77	6,372	99,004
2042	68,081	3,289	14,284	54	4,222	61,253
2043	61,253	2,788	14,303	49	3,744	53,434
2044	53,434	2,657	14,293	43	3,213	44,967
2045	44,967	2,187	14,122	36	2,631	35,627
2046	35,627	1,966	14,122	29	1,994	25,436
2047	25,436	1,781	13,930	20	1,306	14,573
2048	14,573	1,601	13,741	12	574	2,995
2049	2,995	1,338	13,466	2	0	0
2050	0	977	13,077	0	0	0
2101	0	0	13	0	0	0
2102	0	0	9	0	0	0
2103	0	0	6	0	0	0
2104	0	0	4	0	0	0
2105	0	0	2	0	0	0

Note that in preparing the above projections, we have not taken into consideration the one-year delay between the date of the contribution rate calculation and the implementation.

Notes

1. Amounts may not total exactly due to rounding.
2. Years 2032-2041 and 2051-2100, have been omitted from this table.
3. Column (b): Projected total contributions include employee and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2022); plus employer contributions to the unfunded actuarial accrued liability; plus contributions to fund each year's annual administrative expenses reflecting a 20-year amortization schedule; plus implicit subsidy payments for current plan members as shown on the next page, based on Illustration 2 of Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans., Contributions are assumed to occur halfway through the year, on average.
4. Column (c): Projected benefit payments have been determined in accordance with paragraphs 43-47 of GASB Statement No. 74, and are based on the closed group of active, inactive vested, retired participants, and beneficiaries as of June 30, 2022. The projected benefit payments reflect the health care trend assumptions used in the June 30, 2022 funding valuation report. Benefit payments are assumed to occur halfway through the year, on average. In accordance with paragraph 48 of GASB Statement No. 74, the long-term expected rate of return on Plan investments of 6.75% was applied to periods of projected benefit payments through June 30, 2049, and the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54%) was applied to periods after June 30, 2049, to determine the discount rate of 5.35%. See the next page for details.
5. Column (d): Projected administrative expenses are calculated as approximately 0.08% of the projected beginning Plan Fiduciary Net Position amount. The 0.08% portion was based on the actual fiscal year 2021/2022 administrative expenses as a percentage of the beginning Plan Fiduciary Net Position amount as of July 1, 2021. Administrative expenses are assumed to occur halfway through the year, on average.
6. Column (e): Projected investment earnings are based on the assumed investment rate of return on Plan investments of 6.75% per annum.
7. As illustrated in this Appendix, the Plan's Fiduciary Net Position was projected to be available to make projected future benefit payments for current Plan members through June 30, 2049. In other words, the projected 'cross-over date' when projected benefits are not covered by projected assets (before reflecting contributions and investment earnings) occurs between June 30, 2049 and June 30, 2050. Therefore, the long-term expected rate of return on Plan investments of 6.75% per annum was applied to periods of projected benefit payments through June 30, 2049. Benefit payments after June 30, 2049 were discounted at 3.54%, the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
8. The blended discount rate used for calculating total OPEB liability is based on a model developed by our Actuarial Technology and Systems unit. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Appendix A: Table 2
Projection of Contributions – Implicit Subsidy Only

	Projected Payroll			Projected Contributions		
Year Beginning July 1,	Payroll for Current Plan Members (a)	Payroll for Future Plan Members[1] (b) = (c) – (a)	Total Payroll[2] (c)	Total Implicit Subsidy Contributions = Implicit Subsidy Benefit Payments (d)	Implicit Subsidy Contributions Related to Payroll of Future Plan Members[3] (e) = (b) x 0.74%	Implicit Subsidy Contributions for Current Plan Members[4] (f) = (d) - (e)
2022	$241,538	$0	$241,538	$2,480	$0	$2,480
2023	233,770	15,014	248,784	2,466	111	2,355
2024	228,412	27,835	256,247	2,676	206	2,470
2025	222,465	41,469	263,935	2,726	307	2,419
2026	216,129	55,724	271,853	2,788	412	2,375
2027	209,506	70,503	280,008	2,932	522	2,410
2028	202,527	85,881	288,409	2,973	636	2,337
2029	195,994	101,067	297,061	2,909	748	2,161
2030	189,036	116,937	305,973	2,957	865	2,092
2031	182,140	133,011	315,152	2,970	984	1,985
2042	104,239	332,005	436,244	4,007	2,457	1,551
2043	96,982	352,349	449,331	4,176	2,607	1,569
2044	89,665	373,146	462,811	4,328	2,761	1,567
2045	82,226	394,469	476,696	4,342	2,919	1,422
2046	75,294	415,703	490,996	4,532	3,076	1,456
2047	68,470	437,256	505,726	4,550	3,236	1,314
2048	61,869	459,029	520,898	4,576	3,397	1,179
2049	55,342	481,183	536,525	4,521	3,561	960
2050	48,905	503,716	552,621	4,369	3,727	641
2051	42,751	526,449	569,199	4,237	3,896	341

[1] Future plan members assumed to enter plan at the end of the year.

[2] Initial payroll based on June 30, 2022 funding valuation. Future payrolls are projected with assumed annual 3.00% increase.

[3] Normal cost rate adjusted for timing of implicit subsidy benefit of 2013 Tier members.

[4] Numbers may not add up due to rounding.

Appendix A: Table 3
Projection of Contributions and Benefit Payments – Total

	Contributions for Current Plan Members			Benefit Payments		
Year Beginning July 1,	Prefunding (a)	Implicit Subsidy (b)	Total Contributions (c) = (a) + (b)	Cash Subsidy (HIB Subsidy) (d)	Implicit Subsidy (e) = column (d) from Table 2	Total Benefit Payments (f) = (d) + (e)
2022	$11,166	$2,480	$13,646	$9,916	$2,480	$12,396
2023	11,462	2,355	13,817	10,086	2,466	12,552
2024	11,739	2,470	14,209	10,303	2,676	12,979
2025	11,981	2,419	14,400	10,480	2,726	13,206
2026	12,394	2,375	14,769	10,633	2,788	13,421
2027	9,988	2,410	12,398	10,762	2,932	13,694
2028	10,175	2,337	12,512	10,852	2,973	13,825
2029	9,291	2,161	11,452	10,927	2,909	13,836
2030	8,543	2,092	10,635	10,973	2,957	13,930
2031	8,542	1,985	10,527	11,013	2,970	13,983
2042	1,738	1,551	3,289	10,277	4,007	14,284
2043	1,219	1,569	2,788	10,127	4,176	14,303
2044	1,090	1,567	2,657	9,965	4,328	14,293
2045	765	1,422	2,187	9,780	4,342	14,122
2046	510	1,456	1,966	9,590	4,532	14,122
2047	467	1,314	1,781	9,380	4,550	13,930
2048	422	1,179	1,601	9,165	4,576	13,741
2049	378	960	1,338	8,945	4,521	13,466
2050	336	641	977	8,708	4,369	13,077
2051	304	341	645	8,462	4,237	12,699

Appendix B: Actuarial Assumptions and Methods for Implicit Subsidy Calculation

Carrier Election and Monthly Premiums — Participants Under Age 65:[1]

These premiums apply to the 70% of future retirees assumed to enroll in an EBMUDERS medical insurance plan.

2022 Calendar Year

	Monthly Premium		
Carrier	Single Party	Married/With Domestic Partner	Eligible Survivor
Kaiser HMO	$760.59	$1,521.18	$760.59
Anthem Blue Cross PPO	974.03	1,948.05	974.03
Sutter Health Plus HMO	876.70	1,753.40	876.70

2023 Calendar Year

	Monthly Premium		
Carrier	Single Party	Married/With Domestic Partner	Eligible Survivor
Kaiser HMO	$761.58	$1,523.17	$761.58
Anthem Blue Cross PPO	876.62	1,753.24	876.62
Sutter Health Plus HMO	933.70	1,867.40	933.70

2022-2023 Fiscal Year

		Monthly Premium		
Carrier[2]	Election Percent	Single Party	Married/With Domestic Partner	Eligible Survivor
Kaiser HMO	70	$761.09	$1,522.18	$761.09
Anthem Blue Cross PPO	25	925.33	1,850.65	925.33
Sutter Health Plus HMO	5	905.20	1,810.40	905.20

[1] We only use monthly premiums for participants under age 65 to determine the implicit subsidy.

[2] We assume 0% of future retirees will enroll in the Kaiser CDHP, Sutter CDHP, and Blue Cross CDHP plans.

Implicit Subsidy:

Retiree under age 65 and active health insurance premiums have been underwritten together. Under GASBS 74, the health care costs must be valued as if the under age 65 retirees had been underwritten separately from the actives. Any excess of the retiree only per capita costs over the blended active/retiree premiums is the implicit subsidy. The tables below show the annual implicit subsidies for sample ages under different carriers. No implicit subsidy exists for retirees over age 65.

The adjustment of per capita premium medical costs for age, gender and spouse/domestic partner status, are in accordance with Actuarial Standard of Practice (ASOP) No. 6.

Kaiser HMO

Annual Blended Active/Retiree Premium **$9,133**

Annual Per Capita Costs

	Retiree		Spouse/Domestic Partner	
Age	**Male**	**Female**	**Male**	**Female**
50	$10,610	$12,085	$7,411	$9,704
55	12,600	13,009	9,917	11,232
60	14,964	14,022	13,276	13,027
64	17,168	14,875	16,759	14,662

Annual Implicit Subsidy Rates

	Retiree		Spouse/Domestic Partner	
Age	**Male**	**Female**	**Male**	**Female**
50	$1,477	$2,952	($1,722)	$571
55	3,467	3,876	784	2,099
60	5,831	4,889	4,143	3,894
64	8,035	5,742	7,626	5,529

Section 3: Appendices

Sutter Health Plus HMO

Annual Blended Active/Retiree Premium **$10,862**

Annual Per Capita Costs

	Retiree		Spouse/Domestic Partner	
Age	**Male**	**Female**	**Male**	**Female**
50	$10,827	$12,332	$7,563	$9,902
55	12,858	13,276	10,120	11,462
60	15,271	14,309	13,548	13,294
64	17,519	15,180	17,102	14,962

Annual Implicit Subsidy Rates

	Retiree		Spouse/Domestic Partner	
Age	**Male**	**Female**	**Male**	**Female**
50	($35)	$1,470	($3,299)	($960)
55	1,996	2,414	(742)	600
60	4,409	3,447	2,686	2,432
64	6,657	4,318	6,240	4,100

Anthem Blue Cross PPO

Annual Blended Active/Retiree Premium **$11,104**

Annual Per Capita Costs

	Retiree		Spouse/Domestic Partner	
Age	**Male**	**Female**	**Male**	**Female**
50	$11,116	$12,662	$7,765	$10,167
55	13,202	13,630	10,390	11,768
60	15,678	14,691	13,909	13,648
64	17,987	15,585	17,559	15,362

Annual Implicit Subsidy Rates

	Retiree		Spouse/Domestic Partner	
Age	**Male**	**Female**	**Male**	**Female**
50	$12	$1,558	($3,339)	($937)
55	2,098	2,526	(714)	664
60	4,574	3,587	2,805	2,544
64	6,883	4,481	6,455	4,258

WEIGHTED AVERAGE Use for future retirees

Annual Blended Active/Retiree Premium **$9,712**

Annual Per Capita Costs

	Retiree		Spouse/Domestic Partner	
Age	**Male**	**Female**	**Male**	**Female**
50	$10,747	$12,241	$7,507	$9,829
55	12,763	13,177	10,045	11,377
60	15,158	14,204	13,447	13,195
64	17,390	15,068	16,976	14,852

Annual Implicit Subsidy Rates

	Retiree		Spouse/Domestic Partner	
Age	**Male**	**Female**	**Male**	**Female**
50	$1,035	$2,529	($2,205)	$117
55	3,051	3,465	333	1,665
60	5,446	4,492	3,735	3,483
64	7,678	5,356	7,264	5,140

Appendix C: Definition of Terms

Definitions of certain terms as they are used in Statement 74. The terms may have different meanings in other contexts.

Actuarial Present Value of Projected Benefit Payments:	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial Valuation:	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total OPEB Liability, and related actuarial present value of projected benefit payments for OPEB performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial Valuation Date:	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution:	A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad Hoc Postemployment Benefit Changes:	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Automatic Postemployment Benefit Changes:	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the OPEB plan) or to another variable (such as an increase in the consumer price index).
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 OPEB through the OPEB plan.
Covered Payroll:	Payroll on which contributions to the OPEB plan are based.
Defined Benefit OPEB Plans:	OPEB plans that are used to provide defined benefit OPEB.
Defined Benefit OPEB:	OPEB for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (An OPEB that does not meet the criteria of a defined contribution OPEB is classified as a defined benefit OPEB for purposes of Statement 74.)
Defined Contribution OPEB Plans:	OPEB plans that are used to provide defined contribution OPEB.

Defined Contribution OPEB:	OPEB having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the OPEB an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as OPEB plan administrative costs, that are allocated to the employee's account.
Discount Rate:	The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following: 1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the OPEB Plan Fiduciary Net Position is projected (under the requirements of Statement 74) to be greater than the benefit payments that are projected to be made in that period and (b) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments. 2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.
Entry Age Actuarial Cost Method:	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called 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 called the actuarial accrued liability.
Inactive Employees:	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
Multiple-Employer Defined Benefit OPEB Plan:	A defined benefit OPEB plan that is used to provide OPEB to the employees of more than one employer.
Net OPEB Liability (NOL):	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan.
Other Postemployment Benefits:	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a OPEB plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
OPEB Plans:	Arrangements through which OPEB are determined, assets dedicated for OPEB are accumulated and managed and benefits are paid as they come due.

OPEB:	Retirement income and, if provided through an OPEB plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). OPEB do not include postemployment healthcare benefits and termination benefits.
Plan Members:	Individuals that are covered under the terms of an OPEB plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
Postemployment:	The period after employment.
Postemployment Benefit Changes:	Adjustments to the OPEB of an inactive employee.
Postemployment Healthcare Benefits:	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected Benefit Payments:	All benefits estimated to be payable through the OPEB plan to current active and inactive employees as a result of their past service and their expected future service.
Public Employee Retirement System:	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real Rate of Return:	The rate of return on an investment after adjustment to eliminate inflation.
Service Costs:	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single-Employer Defined Benefit OPEB Plan (Single-Employer OPEB Plan):	A defined benefit OPEB plan that is used to provide OPEB to employees of only one employer.
Termination Benefits:	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total OPEB Liability (TOL):	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 74.

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