East Bay Municipal Utility District Employees' Retirement System

Governmental Accounting Standards Board Statement No. 74
Actuarial Valuation for the Health Insurance Benefit Plan
Measured as of June 30, 2025

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January 21, 2026

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 No. 74 (GASB 74) Actuarial Valuation of Other Postemployment Benefits (OPEB) Measured as of June 30, 2025 for the Health Insurance Benefit (HIB) plan or Other Post Employment Benefits (OPEB) Plan. The report summarizes the actuarial data used in the valuation, discloses the Net OPEB Liability (NOL), and analyzes the preceding year's experience.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of East Bay Municipal Utility District Employees' Retirement System (EBMUDERS). The actuarial valuation is based on the plan of benefits verified by EBMUD and reliance on information provided by EBMUD. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

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: changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. The scope of the assignment did not include performing an analysis of the potential change of such future measurements except where noted.

The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, EA and Mehdi Riazi, FSA, MAAA, FCA, EA. 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. The assumptions used in this actuarial valuation were selected by EBMUD based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of EBMUDERS and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

Sincerely,

Segal

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

Mehdi Riazi, FSA, MAAA, FCA, EA
Vice President and Actuary

Emily Klare, ASA, MAAA, EA
Senior Actuary

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report presents the results of our actuarial valuation of the EBMUDERS Health Insurance Benefit Plan as of June 30, 2025, required by Governmental Accounting Standards Board (GASB) Statement No. 74, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This valuation is based on:

- The benefit provisions of the Health Insurance Benefit (HIB), as administered by the Board;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2025, provided by the EBMUDERS;
- The assets of the Plan as of June 30, 2025, provided by EBMUDERS;
- Economic assumptions regarding future salary increases and investment earnings as adopted by the Board for the valuation as of June 30, 2025; 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, 2025 valuation.

General observations on GASB 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”.

[1] The plan’s explicit subsidies have been funded on an actuarial basis.

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 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 plan's explicit subsidies.

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 Fiduciary Net Position. The Plan Fiduciary Net Position is equal to the fair 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. On July 8, 2025, EBMUD adopted an improvement to the subsidies for employees retiring or terminating on or after July 8, 2025. Under the improvement, members are provided with an indexed explicit subsidy of $615.58 starting 2026 with annual increases of up to 3.0%. A more detailed discussion of the improvement is provided on page 14. While our reading of the requirements of GASB 74 might appear to suggest that the financial disclosure of the impact of the improvement would not be required to be made until the next measurement date after the improvement, upon consulting with EBMUD we understand that including this impact as of the current measurement date as of June 30, 2025 would nonetheless be reasonable as it provides more timely disclosure of the impact of the improvement.

2. The NOL has increased by $18.7 million, from $118.5 million as of June 30, 2024 to $137.2 million as of June 30, 2025. The increase in NOL was primarily the result of plan provision modifications to the Health Insurance Benefit (HIB) effective January 1, 2026, that increased liabilities by $47.4 million[2]. The increase due to the plan change was partially offset by the impact of assumption changes, which lowered the NOL by $18.2 million. The most significant assumption change was the change in the discount rate from 5.58% to 6.32%. The increase to the blended discount rate was primarily due to the increase in the 20-year municipal bond rate from 3.93% to 5.20% and the favorable investment returns during FYE25, which extended the cross-over date. Details of the plan provision updates are in Section 2, Exhibit D.

[2] This is higher than the impact measured in the funding valuation as of June 30, 2025 due to the use of a lower discount rate in the financial reporting valuation of 5.58%.

3. The NOL measured as of June 30, 2025 was determined from the actuarial valuation as of June 30, 2025. The NOL measured as of June 30, 2024 was determined from the actuarial valuation as of June 30, 2024.
4. Following the method outlined in the Implementation Guide, we have calculated a discount rate of 6.32% instead of the 6.75% used in the June 30, 2025 funding valuation.
5. The discount rates used to determine the TOL and NOL as of June 30, 2025 and 2024 were 6.32% and 5.58%, respectively. The detailed calculations in the derivation of the “cross-over date” to determine the discount rate of 6.32% used in the calculation of the TOL and NOL as of June 30, 2025 can be found in Appendix A. Various other information that is required to be disclosed can be found throughout Section 2.
6. The discount rate used in the valuation for financial disclosure purposes as of June 30, 2025 is a blend of the assumed investment return on Plan assets (e.g. 6.75% for the June 30, 2025 valuation) and the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (e.g. 5.20% as of June 30, 2025[3]). Because EBMUDERS is not prefunding the implicit subsidy, Plan assets, when projected in accordance with the method prescribed by GASB 74, are expected to be sufficient to make benefit payments through June 30, 2064 (the projected beginning balance at July 1, 2064 is less than the projected benefit payments for the 2064/2065 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, 2064. Benefit payments after June 30, 2064 are then discounted by the 20-year municipal bond rate of 5.20%. The 6.32% 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.

[3] The comparable rate was 3.93% in the last valuation as of June 30, 2024.

Summary of key valuation results

Valuation Result	Current	Prior
Measurement date	June 30, 2025	June 30, 2024
Disclosure elements for fiscal year ending June 30,		
• Service Cost[4]	$5,304,421	$5,864,684
• Total OPEB Liability	220,176,082	189,880,139
• Plan Fiduciary Net Position (Assets)	82,988,000	71,420,000
• Net OPEB Liability	137,188,082	118,460,139
Schedule of contributions for fiscal year ending June 30,		
• Actuarially Determined Contributions	$11,885,000	$12,231,000
• Actual contributions	11,885,000	12,231,000
• Contribution deficiency / (excess)	0	0
Demographic data as of June 30,		
• Number of retired members and beneficiaries receiving a health subsidy	1,957	1,915
• Number of vested terminated members[5]	424	407
• Number of active members	2,001	1,974
Key assumptions as of June 30,		
• Discount rate	6.32%	5.58%
• Health care premium trend rates:		
– Non-Medicare medical plans	Actual premium increases for 2025-2026, then 7.375% graded down to 4.50% over 12 years.	Actual premium increases for 2024-2025, then 7.125% graded down to 4.50% over 11 years.
– Medicare medical plans	Actual premium increases for 2025-2026, then 7.125% graded down to 4.50% over 11 years	Actual premium increases for 2024-2025, then 6.875% graded down to 4.50% over 10 years
• Health Insurance Benefit (HIB) subsidy increase	0.00% for $450/$550 benefit 3.00% for indexed benefit	0.00% for $450/$550 benefit

4 The service cost is based on the previous year's valuation, meaning the June 30, 2025 value is based on the valuation results as of June 30, 2024, whereas the June 30, 2024 value is based on the June 30, 2023 valuation results. As a result, this year's decrease in service cost was due to the liability decrease in last year's valuation, which was primarily due to the change in the discount rate from 5.23% as of June 30, 2023 to 5.58% as of June 30, 2024.

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

Important information about actuarial valuations

An actuarial valuation is a tool to measure future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

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

Input Item	Description
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. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the District to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by East Bay Municipal Utility District Employees' Retirement System (EBMUDERS). 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 not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the fair value of assets as of the valuation date, as provided by the System.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a

Input Item	Description
	significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.
Models	Segal valuation results are based on proprietary actuarial modeling software. The valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising 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. 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 discounting of benefits is part of the model. 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 actuarial valuation is prepared for use by the Board. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. 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.
- Sections of this report may include actuarial results that are shown to the nearest dollar, 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, and health care trend, not just the current valuation results.

- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's 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.
- 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.
- 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.
- Segal's report shall be deemed to be final and accepted by the System upon delivery and review. The System should notify Segal immediately of any questions or concerns about the final content.

Section 2: GASB 74 Information

General information about the OPEB plan

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[6] 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, 2025, OPEB Plan membership consisted of the following:

Membership	Headcount
Retired members or beneficiaries currently receiving benefits	1,957
Vested terminated members entitled to but not yet receiving benefits[7]	424
Active members	2,001
Total	**4,382**

6 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.

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

Section 2: GASB 74 Information

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

For the pension plan, 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, 2025 there were 1,957 participants receiving these health care benefits. Cash reimbursement of these benefits totaled $9,777,000 in the year ended June 30, 2025.

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.

Section 2: GASB 74 Information

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.

Effective June 18, 2002, a portion of the post-employment healthcare benefit costs is recovered through employee contributions.

Effective January 1, 2026, for employees who retire or terminate service after July 8, 2025, the maximum HIB subsidy will increase to the Kaiser Senior Advantage (KSA) Low Option Plan premium for two-person coverage ($615.58 per month in calendar year 2026). Annual increases of the maximum HIB subsidy will be based on changes to the KSA Low Option premiums, limited to between 0.00% and 3.00%. Changes above 3.00% or below 0.00% will be added to a carryforward balance and used to adjust future subsidy increases up to 3.00%. The same maximum subsidy will apply regardless of family tier of medical coverage elected. In addition, 2013 Tier employees who retire or terminate service after July 8, 2025 are 100% vested after 15 years of service.

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, 2025 for 2024-2025 (based on contribution rates adopted for the June 30, 2023 valuation) was 4.32% of pensionable compensation.

All members are required to make contributions to EBMUDERS regardless of the OPEB Plan or tier in which they are included. The HIB employee contribution rate will increase incrementally from 0.09% to 1.00% over a three-year period, as follows: 0.40% effective January 1, 2026, 0.70% effective January 1, 2027, and 1.00% effective January 1, 2028.

Exhibit A: Net OPEB Liability

Components of the Total OPEB Liability	Current	Prior
Measurement date	June 30, 2025	June 30, 2024
Total OPEB Liability	$220,176,082	$189,880,139
Plan Fiduciary Net Position	(82,988,000)	(71,420,000)
Net OPEB Liability	$137,188,082	$118,460,139
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	37.69%	37.61%

The Net OPEB Liability (NOL) was measured as of June 30, 2025 and 2024. The Plan 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, 2025 and 2024, 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 GASB 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 Appendix B. In addition, separate spousal participation assumptions are used to model the implicit subsidies compared to those used to model the explicit subsidies.

Plan Provisions. The plan provisions used in the measurement of the TOL as of June 30, 2025 and 2024 are the same as those used in the EBMUDERS funding valuations as of June 30, 2025 and 2024, respectively.

Actuarial assumptions. The TOL as of June 30, 2025 was measured by an actuarial valuation as of June 30, 2025. The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an experience study (dated November 13, 2024) for the period from July 1, 2020 through June 30, 2024 and the Retiree Health assumptions letter (dated January 21, 2026). These are the same as the assumptions used in the June 30, 2025 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 GASB 74, and implicit subsidy benefit payments are valued based on the age-based costs and separate spousal participation assumptions. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Assumption Type	Assumption
Inflation	2.50%
Salary increases:	
• 1955/1980 Plan	Ranges from 9.25% to 3.75% based on time from hire, including inflation and real “across the board” salary increases
• 2013 Tier	Ranges from 9.50% to 3.75% based on time from hire, including inflation and real “across the board” salary increases
Discount rate	6.32%, net of OPEB Plan investment expense, including inflation
Spousal Participation	Explicit HIB spouse subsidies: 75% of males and 50% of females Implicit health plan spouse subsidies: 50% of males and 30% of females
Other assumptions	Same as those used in the June 30, 2025 funding actuarial valuation
Medical cost trend rates	
• Non-Medicare medical plans	Actual premium increases for 2025-2026, then 7.375% graded down to 4.50% over 12 years.
• Medicare medical plans	Actual premium increases for 2025-2026, then 7.125% graded down to 4.50% over 11 years
• HIB subsidy increase	0.00% for $450/$550 benefit 3.00% for indexed benefit

Exhibit B: Determination of discount rate and investment rates of return

The 6.75% 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 returns 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 (beginning with June 30, 2024 including only investment consulting fees, custodian fees and other miscellaneous investment expenses) and a risk margin. Beginning with June 30, 2024, this portfolio return is further adjusted to an expected geometric real rate of return for the portfolio.

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 returns were used in the derivation of the 6.75% long-term expected investment rate of return assumption for the actuarial valuation as of June 30, 2024. 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	32.55%	5.80%
Domestic Small Cap Equity	2.45%	6.59%
Developed International Large Cap Equity	18.00%	6.44%
Emerging Market Equity	7.00%	8.32%
Core Bonds	20.00%	2.27%
High Yield Bonds	7.50%	4.62%
Bank Loans	5.00%	4.43%
Real Estate	2.50%	4.54%
Private Debt	5.00%	6.63%
Total	**100.00%**	**5.26%**

Municipal Bond Rate. 5.20% and 3.93% based on the 20-year municipal bond rate for the Bond Buyer 20-Bond GO Index as of June 30, 2025 and June 30, 2024, respectively.

Discount rate. The discount rates used to measure the Total OPEB Liability were 6.32% as of June 30, 2025 and 5.58% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current and agreed upon contribution rates as specified in the District's bargaining agreements and that employer contributions will be made at rates equal to the actuarially determined contribution rates for the plan's explicit HIB subsidies, 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[8]. 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, 2064. 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, 2064, and the 20-year municipal bond rate (5.20%) was applied to periods after June 30, 2064 to determine the Total OPEB Liability.

[8] See Appendix A for derivation

Exhibit C: Discount rate and trend sensitivity

The following presents the NOL of the Municipality as well as what EBMUDERS's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.32%) or 1-percentage-point higher (7.32%) than the current rate. Also, shown is the TOL as if it were calculated using health care cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates.

Item	1% Decrease (5.32%)	Current Discount Rate (6.32%)	1% Increase (7.32%)
Net OPEB Liability (Asset)	$163,864,780	$137,188,082	$114,971,435

Item	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates[9]	1% Increase in Health Care Cost Trend Rates
Net OPEB Liability (Asset)	$119,556,366	$137,188,082	$159,716,235

[9] Current trend rates: Actual premium increases for fiscal year 2025-2026, then 7.375% in 2026-2027 graded down to 4.50% over 12 years for Non-Medicare medical plan costs and 7.125% in 2026-2027 graded down to 4.50% over 11 years for Medicare medical plan costs.

Exhibit D: Schedule of changes in Net OPEB Liability

Components of the Total OPEB Liability	Current	Prior
Measurement date	June 30, 2025	June 30, 2024
Total OPEB Liability		
Service cost[10]	$5,304,421	$5,864,684
Interest	10,531,397	10,101,343
Change of benefit terms	47,384,823	0
Differences between expected and actual experience	(1,617,767)	290,869
Changes of assumptions	(18,229,717)	(7,223,859)
Benefit payments, including implicit subsidies[11]	(13,077,214)	(12,699,226)
Net change in Total OPEB Liability	**$30,295,943**	**$(3,666,189)**
Total OPEB Liability – beginning	189,880,139	193,546,328
Total OPEB Liability – ending	**$220,176,082**	**$189,880,139**
Plan Fiduciary Net Position		
Contributions – employer	$11,885,000	$12,231,000
Contributions – employee	249,000	240,000
Net investment income	9,298,000	7,676,000
Benefit payments, including implicit subsidies	(13,077,214)	(12,699,226)
Administrative expense	(87,000)	(68,000)
Other[12]	3,300,214	2,875,226
Net change in Plan Fiduciary Net Position	**$11,568,000**	**$10,255,000**
Plan Fiduciary Net Position – beginning	71,420,000	61,165,000
Plan Fiduciary Net Position – ending	**$82,988,000**	**$71,420,000**
Net OPEB Liability		
Net OPEB Liability – ending	$137,188,082	$118,460,139
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	37.69%	37.61%
Covered payroll[13]	$275,207,182	$264,425,972
Plan Net OPEB Liability as percentage of covered payroll	49.85%	44.80%

10 The service cost is based on the previous year's valuation, meaning the June 30, 2025 and June 30, 2024 value is based on valuation results as of June 30, 2024 and June 30, 2023, respectively.

11 Sum of cash benefit payments ($9,777,000) and estimated implicit subsidy benefit payments ($3,300,214) for 2025. Sum of cash benefit payments ($9,824,000) and estimated implicit subsidy benefit payments ($2,875,226) for 2024.

12 The total employer contributions for estimated implicit subsidy calculated based on assumptions disclosed in Appendix B.

13 Pensionable payroll reported by EBMUDERS.

Notes to Schedule:

Benefit changes:

- For employees who retire or terminate service after July 8, 2025, the maximum HIB subsidy will increase to the Kaiser Senior Advantage (KSA) Low Option Plan premium for two-person coverage ($615.58 per month in calendar year 2026). Annual increases of the maximum HIB subsidy will be based on changes to the KSA Low Option premiums, limited to between 0.00% and 3.00%. Changes above 3.00% or below 0.00% will be added to a carryforward balance and used to adjust future subsidy increases up to 3.00%. The same maximum subsidy will apply regardless of family tier of medical coverage elected.
- For employees who retire or terminate service after July 8, 2025, vesting was updated from 75% to 100% for 2013 Tier retirees with at least 15 years of service.
- The HIB employee contribution rate will increase incrementally from 0.09% to 1.00% over a three-year period, as follows: 0.40% effective January 1, 2026, 0.70% effective January 1, 2027, and 1.00% effective January 1, 2028.

Assumption changes:

- The discount rate increased from 5.58% to 6.32%. This change decreased the TOL. The increase to the blended discount rate was primarily due to the increase in the 20-year municipal bond rate from 3.93% to 5.20% and the favorable investment returns during FYE25, which extended the cross-over date.
- The estimated per capita retiree claims costs and associated trend assumptions were updated to reflect 2026 calendar year premiums and updated trend assumptions for 2027 and after. The updated claims and associated trend assumptions had a combined impact of increasing the TOL by $1.0 million or 0.5%.
- The average HIB for future retirees was updated. This change had a very minor impact.

Exhibit E: Schedule of employer 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[14]	Contributions as a Percentage of Covered Payroll
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%
2023	11,420,000	11,420,000	0	246,230,567	4.64%
2024	12,231,000	12,231,000	0	264,425,972	4.63%
2025	11,885,000	11,885,000	0	275,207,182	4.32%

See accompanying notes to this schedule on next page.

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

Notes to Schedule:

Methods and assumptions used to establish the actuarially determined contribution for the year ending June 30, 2025:

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, through June 30, 2021, 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. On or after July 1, 2021, assumption changes from the experience study or interim review of the economic assumptions are amortized over 20 years. In addition, the effect of plan provisions updates are amortized over 15 years.

Asset Valuation Method:

Market value (or fair 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.

Actuarial Assumptions:

Actuarial Assumptions	June 30, 2023 (for the year ended June 30, 2025 ADC)
Investment rate of return	6.75%
Inflation rate	2.50%
Real "across-the-board" salary increase	0.50%
Projected salary increases	Ranges from 9.25% to 3.75% based on years of service, including inflation (stated above) plus "across-the-board" salary" increases (stated above) plus merit, and promotional increases
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 **Disabled**: Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted 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, 2023 funding actuarial valuation
Medical cost trend rates:	
• Non-Medicare medical plans	Actual premium increases for 2023-2024, then 7.375% graded down to 4.50% over 12 years
• Medicare medical plans	Actual premium increases for 2023-2024, then 6.375% graded down to 4.50% over 8 years

Appendices

Appendix A: Table 1 – Projection of Plan Fiduciary Net Position for use in the calculation of discount rate as of June 30, 2025 ($ in thousands)

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 (f) = (a) + (b) – (c) – (d) + (e)
2025	$82,988	$21,489	$13,754	$100	$5,859	$96,483
2026	96,483	21,619	13,969	101	6,767	110,799
2027	110,799	19,032	14,297	104	7,635	123,066
2028	123,066	19,060	14,588	106	8,454	135,887
2029	135,887	18,004	14,790	107	9,277	148,271
2030	148,271	17,354	15,178	110	10,078	160,415
2031	160,415	17,352	15,505	112	10,887	173,036
2032	173,036	14,833	15,869	115	11,641	183,526
2033	183,526	14,023	16,202	117	12,310	193,540
2034	193,540	13,875	16,665	121	12,966	203,595
2056	179,955	246	27,016	196	11,237	164,226
2057	164,226	0	26,890	195	10,171	147,313
2058	147,313	0	26,753	194	9,034	129,400
2059	129,400	0	26,811	194	7,823	110,218
2060	110,218	0	26,580	192	6,536	89,982
2061	89,982	0	26,381	191	5,177	68,588
2062	68,588	0	26,182	190	3,740	45,955
2063	45,955	0	25,802	187	2,225	22,191
2064	22,191	0	25,496	185	631	0
2065	0	0	25,166	182	0	0
2104	0	0	263	2	0	0
2105	0	0	190	1	0	0
2106	0	0	135	1	0	0
2107	0	0	94	1	0	0
2108	0	0	64	0	0	0

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

Notes

1. Amounts are in $000's and may not total exactly due to rounding.
2. Years 2035-2055 and 2066-2103, 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, 2025); 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, 2025. The projected benefit payments reflect the health care trend assumptions used in the June 30, 2025 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, 2064, and the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (5.20%) was applied to periods after June 30, 2064, to determine the discount rate of 6.32%. See the following pages for details.
5. Column (d): Projected administrative expenses were calculated by assuming the actual administrative expenses for fiscal year 2024/2025 would increase at the same rate as the projected benefit payments for current members. 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 Fiduciary Net Position was projected to be available to make projected future benefit payments for current Plan members through June 30, 2064. 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, 2064 and June 30, 2065. 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, 2064. Benefit payments after June 30, 2064 were discounted at 5.20%, 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 ($ in thousands)

Year Beginning July 1,	Projected Payroll for Current Plan Members (a)	Projected Payroll for Future Plan Members[15] (b) = (c) – (a)	Total Projected Payroll[16] (c)	Total Implicit Subsidy Contributions = Implicit Subsidy Benefit Payments (d)	Implicit Subsidy Contributions Related to Payroll of Future Plan Members[17] (e) = (b) x 0.65%	Implicit Subsidy Contributions for Current Plan Members[18] (f) = (d) - (e)
2025	$296,015	$0	$296,015	$3,260	$0	$3,260
2026	291,333	13,563	304,896	3,201	88	3,113
2027	287,227	26,816	314,043	3,257	174	3,082
2028	282,433	41,031	323,464	3,288	267	3,022
2029	277,710	55,458	333,168	3,238	360	2,877
2030	272,378	70,785	343,163	3,376	460	2,916
2031	266,898	86,560	353,458	3,423	563	2,860
2032	261,146	102,916	364,062	3,529	669	2,860
2033	255,691	119,293	374,984	3,578	775	2,802
2034	249,877	136,356	386,233	3,748	886	2,862
2056	72,842	667,220	740,062	3,757	4,337	(580)
2057	63,848	698,416	762,264	3,237	4,540	(1,303)
2058	55,272	729,860	785,132	2,762	4,744	(1,982)
2059	47,333	761,353	808,686	2,549	4,949	(2,400)
2060	40,167	792,780	832,947	2,110	5,153	(3,043)
2061	33,497	824,438	857,935	1,748	5,359	(3,611)
2062	27,480	856,193	883,673	1,466	5,565	(4,099)
2063	22,244	887,940	910,183	1,070	5,772	(4,702)
2064	17,799	919,690	937,489	813	5,978	(5,165)
2065	14,032	951,582	965,614	599	6,185	(5,586)

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

[16] Initial payroll based on June 30, 2025 funding valuation. Future payrolls are projected with assumed annual 3.00% increase.

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

[18] Negative values reflect the removal of contributions attributable to the service costs of future plan member implicit subsidies. As shown in Table 3, the overall contributions are never negative. Numbers may not add up due to rounding.

Appendix A: Table 3
Projection of contributions and benefit payments – Total ($ in thousands)

Year Beginning July 1,	Contributions for Current Plan Members Prefunding (a)	Contributions for Current Plan Members Implicit Subsidy (b)	Contributions for Current Plan Members Total Contributions (c) = (a) + (b)	Benefit Payments Cash Subsidy (HIB Subsidy) (d)	Benefit Payments Implicit Subsidy (e) = column (d) from Table 2	Benefit Payments Total Benefit Payments (f) = (d) + (e)
2025	$18,229	$3,260	$21,489	$10,494	$3,260	$13,754
2026	18,506	3,113	21,619	10,768	3,201	13,969
2027	15,950	3,082	19,032	11,040	3,257	14,297
2028	16,038	3,022	19,060	11,300	3,288	14,588
2029	15,127	2,877	18,004	11,552	3,238	14,790
2030	14,438	2,916	17,354	11,802	3,376	15,178
2031	14,492	2,860	17,352	12,082	3,423	15,505
2032	11,973	2,860	14,833	12,340	3,529	15,869
2033	11,221	2,802	14,023	12,624	3,578	16,202
2034	11,013	2,862	13,875	12,917	3,748	16,665
2056	826	(580)	246	23,259	3,757	27,016
2057	1,303	(1,303)	0	23,653	3,237	26,890
2058	1,982	(1,982)	0	23,991	2,762	26,753
2059	2,400	(2,400)	0	24,262	2,549	26,811
2060	3,043	(3,043)	0	24,470	2,110	26,580
2061	3,611	(3,611)	0	24,633	1,748	26,381
2062	4,099	(4,099)	0	24,716	1,466	26,182
2063	4,702	(4,702)	0	24,732	1,070	25,802
2064	5,165	(5,165)	0	24,683	813	25,496
2065	5,586	(5,586)	0	24,567	599	25,166

Appendix B: Actuarial assumptions and methods for implicit subsidy calculation

Carrier election and monthly premiums — Participants under age 65:[19]

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

2025 Calendar Year

Carrier	Single Party	Married/With Domestic Partner	Eligible Survivor
Kaiser HMO	$971.29	$1,942.58	$971.29
Anthem Blue Cross PPO	1,079.99	2,159.98	1,079.99
Sutter Health Plus HMO	1,115.80	2,231.60	1,115.80

2026 Calendar Year

Carrier	Single Party	Married/With Domestic Partner	Eligible Survivor
Kaiser HMO	$992.72	$1,985.44	$992.72
Anthem Blue Cross PPO	1,187.99	2,375.98	1,187.99
Sutter Health Plus HMO	1,328.90	2,657.80	1,328.90

2025-2026 Fiscal Year

Carrier	Election Percentage Rate (%)	Single Party	Married/With Domestic Partner	Eligible Survivor
Kaiser HMO[20]	70	$982.01	$1,964.01	$982.01
Anthem Blue Cross PPO	25	1,133.99	2,267.98	1,133.99
Sutter Health Plus HMO	5	1,222.35	2,444.70	1,222.35

[19] We only use monthly premiums for participants under age 65 to determine the implicit subsidy.
[20] For valuation purposes, we assumed 0% of future retirees will enroll in the Kaiser CDHP, Sutter CDHP, and Anthem Blue Cross CDHP plans.

Implicit subsidy:

Retiree under age 65 and active health insurance premiums have been underwritten together. Under GASB 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 and gender and spouse/domestic partner status, are in accordance with Actuarial Standard of Practice (ASOP) No. 6. The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated. The new factors are based on a review of historical claims experience by age, gender, and status (active vs retired) from Segal's claims data warehouse.

Amounts shown in the tables below are for both retirees and spouses, at selected ages:

Kaiser HMO

Annual Blended Active/Retiree Premium: $11,784

Age	Annual Per Capita Costs Male	Annual Per Capita Costs Female	Annual Implicit Subsidy Rates Male	Annual Implicit Subsidy Rates Female
50	$14,483	$15,292	$2,699	$3,508
55	16,342	16,601	4,558	4,817
60	18,816	17,996	7,032	6,212
64	22,868	19,537	11,084	7,753

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Sutter Health Plus HMO

Annual Blended Active/Retiree Premium: $14,668

Age	Annual Per Capita Costs Male	Annual Per Capita Costs Female	Annual Implicit Subsidy Rates Male	Annual Implicit Subsidy Rates Female
50	$16,193	$17,098	$1,525	$2,430
55	18,272	18,561	3,604	3,893
60	21,038	20,121	6,370	5,453
64	25,568	21,843	10,900	7,175

Anthem Blue Cross PPO

Annual Blended Active/Retiree Premium: $13,608

Age	Annual Per Capita Costs Male	Annual Per Capita Costs Female	Annual Implicit Subsidy Rates Male	Annual Implicit Subsidy Rates Female
50	$15,206	$16,056	$1,598	$2,448
55	17,159	17,430	3,551	3,822
60	19,756	18,895	6,148	5,287
64	24,010	20,512	10,402	6,904

Weighted Average Costs – Use for future retirees

Annual Blended Active/Retiree Premium: $12,384

Age	Annual Per Capita Costs Male	Annual Per Capita Costs Female	Annual Implicit Subsidy Rates Male	Annual Implicit Subsidy Rates Female
50	$14,749	$15,574	$2,365	$3,190
55	16,643	16,906	4,259	4,522
60	19,163	18,327	6,779	5,943
64	23,289	19,896	10,905	7,512

Appendix C: Definition of terms

Definitions of certain terms as they are used in Statement No. 74. The terms may have different meanings in other contexts.

Term	Definition
Actuarially Determined Contribution:	A target or recommended contribution to an OPEB plan for the reporting period based on the most recent measurement available.
Assumptions or actuarial assumptions:	The estimates on which the cost of the Plan is calculated including: a. Investment return — the rate of investment yield that the Plan will earn over the long-term future; b. Mortality rates — the death rates of employees and retirees; life expectancy is based on these rates; c. Retirement rates — the rate or probability of retirement at a given age; d. Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.
Covered payroll:	The payroll of the employees that are provided OPEB benefits
Discount rate:	The single rate of return, that when applied to all projected benefit payments results in an actuarial present value that is the actuarial present value of projected benefit payments using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Entry age actuarial cost method:	An actuarial cost method where the present value of the projected benefits for an individual is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age
Health care cost trend rates:	The rate of change in per capita health costs over time
Net OPEB Liability:	The Total OPEB Liability less the Plan Fiduciary Net Position
Plan Fiduciary Net Position:	Fair Value of Assets
Real rate of return:	The rate of return on an investment after removing inflation
Service cost:	The amount of contributions required to fund the benefit allocated to the current year of service.
Total OPEB Liability:	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 No. 75.
Valuation date:	The date at which the actuarial valuation is performed

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