



YOLO COUNTY
RETIREE HEALTHCARE PLAN



June 30, 2022 OPEB Actuarial Valuation
Plan Funding for 2023/24 and 2024/25

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Foster & Foster Inc.
January 26, 2024

CONTENTS

Topic	Page
Benefit Summary	1
Implicit Subsidy	5
Participant Statistics	7
Actuarial Assumptions Highlights	9
Actuarial Methods	14
Assets	15
Results	19
Actuarial Certification	31
Exhibits	
Premiums	E - 1
Data Summary	E - 3
Actuarial Assumptions	E -16
Definitions	E -25

BENEFIT SUMMARY

<ul style="list-style-type: none"> ■ Eligibility 	<ul style="list-style-type: none"> • Service (50¹ & 5 years CalPERS service)/disability retirement from County 																										
<ul style="list-style-type: none"> ■ Medical Benefit Cap (monthly) 	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Group</th> <th style="text-align: center;">Monthly Cap</th> </tr> </thead> <tbody> <tr> <td>Attorney</td> <td>\$ 400 (effective 7/1/17)</td> </tr> <tr> <td>Corr. Officer</td> <td>340</td> </tr> <tr> <td>Dept Heads</td> <td>375</td> </tr> <tr> <td>Deputy Sheriff</td> <td>375</td> </tr> <tr> <td>Elected Officials</td> <td>375</td> </tr> <tr> <td>General</td> <td>400 (effective 1/1/19)</td> </tr> <tr> <td>Management²</td> <td>400</td> </tr> <tr> <td>Probation</td> <td>400 (effective 7/1/21)</td> </tr> <tr> <td>Sheriff Mgmt</td> <td>375</td> </tr> <tr> <td>Sup Attorney</td> <td>400 (effective 7/1/17)</td> </tr> <tr> <td>Supervisor</td> <td>833 (effective 8/1/18)</td> </tr> <tr> <td>Unrepresented</td> <td>375</td> </tr> </tbody> </table>	Group	Monthly Cap	Attorney	\$ 400 (effective 7/1/17)	Corr. Officer	340	Dept Heads	375	Deputy Sheriff	375	Elected Officials	375	General	400 (effective 1/1/19)	Management ²	400	Probation	400 (effective 7/1/21)	Sheriff Mgmt	375	Sup Attorney	400 (effective 7/1/17)	Supervisor	833 (effective 8/1/18)	Unrepresented	375
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¹ Age 52 for Miscellaneous PEPRAs employees.

² First 5 Management and Supervisor have Management cap.



January 26, 2024



BENEFIT SUMMARY

<ul style="list-style-type: none"> ■ Medical Benefit Cap (monthly) – Grandfathered Retirees 	<ul style="list-style-type: none"> • Benefits for retirees before certain dates differ from benefits above for the following groups: <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Group</th> <th style="text-align: center;">Cap (single/dual/family)</th> <th style="text-align: center;">Retirement Date</th> </tr> </thead> <tbody> <tr> <td>Correctional Officers & General³</td> <td>Pre-Medicare: \$643/\$1,156/\$1,255 Post-Medicare: \$266/\$532/\$798</td> <td style="text-align: center;">< 1/1/19</td> </tr> <tr> <td>Deputy Sheriff⁴</td> <td>Pre and Post Medicare: \$625.50/\$1,091.12/\$1,098.21</td> <td style="text-align: center;">< 7/1/18</td> </tr> <tr> <td>Elected Officials</td> <td style="text-align: center;">No cap</td> <td style="text-align: center;">< 1/1/19</td> </tr> </tbody> </table>	Group	Cap (single/dual/family)	Retirement Date	Correctional Officers & General ³	Pre-Medicare: \$643/\$1,156/\$1,255 Post-Medicare: \$266/\$532/\$798	< 1/1/19	Deputy Sheriff ⁴	Pre and Post Medicare: \$625.50/\$1,091.12/\$1,098.21	< 7/1/18	Elected Officials	No cap	< 1/1/19
Group	Cap (single/dual/family)	Retirement Date											
Correctional Officers & General ³	Pre-Medicare: \$643/\$1,156/\$1,255 Post-Medicare: \$266/\$532/\$798	< 1/1/19											
Deputy Sheriff ⁴	Pre and Post Medicare: \$625.50/\$1,091.12/\$1,098.21	< 7/1/18											
Elected Officials	No cap	< 1/1/19											
<ul style="list-style-type: none"> ■ Surviving Spouse Medical Benefit 	<ul style="list-style-type: none"> • Retirement plan election • Contribution continues to surviving spouse 												
<ul style="list-style-type: none"> ■ Dental 	<ul style="list-style-type: none"> • Self-insured • County pays up to retiree only basic plan 												

³ Caps based on 90% Kaiser Bay Area premiums and frozen in 2016.

⁴ Deputy Sheriff's cap frozen in 2016. Investigators grandfathered retirees receive 90% Kaiser Bay Area premiums, reduced at Medicare eligibility age 65, and frozen in 2019 per County's 2020 contribution.



January 26, 2024



BENEFIT SUMMARY

<p>■ Other</p>	<p>• No vision, life, & Medicare Part B paid by County</p>			
<p>■ Pay-As-You-Go (Cash Only, Amounts in 000's)</p>	<p><u>Fiscal Year</u></p>	<p><u>Medical</u></p>	<p><u>Dental⁵</u></p>	<p><u>Total</u></p>
	2021/22	n/a	n/a	\$ 5,220
	2020/21	n/a	n/a	5,240
	2019/20	4,811	455	5,266
	2018/19	4,559	509	5,068
	2017/18	n/a	n/a	4,293
	2016/17	n/a	n/a	4,351
	2015/16	n/a	n/a	4,012
	2014/15	3,863	423	4,286
	2013/14	3,678	427	4,104
	2012/13	3,289	406	3,695
	2011/12	3,466	386	3,852
	2010/11	3,110	352	3,462
	2009/10	2,534	330	2,864
<p>■ Changes from Prior Valuation</p>	<p>• Monthly cap for Probation group increased from \$266 to \$400 effective 6/1/21</p>			

⁵ Retiree only costs.



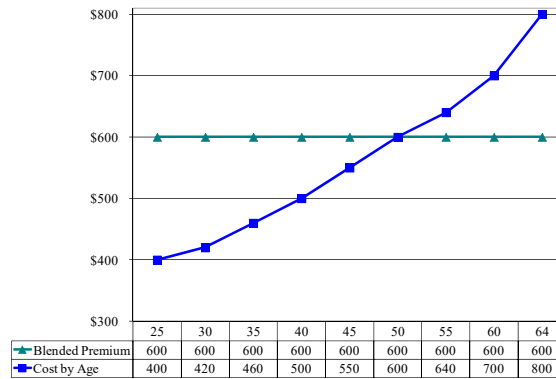
BENEFIT SUMMARY

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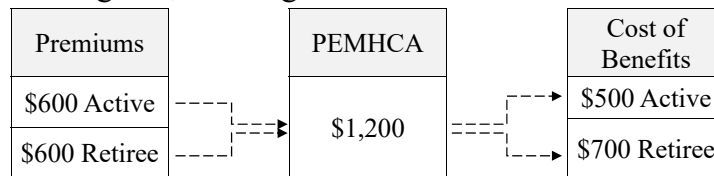


IMPLICIT SUBSIDY

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



- Sample active age 40, retire age 60:



January 26, 2024



IMPLICIT SUBSIDY

- GASB defers to Actuarial Standards of Practice
- Actuarial Standards of Practice No. 6⁶ (ASOP 6) requires implicit subsidy valued for community rated plans such as PEMHCA.
- Valuations on and after June 30, 2014 include the implicit subsidy.

⁶ Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Plan Costs or Contributions.



January 26, 2024



PARTICIPANT STATISTICS

Actives

	6/30/12	6/30/14	6/30/16	6/30/18	6/30/20	6/30/22
■ Count						
• Miscellaneous	963	1,033	1,138	1,171	1,206	1,280
• Safety	<u>292</u>	<u>281</u>	<u>289</u>	<u>279</u>	<u>275</u>	<u>266</u>
• Total	1,255	1,314	1,427	1,450	1,481	1,546
■ Averages						
• Age	43.9	43.5	42.7	42.3	42.4	42.2
• County Service	9.9	9.9	9.3	9.3	9.1	9.0
• Salary	\$ 64,000	\$ 63,700	\$ 67,100	\$ 71,800	\$ 80,200	\$76,000
■ Total Salary (000's) ⁷	80,292	83,753	95,781	104,138	118,796	117,522

⁷ Total and average salary are for the 12 months preceding the valuation date.



January 26, 2024

7



PARTICIPANT STATISTICS

Retirees

	6/30/12	6/30/14	6/30/16	6/30/18	6/30/20	6/30/22
■ Count						
• Miscellaneous	542	572	583	612	663	673
• Safety	<u>85</u>	<u>95</u>	<u>102</u>	<u>121</u>	<u>126</u>	<u>127</u>
• Total (w/Medical)	627	667	685	733	789	800
• Dental Only ⁸	<u>295</u>	<u>308</u>	<u>294</u>	<u>256</u>	<u>348</u>	<u>356</u>
• Total	922	975	979	989	1,137	1,156
■ Averages						
• Age (w/Medical)	69.0	69.5	70.3	70.4	70.8	71.7
• Ret. Age (service)						
➤ Miscellaneous	60.1	60.1	60.2	60.3	59.9	59.9
➤ Safety	57.5	57.7	58.0	56.7	56.7	56.4

⁸ 6/30/20 and 6/30/22 retiree dental coverage information is not available. Count of retirees without medical is listed instead.



January 26, 2024

8



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

PARS Fund Options

	Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
■ Target Allocation <ul style="list-style-type: none"> • Equity 15% • Fixed Income 80% • Cash 5% • Total 100% 					
<ul style="list-style-type: none"> • Equity 30% • Fixed Income 65% • Cash 5% • Total 100% 					
<ul style="list-style-type: none"> • Equity 50% • Fixed Income 45% • Cash 5% • Total 100% 					
<ul style="list-style-type: none"> • Equity 60% • Fixed Income 35% • Cash 5% • Total 100% 					
<ul style="list-style-type: none"> • Equity 75% • Fixed Income 20% • Cash 5% • Total 100% 					
■ Median Return	4.00%	4.50%	5.50%	5.75%	6.25%
■ Confidence Level					
• 50%	4.00%	4.50%	5.50%	5.75%	6.25%
• 55%	3.75%	4.50%	5.25%	5.50%	6.00%
• 60%	3.75%	4.25%	5.00%	5.25%	5.50%



January 26, 2024



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	June 30, 2020 Valuation	June 30, 2022 Valuation
■ Valuation Date	<ul style="list-style-type: none"> • June 30, 2020 • 2021/22 & 2022/23 	<ul style="list-style-type: none"> • June 30, 2022 • 2023/24 & 2024/25
■ Trust	<ul style="list-style-type: none"> • PARS – Capital Appreciation 	<ul style="list-style-type: none"> • Same
■ Funding Policy	<ul style="list-style-type: none"> • 2020/21 <ul style="list-style-type: none"> ➢ 7.8% contribution (Full ADC 8.8%) • 2021/22+ <ul style="list-style-type: none"> ➢ Full ADC 	<ul style="list-style-type: none"> • Full ADC
■ Discount Rate	<ul style="list-style-type: none"> • 6.75% 	<ul style="list-style-type: none"> • 6.25%
■ General Inflation	<ul style="list-style-type: none"> • 2.75% 	<ul style="list-style-type: none"> • 2.50%
■ Payroll Increase	<ul style="list-style-type: none"> • Aggregate Increases – 3.0% • Merit Increases – CalPERS 1997-2015 Experience Study 	<ul style="list-style-type: none"> • Aggregate Increases – 2.75% • Merit Increases – CalPERS 2000-2019 Experience Study
■ Cap Increases⁹	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Same

⁹ Assumption based on guidance from County.



January 26, 2024



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	June 30, 2020 Valuation				June 30, 2022 Valuation					
■ Medical Trend	<u>Increase from Prior Year</u>				<u>Increase from Prior Year</u>					
		<u>Non</u>		<u>Medicare</u>			<u>Non</u>		<u>Medicare</u>	
	<u>Year</u>	<u>Medicare</u>	<u>Kaiser</u>	<u>Other</u>	<u>Year</u>	<u>Medicare</u>	<u>Kaiser</u>	<u>Other</u>		
	2020-2021	Actual Premiums			2020-2021	n/a				
	2022	7.00%	5.00%	6.10%	2022	Actual Premiums				
	2023	6.75%	4.85%	5.90%	2023	Actual Premiums				
	2024	6.50%	4.70%	5.70%	2024	8.50%	6.25%	7.50%		
	2025	6.25%	4.60%	5.50%	2025	8.50%	6.25%	7.50%		
	↓	↓	↓	↓	↓	↓	↓	↓		
	2031-2035	5.05%	4.25%	4.60%	2031	5.05%	4.65%	4.85%		
	2036-2045	4.90%	4.20%	4.50%	2032-2038	4.45%	4.45%	4.45%		
	2046-2055	4.75%	4.15%	4.45%	2039-2040	4.35%	4.35%	4.35%		
	2056-2065	4.60%	4.10%	4.40%	2041	4.30%	4.30%	4.30%		
	2066-2075	4.30%	4.05%	4.20%	↓	↓	↓	↓		
2076+	4.00%	4.00%	4.00%	2076+	3.45%	3.45%	3.45%			

For Elected officials, highest County payment assumed to not increase.



January 26, 2024



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	June 30, 2020 Valuation		June 30, 2022 Valuation		
■ Marital Status	<ul style="list-style-type: none"> Currently covered: same as current marital status Currently waived: 25% married 		<ul style="list-style-type: none"> Future retirees: 40% will have spouse coverage at retirement Current retirees: based on current coverage 		
■ Participation at Retirement	<ul style="list-style-type: none"> Supervisor: 90% Non-supervisor: 80% 		Ret.	<u>Year</u>	<u>Supervisor</u> <u>Non-Supervisor</u>
			2023	90%	80%
			↓	↓	↓
			2037	80%	66%
			↓	↓	↓
			2052	70%	51%
			2053+	70%	50%
■ Mortality, Termination, Disability	<ul style="list-style-type: none"> CalPERS 1997-2015 Experience Study Mortality projected fully generational with Scale MP-2019 		<ul style="list-style-type: none"> CalPERS 2000-2019 Experience Study Society of Actuaries Mortality Improvement Scale MP-2021 		



January 26, 2024



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	June 30, 2020 Valuation	June 30, 2022 Valuation																																								
■ Service Retirement	<ul style="list-style-type: none"> CalPERS 1997-2015 Experience Study 	<ul style="list-style-type: none"> CalPERS 2000-2019 Experience Study 																																								
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;"><u>Safety</u></td> <td style="text-align: center;"><u>Safety – Sheriffs</u></td> <td style="text-align: center;"><u>Misc</u></td> <td></td> <td style="text-align: center;"><u>Safety</u></td> <td style="text-align: center;"><u>Safety – Sheriffs</u></td> <td style="text-align: center;"><u>Misc</u></td> </tr> <tr> <td>Tier 1</td> <td style="text-align: center;">3%@55</td> <td style="text-align: center;">3%@50</td> <td style="text-align: center;">2.5%@55</td> <td>Tier 1</td> <td style="text-align: center;">3%@55</td> <td style="text-align: center;">3%@50</td> <td style="text-align: center;">2.5%@55</td> </tr> <tr> <td>ERA</td> <td style="text-align: center;">≈ 56.1</td> <td style="text-align: center;">≈ 55.0</td> <td style="text-align: center;">≈ 60.0</td> <td>ERA</td> <td style="text-align: center;">≈ 56.7</td> <td style="text-align: center;">≈ 53.2</td> <td style="text-align: center;">≈ 58.5</td> </tr> <tr> <td>PEPRA</td> <td style="text-align: center;">2.7%@57</td> <td style="text-align: center;">2.7%@57</td> <td style="text-align: center;">2%@62</td> <td>PEPRA</td> <td style="text-align: center;">2.7%@57</td> <td style="text-align: center;">2.7%@57</td> <td style="text-align: center;">2%@62</td> </tr> <tr> <td>ERA</td> <td style="text-align: center;">≈ 61.9</td> <td style="text-align: center;">≈ 56.6</td> <td style="text-align: center;">≈ 57.3</td> <td>ERA</td> <td style="text-align: center;">≈ 57.4</td> <td style="text-align: center;">≈ 57.4</td> <td style="text-align: center;">≈ 61.7</td> </tr> </table>		<u>Safety</u>	<u>Safety – Sheriffs</u>	<u>Misc</u>		<u>Safety</u>	<u>Safety – Sheriffs</u>	<u>Misc</u>	Tier 1	3%@55	3%@50	2.5%@55	Tier 1	3%@55	3%@50	2.5%@55	ERA	≈ 56.1	≈ 55.0	≈ 60.0	ERA	≈ 56.7	≈ 53.2	≈ 58.5	PEPRA	2.7%@57	2.7%@57	2%@62	PEPRA	2.7%@57	2.7%@57	2%@62	ERA	≈ 61.9	≈ 56.6	≈ 57.3	ERA	≈ 57.4	≈ 57.4	≈ 61.7	
		<u>Safety</u>	<u>Safety – Sheriffs</u>	<u>Misc</u>		<u>Safety</u>	<u>Safety – Sheriffs</u>	<u>Misc</u>																																		
	Tier 1	3%@55	3%@50	2.5%@55	Tier 1	3%@55	3%@50	2.5%@55																																		
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PEPRA	2.7%@57	2.7%@57	2%@62	PEPRA	2.7%@57	2.7%@57	2%@62																																			
ERA	≈ 61.9	≈ 56.6	≈ 57.3	ERA	≈ 57.4	≈ 57.4	≈ 61.7																																			
■ Dental Claims¹⁰	<ul style="list-style-type: none"> \$36/month 	<ul style="list-style-type: none"> \$35/month (includes 10% load for the expected increase in utilization after Covid-19) 																																								

¹⁰ Basic plan retiree only



January 26, 2024



ACTUARIAL METHODS

Method	June 30, 2020 Valuation	June 30, 2022 Valuation
■ Cost Method	<ul style="list-style-type: none"> Entry Age Normal 	<ul style="list-style-type: none"> Same
■ Amortization Method	<ul style="list-style-type: none"> Level percent of payroll 	<ul style="list-style-type: none"> Same
■ Actuarial Value of Assets	<ul style="list-style-type: none"> Investment gains and losses spread over a 5-yr open period Not less than 80% nor more than 120% of market value 	<ul style="list-style-type: none"> Same
■ Amortization Period	<ul style="list-style-type: none"> 6/30/21 UAAL – 12-year fixed (closed) period 	<ul style="list-style-type: none"> 6/30/21 UAAL – 12-year fixed (closed) period (10 years remaining) Gains/Losses – 15-year fixed (closed) period
■ Future New Entrants	<ul style="list-style-type: none"> None – closed group 	<ul style="list-style-type: none"> Same



January 26, 2024



ASSETS

Market Value of Plan Assets

(Amounts in 000's)

	16/17 ¹¹	17/18	18/19	19/20	20/21	21/22	Projected 22/23 ¹²
■ Market Value (Beginning of Year)	\$4,282	\$6,655	\$11,383	\$15,968	\$19,888	\$31,116	\$30,496
• Contributions	4,376	4,055 ¹³	3,737	3,579	4,060	4,714	4,836
• Audited Assets Adjustment	(2,494)	-	-	-	-	-	-
• Benefit Payments	-	-	-	-	-	-	-
• Expenses							
➢ Admin	(23)	(22)	(29)	(37)	(48)	(58)	(61)
➢ Investment	-	(25)	(35)	(40)	(51)	(62)	-
• Investment Earnings	515	720	912	419	7,267	(5,214)	2,053
■ Market Value (End of Year)	6,655	11,383	15,968	19,888	31,116	30,496	37,324
■ Approximate Return	11.7%	8.3%	6.8%	2.1%	32.7%	(15.9)%	6.25%

¹¹ Based on audited asset statement.

¹² Based on actual 6/30/22 assets and 2022/23 contributions projected forward a year with 6.25% annual return.

¹³ Does not include contribution made August 2018, which was reported as 17/18 contribution for GASBS 75.



January 26, 2024



ASSETS

Actuarial Value of Plan Assets

(Amounts in 000's)

	16/17	17/18	18/19	19/20	20/21	21/22	Projected 22/23
■ Actuarial Value (Beginning of Year)	\$4,393	\$6,597	\$11,229	\$15,833	\$20,445	\$27,008	\$32,995
• Contributions	4,376	4,055	3,737	3,579	4,060	4,714	4,836
• Auditor Asset Adjustment	(2,494)	-	-	-	-	-	-
• Benefit Payments	-	-	-	-	-	-	-
• Credited Return	322	577	867	1,032	2,503	1,273	1,618
■ Actuarial Value (End of Year)	6,597	11,229	15,833	20,445	27,008	32,995	39,449
■ Approximate Return	5.9%	7.0%	7.0%	6.0%	11.3%	4.6%	4.7%



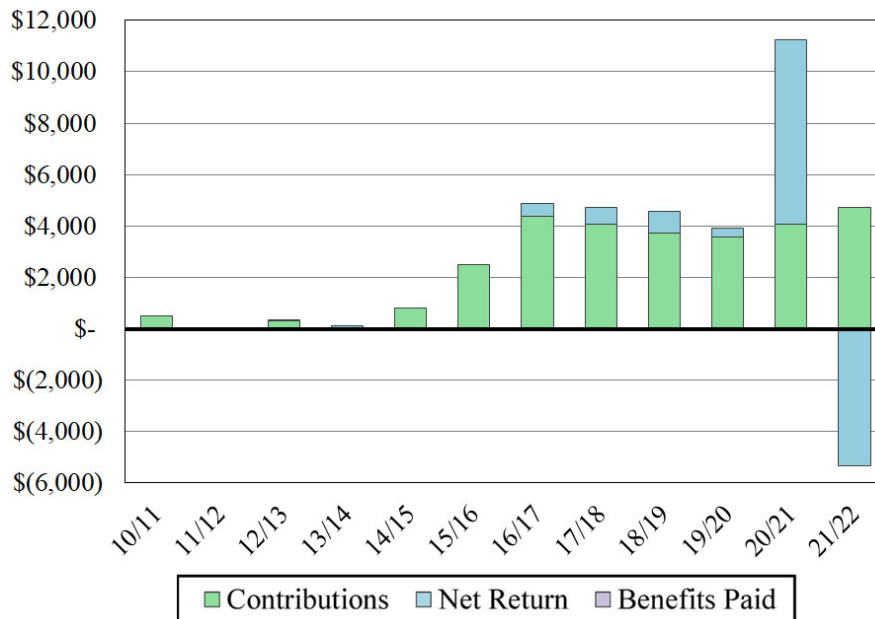
January 26, 2024



ASSETS

Historical Asset Changes¹⁴

(Amounts in 000's)



¹⁴ Excludes 2013/14 \$4.1 million contribution that was then withdrawn that year to pay benefit payments.

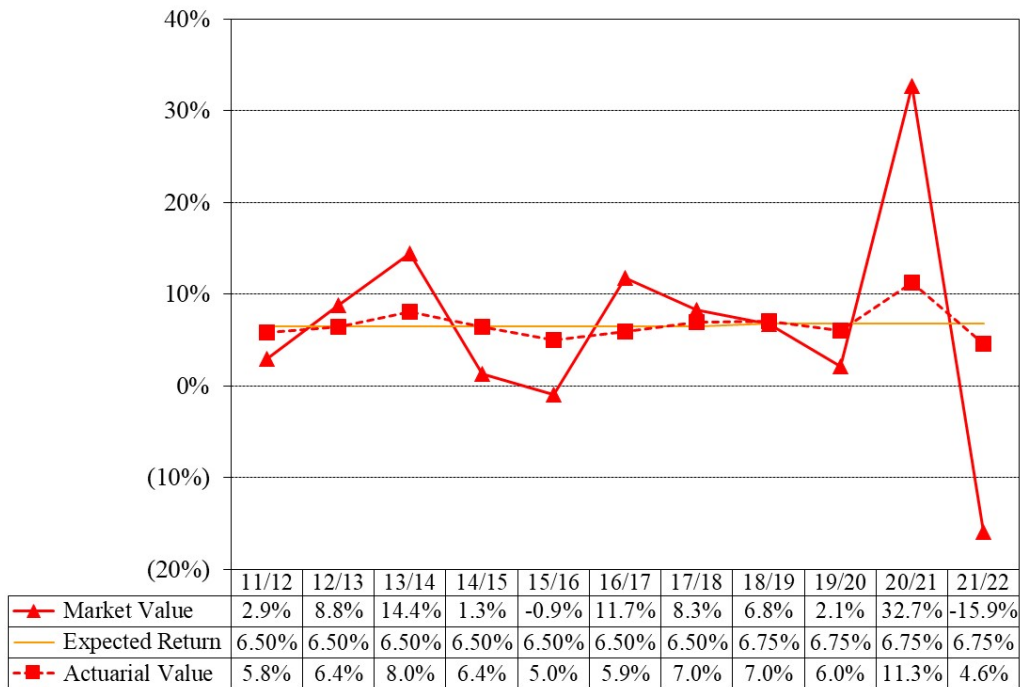


January 26, 2024



ASSETS

Historical Returns



January 26, 2024



RESULTS

Funded Status (Amounts in 000's)

	6/30/20 Valuation	6/30/22 Valuation
■ Present Value of Benefits <ul style="list-style-type: none"> • Actives • Retirees • Total 	\$ 55,684 <u>54,377</u> 110,061	\$51,158 <u>53,153</u> 104,311
■ Actuarial Accrued Liability (AAL) <ul style="list-style-type: none"> • Actives • Retirees • Total 	31,248 <u>54,377</u> 85,625	28,894 <u>53,153</u> 82,047
■ AVA	<u>20,445</u>	<u>32,995</u>
■ Unfunded AAL	65,180	49,052
■ Funded% <ul style="list-style-type: none"> • AVA/AAL • MVA/AAL 	23.9% 23.2%	40.2% 37.2%

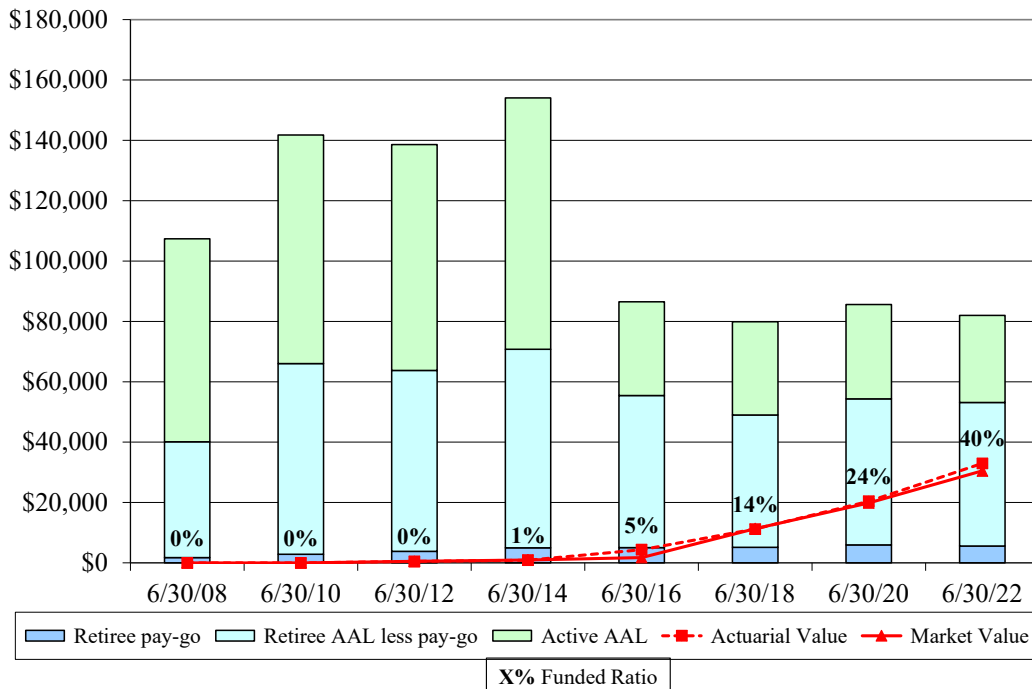


January 26, 2024



RESULTS

Historical Funded Status (Amounts in 000's)



January 26, 2024



RESULTS

Actuarial Accrued Liability Gain/Loss

(Amounts in 000's)

■ 6/30/20 Actual		\$85,625
■ 6/30/22 Expected		90,181
Plan Experience	<ul style="list-style-type: none"> • Premiums/PEMHCA minimum < expected • Demographic & Other¹⁵ 	(3,811) (3,321)
Benefit Changes	<ul style="list-style-type: none"> • Probation cap from \$266 to \$400 	290
Assumption Changes	<ul style="list-style-type: none"> • Removal of implicit subsidy for Medicare advantage plans • CalPERS 2000 – 2019 experience study • Mortality improvement MP-2021 • Inflation lowered by 0.25% • New medical and PEMHCA minimum trend • Discount rate change • Marital status change • Participation 	(552) (503) (216) 1,573 1,304 2,113 (1,927) (3,084)
■ Total Liability (Gain)/Loss		(8,134)
■ 6/30/22 Actual		82,047

¹⁵ Primarily due to active employee terminations and retiree deaths higher than expected.



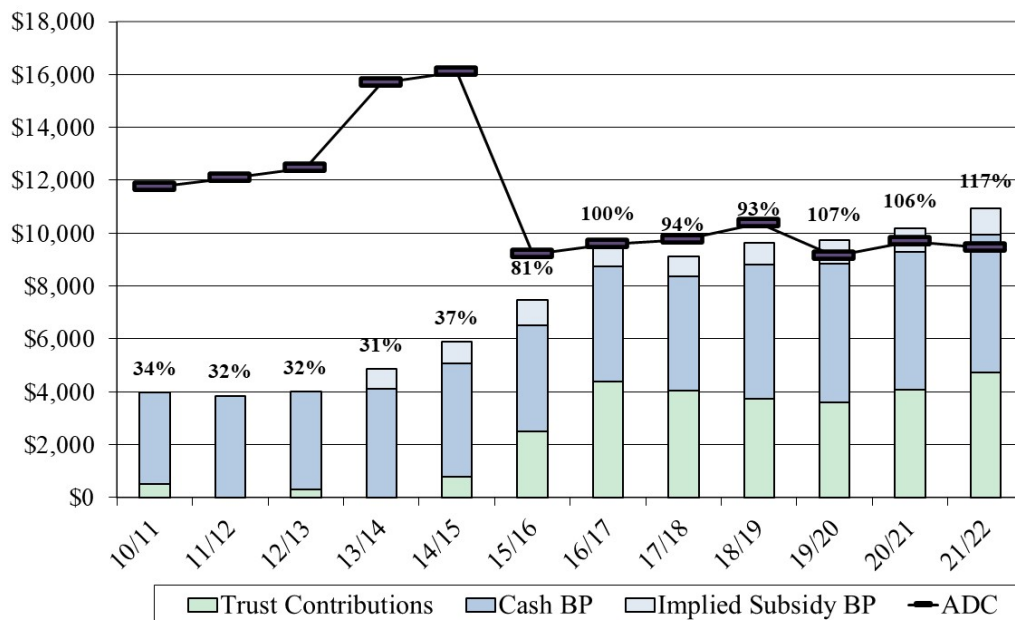
January 26, 2024



RESULTS

Historical Contributions and ADC

(Amounts in 000's)



Percentage of ADC Contributed



January 26, 2024



RESULTS

Actuarially Determined Contributions (ADC)

(Amounts in 000's)

	6/30/20 Valuation		6/30/22 Valuation	
	2021/22	2022/23	2023/24	2024/25
■ ADC - \$				
• Normal Cost	\$ 2,764	\$ 2,847	\$2,600	\$2,672
• Admin. Expense	75	88	91	103
• UAAL Amortization	<u>6,617</u>	<u>6,816</u>	<u>5,770</u>	<u>5,967</u>
• Total	9,456	9,751	8,461	8,742
■ Projected Payroll	122,360	126,031	124,075	127,487
■ ADC - %				
• Normal Cost	2.3%	2.3%	2.1%	2.1%
• Admin. Expense	0.1%	0.1%	0.1%	0.1%
• UAAL Amortization	<u>5.4%</u>	<u>5.4%</u>	<u>4.7%</u>	<u>4.7%</u>
• Total	7.7%	7.7%	6.9%	6.9%



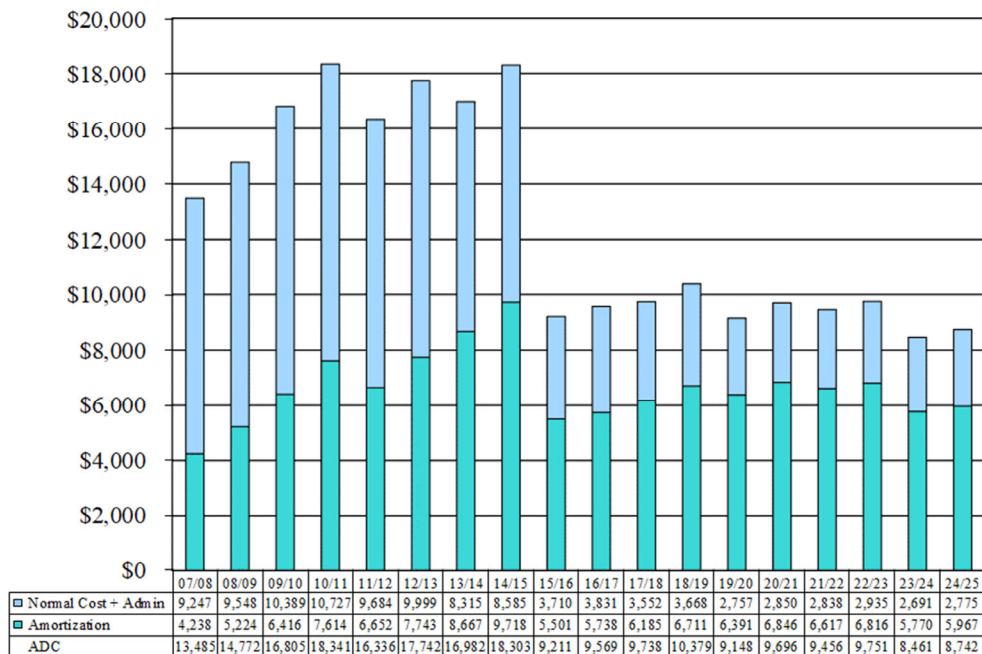
January 26, 2024



RESULTS

Actuarially Determined Contribution

(Amounts in 000's)



January 26, 2024



RESULTS

Amortization Bases & Payments

(Amounts in 000's)

Amortization Bases	6/30/2020 Valuation		6/30/2022 Valuation	
	6/30/2021	6/30/2022	6/30/2023	6/30/2024
■ Initial UAAL	\$63,616	\$61,073	\$58,153	\$54,637
■ (Gains)/Losses & Assumption Changes • 2022 Valuation	-	-	(13,578)	(12,773)
■ Total	63,616	61,073	44,575	41,864

Amortization Payments	6/30/2020 Valuation		6/30/2022 Valuation	
	21/22	22/23	23/24	24/25
■ Initial UAAL	\$6,617	\$6,816	\$6,937	\$7,128
■ (Gains)/Losses & Assumption Changes • 2022 Valuation	-	-	(1,167)	(1,161)
■ Total	\$6,617	\$6,816	5,770	5,967
■ Average Amort. Period	12.0	11.0	9.1	8.1



January 26, 2024



RESULTS

Projected Contributions

(Amounts in 000's)

Fiscal Year	Benefit Payments				ADC	Trust Contrib.	Trust Contrib. % of Pay ¹⁶
	Cash	Implicit Subsidy	Admin. Expense	Total			
2023/24	\$4,729	\$774	\$15	\$5,518	\$8,461	\$2,943	2.4%
2024/25	4,818	871	17	5,706	8,742	3,036	2.4%
2025/26	4,922	962	19	5,903	9,023	3,120	2.4%
2026/27	5,051	1,066	20	6,137	9,306	3,169	2.4%
2027/28	5,151	1,222	22	6,395	9,592	3,197	2.3%
2028/29	5,208	1,322	24	6,554	9,881	3,327	2.3%
2029/30	5,291	1,419	25	6,735	10,175	3,440	2.4%
2030/31	5,353	1,584	27	6,964	10,474	3,510	2.3%
2031/32	5,429	1,666	28	7,123	10,780	3,657	2.4%
2032/33	5,493	1,680	29	7,202	11,092	3,890	2.5%

¹⁶ Based on 21/22 pay with 2.75% annual increase.



January 26, 2024



RESULTS

Cash & Implicit Subsidy

(Amounts in 000's)

	Cash Subsidy	Implicit Subsidy	Total
■ Present Value of Benefits			
• Actives	\$32,733	\$18,425	\$51,158
• Retirees	<u>48,287</u>	<u>4,866</u>	<u>53,153</u>
• Total	81,020	23,291	104,311
■ Actuarial Accrued Liability			
• Actives	18,622	10,272	28,894
• Retirees	<u>48,287</u>	<u>4,866</u>	<u>53,153</u>
• Total	66,909	15,138	82,047
■ Actuarial Value of Assets¹⁷	<u>26,907</u>	<u>6,088</u>	<u>32,995</u>
■ Unfunded AAL	40,002	9,050	49,052
■ 2023/24 Normal Cost	1,735	865	2,600
■ Admin. Expense	91	-	91
■ 2023/24 Pay-Go	4,729	774	5,503

¹⁷ Assets allocated based on AAL.



January 26, 2024



RESULTS

Cash & Implicit Subsidy

(Amounts in 000's)

	Cash Subsidy	Implicit Subsidy	Total
■ ADC - \$			
• Normal Cost	\$1,735	\$865	\$2,600
• Admin. Expense	91	-	91
• UAAL Amortization	<u>4,665</u>	<u>1,105</u>	<u>5,770</u>
• Total	6,491	1,970	8,461
■ Projected Payroll	124,075	124,075	124,075
■ ADC - %			
• Normal Cost	1.4%	0.7%	2.1%
• Admin Expense	0.1%	0.0%	0.1%
• UAAL Amortization	<u>3.8%</u>	<u>0.9%</u>	<u>4.7%</u>
• Total	5.3%	1.6%	6.9%



January 26, 2024



RESULTS

Funded Status by Agency

(Amounts in 000's)

	County	Habitat	First 5	LAFCO	Total ¹⁸
■ PVB					
• Actives	\$50,963	\$ -	\$107	\$88	\$51,158
• Retirees	<u>53,041</u>	<u>58</u>	<u>49</u>	<u>5</u>	<u>53,153</u>
• Total	104,004	58	156	93	104,311
■ AAL					
• Actives	28,792	-	44	58	28,894
• Retirees	<u>53,041</u>	<u>58</u>	<u>49</u>	<u>5</u>	<u>53,153</u>
• Total	81,833	58	93	63	82,047
■ AVA¹⁹	<u>32,910</u>	<u>23</u>	<u>37</u>	<u>25</u>	<u>32,995</u>
■ UAAL	48,923	35	56	38	49,052
■ 2023/24 Normal Cost	2,589	-	6	5	2,600
■ Admin. Expense	91	-	-	-	91
■ 2023/24 Pay-Go	5,492	5	4	2	5,503

¹⁸ Includes 2 LAFCO actives, 1 LAFCO retiree, 7 First Five actives, 1 First Five retiree, and 1 Habitat retiree.

¹⁹ Assets allocated based on AAL.



January 26, 2024



RESULTS

Actuarially Determined Contributions (ADC) by Agency

(Amounts in 000's)

	County	Habitat	First 5	LAFCO	Total
■ 2023/24 ADC - \$					
• Normal Cost	\$2,589	\$ -	\$6	\$5	\$2,600
• Admin. Expense	91	-	-	-	91
• UAAL Amort ²⁰	<u>5,754</u>	<u>4</u>	<u>7</u>	<u>5</u>	<u>5,770</u>
• Total	8,434	4	13	10	8,461
■ Projected Payroll	123,263	-	573	239	124,075
■ 2023/24 ADC - %					
• Normal Cost	2.1%	n/a	1.1%	2.2%	2.1%
• Admin. Expense	0.0%	n/a	0.0%	0.0%	0.1%
• UAAL Amort	<u>4.7%</u>	<u>n/a</u>	<u>1.2%</u>	<u>2.1%</u>	<u>4.7%</u>
• Total	6.8%	n/a	2.3%	4.3%	6.9%

²⁰ Allocated between employee groups in proportion to the AAL.



January 26, 2024



ACTUARIAL CERTIFICATION

This report presents the Yolo County Retiree Healthcare Plan (“Plan”) June 30, 2022 actuarial valuation. The purpose of this valuation is to:

- Determine the June 30, 2022 benefit obligations, and
- Calculate the 2023/24 and 2024/25 Actuarially Determined Contributions.

The report provides information intended for Plan funding purposes, but may not be appropriate for other purposes. Information provided in this report may be useful to the County for the Plan’s financial management. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes expected as part of the natural progression of the plan; and changes in plan provisions or applicable law. Actuarial models necessarily rely on the use of estimates and are sensitive to changes. Small variations in estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of such measurements.

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

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

Respectfully submitted,



Doug Pryor, ASA, EA, MAAA
Foster & Foster, Inc.
January 26, 2024



Katherine Moore, ASA, MAAA
Foster & Foster, Inc.
January 26, 2024



January 26, 2024

31



ACTUARIAL CERTIFICATION

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January 26, 2024

32



PREMIUMS

2022 PEMHCA Monthly Premiums

Region 1

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem HMO Select	\$1,015.81	\$2,031.62	\$2,641.11	\$360.19	\$720.38	\$1,080.57
Anthem HMO Traditional	1,304.00	2,608.00	3,390.40	360.19	720.38	1,080.57
Blue Shield Access+	1,116.01	2,232.02	2,901.63	353.11	706.22	1,059.33
Blue Shield Trio	898.54	1,797.08	2,336.20	353.11	706.22	1,059.33
Health Net SmartCare	1,153.00	2,306.00	2,997.80	n/a	n/a	n/a
Kaiser Permanente	857.06	1,714.12	2,228.36	302.53	605.06	907.59
UnitedHealthcare	1,020.28	2,040.56	2,652.73	n/a	n/a	n/a
UnitedHealthcare MA	n/a	n/a	n/a	294.65	589.30	883.95
UnitedHealthcare MA Edge	n/a	n/a	n/a	347.21	694.42	1,041.63
Western Health Advantage	741.26	1,482.52	1,927.28	314.94	629.88	944.82
Anthem EPO del Norte	1,057.01	2,114.02	2,748.23	n/a	n/a	n/a
PERS Platinum	1,057.01	2,114.02	2,748.23	381.94	763.88	1,145.82
PERS Gold	701.23	1,402.46	1,823.20	377.41	754.82	1,132.23
PORAC	799.00	1,725.00	2,219.00	461.00	919.00	1,471.00



January 26, 2024

E-1



PREMIUMS

2023 PEMHCA Monthly Premiums

Region 1

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem HMO Select	\$1,128.83	\$2,257.66	\$2,934.96	\$413.59	\$827.18	\$1,240.77
Anthem HMO Traditional	1,210.71	2,421.42	3,147.85	413.59	827.18	1,240.77
Blue Shield Access+	1,035.21	2,070.42	2,691.55	361.90	723.80	1,085.70
Blue Shield Trio	888.94	1,777.88	2,311.24	361.90	723.80	1,085.70
Health Net SmartCare	1,174.50	2,349.00	3,053.70	n/a	n/a	n/a
Kaiser Permanente	913.74	1,827.48	2,375.72	283.25	566.50	849.75
UnitedHealthcare	1,044.07	2,088.14	2,714.58	n/a	n/a	n/a
UnitedHealthcare MA	n/a	n/a	n/a	299.68	599.36	899.04
UnitedHealthcare MA Edge	n/a	n/a	n/a	357.70	715.40	1,073.10
Western Health Advantage	760.17	1,520.34	1,976.44	331.11	662.22	993.33
Anthem EPO del Norte	1,200.12	2,400.24	3,120.31	n/a	n/a	n/a
PERS Platinum	1,200.12	2,400.24	3,120.31	420.02	840.04	1,260.06
PERS Gold	825.61	1,651.22	2,146.59	392.71	785.42	1,178.13
PORAC	825.00	1,875.00	2,300.00	465.00	1,030.00	1,395.00



January 26, 2024

E-2



DATA SUMMARY

June 30, 2022

	Misc	Safety	Total
■ Actives			
• Count	1,280	266	1,546
• Average age	42.4	41.3	42.2
• Average County service	8.5	11.3	9.0
• Average pay	\$73,400	\$88,700	\$76,000
• Total payroll (000's)	93,933	23,589	117,522
■ Retirees			
• Counts			
➤ Medical Under 65	142	45	187
➤ Medical Over 65	<u>531</u>	<u>82</u>	<u>613</u>
➤ Total Medical	673	127	800
➤ Waived Medical ²¹	<u>273</u>	<u>83</u>	<u>356</u>
➤ Total	946	210	1,156
• Average age (medical)	72.2	69.2	71.7
• Average ret age (service)	59.9	56.4	59.4

²¹ All retirees not currently covered in medical. Dental coverage information is not available in retiree data.



DATA SUMMARY

June 30, 2020

	Misc	Safety	Total
■ Actives			
• Count	1,206	275	1,481
• Average age	42.7	40.8	42.4
• Average County service	8.8	10.8	9.1
• Average pay	\$ 78,100	\$ 89,600	\$ 80,200
• Total payroll (000's)	94,169	24,627	118,796
■ Retirees			
• Counts			
➤ Medical Under 65	167	48	215
➤ Medical Over 65	<u>496</u>	<u>78</u>	<u>574</u>
➤ Total Medical	663	126	789
➤ Waived Medical ²²	<u>269</u>	<u>79</u>	<u>348</u>
➤ Total	932	205	1,137
• Average age (medical)	71.2	68.7	70.8
• Average ret age (service)	59.9	56.7	59.4

²² All retirees not currently covered in medical. Dental coverage information is not available in retiree data.



DATA SUMMARY

June 30, 2022

	County	Habitat	Children's Alliance	First 5	LAFCO	Total
■ Actives						
• Count	1,537	-	-	7	2	1,546
• Average age	42.2	n/a	n/a	38.5	59.1	42.2
• Average County svc.	9.0	n/a	n/a	4.4	16.2	9.0
• Average pay	\$76,000	n/a	n/a	\$77,500	\$113,200	\$76,000
• Total payroll (000's)	116,753	n/a	n/a	543	226	117,522
■ Retirees						
• Count	1,153	1	-	1	1	1,156
• Average age	71.9	69.9	n/a	71.9	67.7	71.9
• Average ret age (svc.)	59.4	60.0	n/a	66.4	54.9	59.4



January 26, 2024

E-5



DATA SUMMARY

June 30, 2020

	County	Habitat	Children's Alliance	First 5	LAFCO	Total
■ Actives						
• Count	1,476	-	-	3	2	1,481
• Average age	42.3	n/a	n/a	40.5	57.1	42.4
• Average County svc.	9.1	n/a	n/a	5.8	14.2	9.1
• Average pay	\$80,100	n/a	n/a	\$100,200	\$110,400	\$80,200
• Total payroll (000's)	118,274	n/a	n/a	301	221	118,796
■ Retirees						
• Count	1,133	1	-	1	2	1,137
• Average age	71.3	67.9	n/a	69.9	63.1	71.2
• Average ret age (svc.)	59.4	60.0	n/a	66.4	55.9	59.4



January 26, 2024

E-6



DATA SUMMARY

Medical Plan Participation
Non-Waived Participants
June 30, 2022

Medical Plan	Actives	Retirees	
		< 65	≥ 65
Anthem Select	2%	1%	3%
Anthem Traditional	0%	0%	1%
Blue Shield Access+	2%	4%	0%
Blue Shield Trio	1%	2%	0%
Health Net SmartCare	0%	1%	0%
Kaiser	49%	32%	27%
UnitedHealthcare	5%	9%	39%
Western Health Advantage	32%	25%	1%
PERS Platinum	3%	23%	29%
PERS Gold	5%	3%	0%
PORAC	1%	0%	0%
Total	100%	100%	100%



January 26, 2024

E-7



DATA SUMMARY

Medical Plan Participation
Non-Waived Participants
June 30, 2020

Medical Plan	Actives	Retirees	
		< 65	≥ 65
Anthem Select	1%	0%	0%
Anthem Traditional	0%	1%	2%
Blue Shield Access+	3%	8%	0%
Blue Shield Trio	1%	2%	0%
Health Net SmartCare	0%	1%	0%
Kaiser	55%	32%	29%
UnitedHealthcare	5%	10%	40%
Western Health Advantage	27%	24%	0%
PERS Choice	4%	16%	19%
PERS Select	3%	4%	0%
PERSCare	1%	2%	10%
PORAC	0%	0%	0%
Total	100%	100%	100%



January 26, 2024

E-8



DATA SUMMARY

Active Medical Coverage

Medical Plan	Single	2-Party	Family	Waived	Total
Anthem Select	9	2	9	-	20
Anthem Traditional	2	-	1	-	3
Blue Shield Access+	10	4	11	-	25
Blue Shield Trio	7	2	1	-	10
Kaiser	223	123	232	-	578
UnitedHealthcare	28	12	24	-	64
Western Health Advantage	156	63	153	-	372
PERS Platinum	16	6	11	-	33
PERS Gold	33	11	16	-	60
PORAC	1	2	4	-	7
Waived	-	-	-	374	374
Total	485	225	462	374	1,546



January 26, 2024

E-9



DATA SUMMARY

Retiree Medical Coverage
Under Age 65

Medical Plan	Single	2-Party	Family	Waived	Total
Anthem Select	1	-	-	-	1
Blue Shield Access+	4	3	-	-	7
Blue Shield Trio	3	1	-	-	4
Health Net SmartCare	1	-	-	-	1
Kaiser	42	12	6	-	60
UnitedHealthcare	8	8	1	-	17
Western Health Advantage	29	14	4	-	47
PERS Platinum	28	12	4	-	44
PERS Gold	4	-	2	-	6
Waived	-	-	-	94	94
Total	120	50	17	94	281



January 26, 2024

E-10



DATA SUMMARY

Retiree Medical Coverage
Over Age 65

Medical Plan	Single	2-Party	Family	Waived	Total
Anthem Select	12	3	-	-	15
Anthem Traditional	-	4	-	-	4
Blue Shield Access+	2	1	-	-	3
Kaiser	99	65	3	-	167
Sharp	1	-	-	-	1
UnitedHealthcare	157	81	2	-	240
Western Health Advantage	3	1	-	-	4
PERS Platinum	122	54	1	-	177
PERS Gold	-	1	-	-	1
PORAC	-	1	-	-	1
Waived	-	-	-	262	262
Total	396	211	6	262	875



January 26, 2024

E-11



DATA SUMMARY

Actives by Age and County Service
Miscellaneous

Age	County Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	23	15	-	-	-	-	-	38
25-29	47	72	9	-	-	-	-	128
30-34	37	118	56	3	-	-	-	214
35-39	25	67	72	19	21	-	-	204
40-44	13	54	55	28	27	18	1	196
45-49	7	30	36	23	43	21	1	161
50-54	8	35	19	17	22	40	17	158
55-59	4	20	14	9	21	22	18	108
60-64	1	10	10	5	6	11	4	47
≥ 65	2	3	5	6	5	2	3	26
Total	167	424	276	110	145	114	44	1,280



January 26, 2024

E-12



DATA SUMMARY

Actives by Age and County Service
Safety

Age	County Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	3	1	-	-	-	-	-	4
25-29	10	18	2	-	-	-	-	30
30-34	-	8	26	1	-	-	-	35
35-39	2	17	12	12	4	-	-	47
40-44	-	10	8	8	23	5	-	54
45-49	1	3	9	5	16	15	3	52
50-54	1	1	2	3	10	5	9	31
55-59	-	-	3	2	3	-	2	10
60-64	-	-	2	-	-	-	1	3
≥ 65	-	-	-	-	-	-	-	-
Total	17	58	64	31	56	25	15	266



January 26, 2024

E-13



DATA SUMMARY

Retiree Medical Coverage by Age Group
Miscellaneous

Age	Single	2-Party	Family	Waived	Total
Under 50	-	-	1	-	1
50-54	4	2	2	8	16
55-59	34	12	4	24	74
60-64	53	28	2	28	111
65-69	81	49	2	46	178
70-74	106	63	2	45	216
75-79	66	40	1	49	156
80-84	44	18	1	35	98
Over 85	55	3	-	38	96
Total	443	215	15	273	946
Average Age	73.1	71.0	63.4	73.4	72.6



January 26, 2024

E-14



DATA SUMMARY

Retiree Medical Coverage by Age Group
Safety

Age	Single	2-Party	Family	Waived	Total
Under 50	1	-	1	3	5
50-54	3	1	1	7	12
55-59	13	4	6	11	34
60-64	12	3	-	13	28
65-69	13	7	-	6	26
70-74	12	11	-	20	43
75-79	10	10	-	13	33
80-84	8	5	-	5	18
Over 85	1	5	-	5	11
Total	73	46	8	83	210
Average Age	68.2	73.1	55.2	68.2	68.8



January 26, 2024

E-15



ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2020 Valuation	June 30, 2022 Valuation
<p>■ Waived Retiree Re-election</p>	<ul style="list-style-type: none"> • Use actual retiree data²³ • Pre-65: 5% re-elect at 65 • Post-65: 0% 	<ul style="list-style-type: none"> • Same
<p>■ Dental Participation at Retirement</p>	<ul style="list-style-type: none"> • Future retirees: 100% • Current retirees: 86%, current coverage not available 	<ul style="list-style-type: none"> • Future retirees: 100% • Current retirees: 87%, current coverage not available
<p>■ Dental Claim Increases</p>	<ul style="list-style-type: none"> • 3.00% 	<ul style="list-style-type: none"> • 2.75%
<p>■ Medical Plan at Retirement</p>	<ul style="list-style-type: none"> • Currently covered: same as current election • Currently waived: most popular plan 	<ul style="list-style-type: none"> • Same

²³ Assume retirees in General group when group information is not available



January 26, 2024

E-16



ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2020 Valuation	June 30, 2022 Valuation
■ CalPERS Service	<ul style="list-style-type: none"> • Actual CalPERS service 	<ul style="list-style-type: none"> • Same
■ CalPERS Premium Cap Calculations	<ul style="list-style-type: none"> • Assume correct caps apply • No adjustment for retroactive refund 	<ul style="list-style-type: none"> • Same
■ Future New Entrants	<ul style="list-style-type: none"> • None – closed group 	<ul style="list-style-type: none"> • Same
■ Spouse Age	<ul style="list-style-type: none"> • Males 3 years older than females if spouse birth date is unavailable 	<ul style="list-style-type: none"> • Same
■ Surviving Spouse Participation	<ul style="list-style-type: none"> • 100% participation 	<ul style="list-style-type: none"> • Same



January 26, 2024

E-17



ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2020 Valuation	June 30, 2022 Valuation
■ Dependents	<ul style="list-style-type: none"> • Actives: <ul style="list-style-type: none"> ➢ Miscellaneous: 10% ➢ Safety: 20% ➢ Temporary until age 65 • Retirees: current coverage 	<ul style="list-style-type: none"> • Same
■ Medicare Eligible Rate	<ul style="list-style-type: none"> • 100% • Everyone eligible for Medicare will elect Part B coverage 	<ul style="list-style-type: none"> • Same
■ Administrative Expenses	<ul style="list-style-type: none"> • PARS: 0.25% of assets included in the ADC • PEMHCA: 0.24% of premium included in the ADC 	<ul style="list-style-type: none"> • PARS: 0.20% of assets included in the ADC • PEMHCA: 0.25% of premium included in the ADC



January 26, 2024

E-18



ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2020 Valuation	June 30, 2022 Valuation
<ul style="list-style-type: none"> ■ Age-related Claims Costs for Medicare Advantage Plans 	<ul style="list-style-type: none"> • Included for Grandfathered retirees 	<ul style="list-style-type: none"> • Due to age-risk adjusted federal subsidies, no age-based costs were included for Medicare Advantage plans



January 26, 2024

E-19



ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2022 Valuation												
<ul style="list-style-type: none"> ■ Medical Claims Costs 2023 (Region 1) 	<ul style="list-style-type: none"> • Sample estimated monthly claims costs 												
		Anthem Select		Anthem Traditional		Blue Shield Access+		Blue Shield Trio		Health Net Smartcare		Kaiser	
	<u>Age</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>
	25	\$459	\$873	\$459	\$873	\$381	\$725	\$327	\$623	\$443	\$842	\$371	\$705
	35	537	903	537	903	446	749	383	643	518	871	434	728
	45	744	972	745	972	618	807	531	693	718	938	601	785
	55	1,231	1,235	1,231	1,235	1,022	1,025	878	880	1,188	1,191	993	996
	60	1,665	1,505	1,665	1,506	1,384	1,250	1,188	1,073	1,607	1,453	1,344	1,215
	64	2,041	1,752	2,041	1,752	1,696	1,455	1,457	1,250	1,970	1,691	1,647	1,414
		Medicare Eligible											
	65	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	85	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	95	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



January 26, 2024

E-20



ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2022 Valuation										
■ Medical Claims Costs 2023 (Region 1)	● Sample estimated monthly claims costs										
		<u>UnitedHealthcare</u>		<u>Western Health</u>		<u>PERS Platinum</u>		<u>PERS Gold</u>		<u>PORAC</u>	
	<u>Age</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>
	25	\$423	\$804	\$292	\$556	\$391	\$768	\$326	\$655	\$340	\$673
	35	495	832	342	575	460	796	386	680	401	697
	45	686	896	474	620	649	862	550	738	568	754
	55	1,134	1,138	785	787	1,106	1,111	953	958	971	973
	60	1,535	1,387	1,062	960	1,522	1,369	1,321	1,187	1,337	1,200
	64	1,881	1,615	1,301	1,117	1,875	1,600	1,632	1,389	1,648	1,403
		Medicare Eligible									
	65	n/a	n/a	n/a	n/a	396	345	387	337	440	380
	75	n/a	n/a	n/a	n/a	473	412	462	402	526	454
	85	n/a	n/a	n/a	n/a	484	428	473	419	538	473
	95	n/a	n/a	n/a	n/a	477	424	466	414	530	468



January 26, 2024

E-21



ACTUARIAL ASSUMPTIONS

■ Basis for Assumptions	<ul style="list-style-type: none"> ● No experience study performed for this Plan ● CalPERS 2000 to 2019 Experience Study was used ● Mortality improvement based on Society of Actuaries table ● Inflation based on the Plan's very long time horizon ● Medical trends were based on expectations over the short term blended into long term medical trends developed using the Society of Actuaries Getzen Model of Long-Run Medical Cost Trends ● Age-based claims costs were developed by Axene Health Partners based on demographic data provided by CalPERS, Axene's proprietary AHP Cost Model, and Society of Actuaries studies. ● Participation and coverage based in part on Plan experience ● Capital market assumptions based on 2021 Foster & Foster stochastic analysis, taking into account capital market assumptions of investment advisory firms
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January 26, 2024

E-22



ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2022 Valuation
■ Actuarial Models	• Our valuation was performed using and relying on ProVal, an actuarial model leased from Wintech. Our use of ProVal is consistent with its intended purpose. We have reviewed and understand ProVal and its operation, sensitivities and dependencies
■ Data Quality	• Our valuation used census data provided by the County and CalPERS OPEB data extract. We reviewed the data for reasonableness and resolved any questions with the County. We believe the resulting data can be relied on for all purposes of this valuation without limitation



ACTUARIAL ASSUMPTIONS

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DEFINITIONS

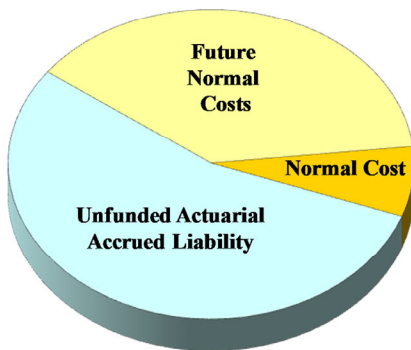
<p>■ OPEB Actuarial Valuation</p>	<ul style="list-style-type: none"> ■ Project future employer-provided benefit cash flows for current active employees and current retirees ■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used to pay benefits) and other actuarial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



DEFINITIONS

Present Value of Benefits

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



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

