



MARIN MUNICIPAL
WATER DISTRICT

BARTEL
ASSOCIATES, LLC

RETIREE HEALTHCARE PLAN

June 30, 2013 GASB 45 Actuarial Valuation

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Bartel Associates, LLC

August 27, 2014

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BENEFIT SUMMARY

<ul style="list-style-type: none"> ■ Eligibility 	<ul style="list-style-type: none"> ■ Retire directly from District under CalPERS (10+ years of continuous District service for dental) 																
<ul style="list-style-type: none"> ■ Medical Benefit 	<ul style="list-style-type: none"> ■ District pays premium up to cap (middle cost pre-Medicare Bay Area plan): <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th style="text-align: center;">2013</th> <th style="text-align: center;">2014</th> <th style="text-align: center;">2015</th> </tr> </thead> <tbody> <tr> <td>Plan</td> <td style="text-align: center;">Kaiser</td> <td style="text-align: center;">PERSCare</td> <td style="text-align: center;">PERSCare</td> </tr> <tr> <td>Employee</td> <td style="text-align: center;">\$ 668.63</td> <td style="text-align: center;">\$ 720.04</td> <td style="text-align: center;">\$ 775.08</td> </tr> <tr> <td>2-Party</td> <td style="text-align: center;">1,337.26</td> <td style="text-align: center;">1,440.08</td> <td style="text-align: center;">1,550.16</td> </tr> </tbody> </table>		2013	2014	2015	Plan	Kaiser	PERSCare	PERSCare	Employee	\$ 668.63	\$ 720.04	\$ 775.08	2-Party	1,337.26	1,440.08	1,550.16
	2013	2014	2015														
Plan	Kaiser	PERSCare	PERSCare														
Employee	\$ 668.63	\$ 720.04	\$ 775.08														
2-Party	1,337.26	1,440.08	1,550.16														
<ul style="list-style-type: none"> ■ Dental Benefit 	<ul style="list-style-type: none"> ■ Family dental coverage up to cap until age 65 ■ Cap: \$1,500 per individual covered up to total of \$3,000 																
<ul style="list-style-type: none"> ■ Surviving Spouse 	<ul style="list-style-type: none"> ■ 100% of retiree benefit continues to surviving spouse if retiree elects CalPERS survivor allowance 																
<ul style="list-style-type: none"> ■ Other OPEB 	<ul style="list-style-type: none"> ■ The District does not provide Medicare Part B Reimbursement, Non-PEMHCA Premium, Vision, and Life 																
<ul style="list-style-type: none"> ■ Implied Subsidy 	<ul style="list-style-type: none"> ■ Not currently required and not included 																



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BENEFIT SUMMARY

<ul style="list-style-type: none"> ■ Pay-As-You-Go 	<table style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Fiscal Year</th> <th style="text-align: left;">Amount</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>\$ 1,972,800</td> </tr> <tr> <td>2012/13</td> <td>1,901,800</td> </tr> <tr> <td>2011/12</td> <td>1,728,500¹</td> </tr> <tr> <td>2010/11</td> <td>1,564,200¹</td> </tr> <tr> <td>2009/10</td> <td>1,379,700²</td> </tr> <tr> <td>2008/09</td> <td>1,419,400</td> </tr> <tr> <td>2007/08</td> <td>1,355,900</td> </tr> </tbody> </table>	Fiscal Year	Amount	2013/14	\$ 1,972,800	2012/13	1,901,800	2011/12	1,728,500 ¹	2010/11	1,564,200 ¹	2009/10	1,379,700 ²	2008/09	1,419,400	2007/08	1,355,900
Fiscal Year	Amount																
2013/14	\$ 1,972,800																
2012/13	1,901,800																
2011/12	1,728,500 ¹																
2010/11	1,564,200 ¹																
2009/10	1,379,700 ²																
2008/09	1,419,400																
2007/08	1,355,900																

¹ 2010/11 & 2011/12 pay-as-you-go cost calculated based on contribution to trust assuming full ARC funding

² Reflects CalPERS 2 month PPO premium holiday



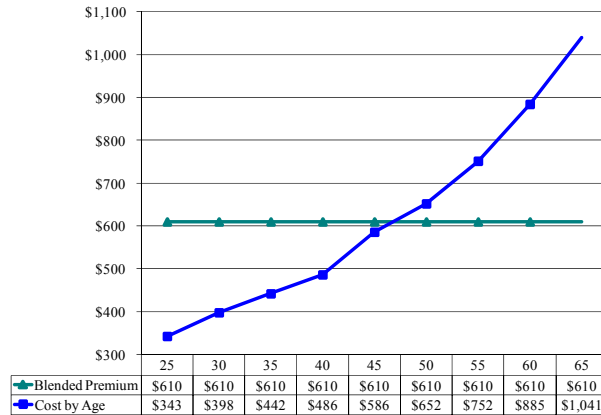
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IMPLIED SUBSIDY

■ Background

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



- GASB 45 defers to actuarial standards of practice.
- Current Actuarial Standards of Practice No. 6³ (ASOP 6) allows community rated plans to value liability using premiums, resulting in no implied subsidy.

³ Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Plan Costs or Contributions.



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IMPLIED SUBSIDY

■ Actuarial Standards Board has just released new version of ASOP 6:

- Requires implied subsidy valued for community rated plans such as PEMHCA.
- Mandatory for all valuations with measurement dates on or after March 31, 2015

■ Claims data requested from CalPERS, but not yet available

■ Bartel Associates developed estimated claims:

- Public agency client data used, approx 110,000 total participants & spouses
- 2014 PEMHCA premiums used to develop age/regional claims:
 - Relative age claims costs based on combination of 2013 SOA research paper “Health Care Costs-From Birth to Death” and GRS 2012 State of California GASB 45 actuarial report
 - Regional cost factors based on 2013 PEMHCA premiums
 - Plan risk based on participant demographics
 - 10% pre-65 disabilities assumed Medicare eligible

■ Valuation includes an implied subsidy



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PARTICIPANT STATISTICS

Actives

	1/1/07	1/1/09	6/30/10	6/30/12	6/30/13 ⁴
■ Count	255	253	254	225	225
■ Average:					
• Age	46.7	46.9	47.7	47.6	48.6
• Service	11.1	11.5	12.4	12.8	13.8
• CalPERS Service	11.8	12.3	13.2	13.5	14.5
• Pay	\$ 70,500	\$ 81,300	\$ 85,800	\$ 87,100	\$ 89,900
■ Total Payroll (000s)	17,967	20,581	21,789	19,600	20,234

⁴ 6/30/2012 data used fro 6/30/13 valuation. Pay increased with 3.25% aggregate pay increase assumption.



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PARTICIPANT STATISTICS

Retirees

	1/1/07	1/1/09	6/30/10	6/30/12	6/30/13 ⁵
■ Count					
• Receiving benefit					
> < 65	69	64	65	79	59
> ≥ 65	<u>93</u>	<u>105</u>	<u>110</u>	<u>124</u>	<u>144</u>
> Subtotal	162	169	175	203	203
• Not receiving benefit	<u>17</u>	<u>27</u>	<u>11</u>	<u>15</u>	<u>15</u>
• Total	179	196	186	218	218
■ Average					
• Age	67.6	69.1	70.0	69.9	70.9
• Retirement Age					
> Service retired	58.3	58.0	58.1	58.3	58.3
> Disabled retired	46.3	47.0	45.8	45.7	45.7

⁵ 6/30/2012 data used fro 6/30/13 valuation.



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2012 Valuation	June 30, 2013 Valuation
■ Valuation Date	<ul style="list-style-type: none"> ■ June 30, 2012 ■ 2014/15 	<ul style="list-style-type: none"> ■ June 30, 2013 ■ 2015/16 and 2016/17
■ Funding Policy	<ul style="list-style-type: none"> ■ Contribute full ARC (net of pay-go) to CERBT 	<ul style="list-style-type: none"> ■ Same
■ Discount Rate	<ul style="list-style-type: none"> ■ 7.25% pre-funded with CalPERS CERBT fund #1 ■ 7.61% maximum discount rate ■ 0.36% margin for adverse deviation 	<ul style="list-style-type: none"> ■ Same
■ Medical Cap Increase	<ul style="list-style-type: none"> ■ Non-Medicare Healthcare trend 	<ul style="list-style-type: none"> ■ Same
■ Mortality, Withdrawal, Disability	<ul style="list-style-type: none"> ■ CalPERS 1997-2007 Experience Study ■ Fully-generational Scale AA mortality improvement applied to post-retirement mortality 	<ul style="list-style-type: none"> ■ CalPERS 1997-2011 Experience Study ■ Fully-generational Scale AA mortality improvement applied to post-retirement mortality



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2012 Valuation			June 30, 2013 Valuation		
■ Healthcare Trend	Increase from Prior Year			Increase from Prior Year		
	<u>Non-Medicare</u>		<u>Medicare</u>	<u>Non-Medicare</u>		<u>Medicare</u>
	<u>Year</u>	<u>All Plans</u>	<u>All Plans</u>	<u>Year</u>	<u>All Plans</u>	<u>All Plans</u>
	2012	Actual Premiums		2012	n/a	
2013	Actual Premiums		2013	Actual Premiums		
2014	8.5%	8.9%	2014	Actual Premiums		
2015	8.0%	8.3%	2015	Actual Premiums		
2016	7.5%	7.8%	2016	7.5%	7.8%	
2017	7.0%	7.2%	2017	7.0%	7.2%	
2018	6.5%	6.7%	2018	6.5%	6.7%	
2019	6.0%	6.1%	2019	6.0%	6.1%	
2020	5.5%	5.6%	2020	5.5%	5.6%	
2021+	5.0%	5.0%	2021+	5.0%	5.0%	



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ASSETS

Market Value of Plan Assets

(Amounts in 000's)

	08/09	09/10	10/11	11/12	12/13	All
■ MVA (Beginning of Year)	\$ -	\$ 2,317	\$ 5,068	\$ 7,849	\$ 9,270	\$ -
• Employer Contribution	2,200	2,521	1,503	1,419	2,169	9,811
• Benefit Payments	-	-	-	-	-	-
• Administrative Expenses	(0)	(3)	(8)	(9)	(15)	(35)
• Investment Return	117	233	1,286	12	1,054	2,702
■ MVA (End of Year)	2,317	5,068	7,849	9,270	12,478	12,478
■ Approximate Annual Return	n/a	8.8%	25.2%	0.0%	11.3%	11.3% ⁶

⁶ Arithmetic average of 09/10 to 12/13 returns.



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ASSETS

Actuarial Value of Plan Assets

(Amounts in 000's)

	08/09	09/10	10/11	11/12	12/13
■ AVA (Beginning of Year)	\$ -	\$ 2,229	\$ 4,725	\$ 7,006	\$ 9,028
• Employer Contribution ⁷	2,200	2,521	1,503	1,419	2,169
• Benefit Payments	-	-	-	-	-
• Credited Return	<u>29</u>	<u>176</u>	<u>577</u>	<u>604</u>	<u>786</u>
■ AVA (End of Year)	2,229	4,725	7,006	9,028	11,983
■ Approximate Annual Return	n/a	7.9%	12.2%	8.6%	8.6%

⁷ 2009/10 contribution based on projected market value of assets from 1/1/2009 valuation.

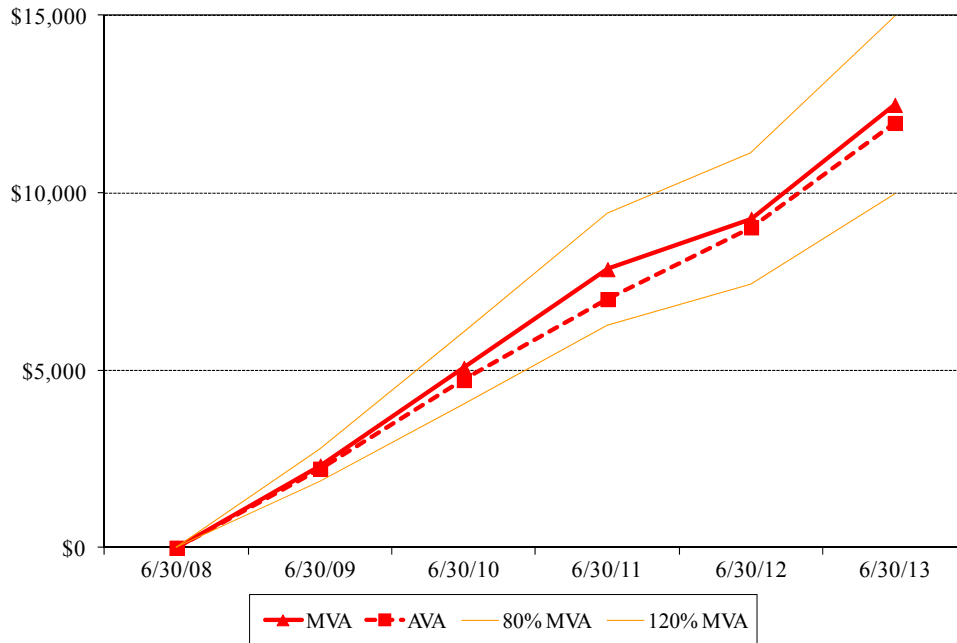


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ASSETS

Historical Value of Plan Assets
(Amounts in 000's)

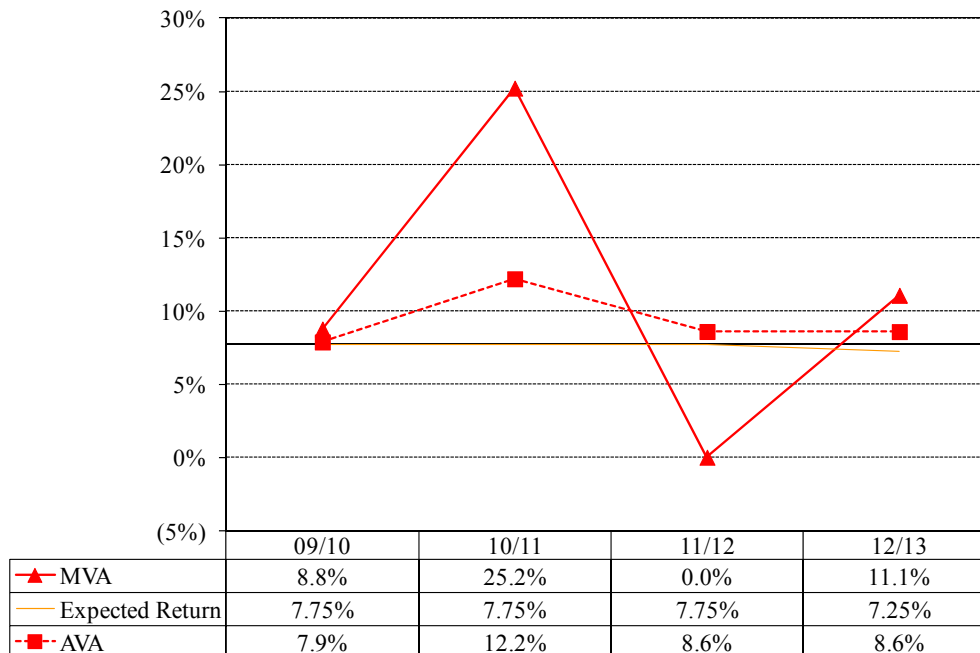


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ASSETS

Historical Annualized Asset Returns



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RESULTS

Actuarial Obligations (Amounts in 000's)

	1/1/09 Valuation	6/30/10 Valuation	6/30/12 Valuation	6/30/13 Valuation
■ Present Value of Benefits				
• Actives	\$ 21,924	\$ 28,480	\$ 28,205	\$ 30,779
• Retirees	<u>17,021</u>	<u>20,215</u>	<u>23,445</u>	<u>23,472</u>
• Total	38,945	48,695	51,650	54,251
■ Actuarial Accrued Liability				
• Actives	13,190	18,774	18,974	21,615
• Retirees	<u>17,021</u>	<u>20,215</u>	<u>23,445</u>	<u>23,472</u>
• Total	30,211	38,989	42,419	45,087
■ Actuarial Value of Assets	-	4,725	9,028	11,983
■ Unfunded Liability	30,211	34,264	33,391	33,104
■ Normal Cost	1,284	1,517	1,436	1,400
■ Pay-As-You-Go Cost	1,651	2,005	2,285	2,555



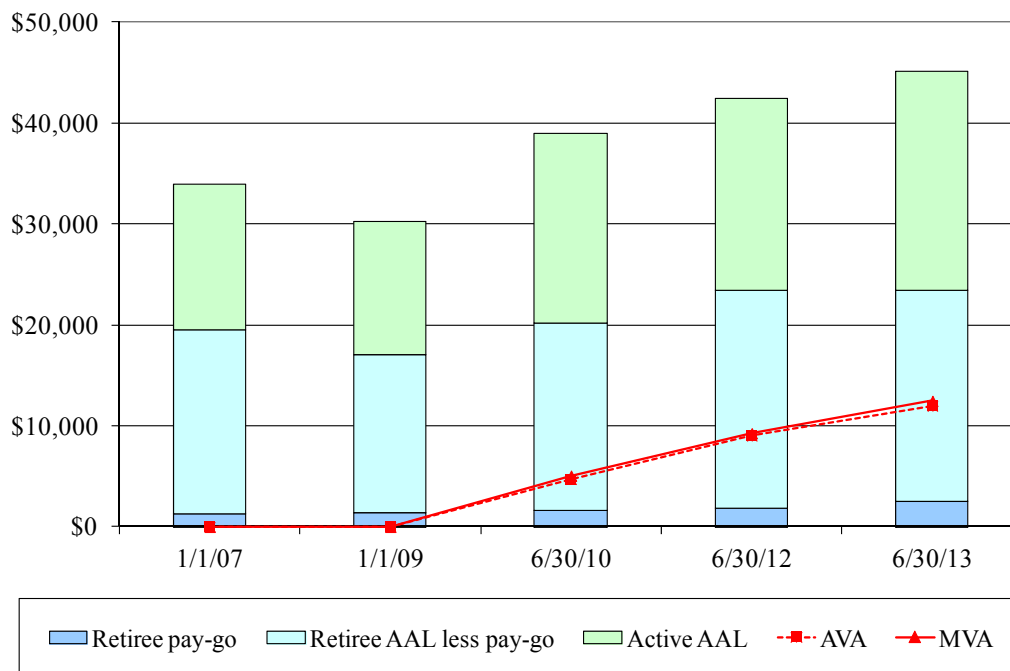
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RESULTS

Historical Funded Status (Amounts in 000's)



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RESULTS

Actuarial (Gain)/Loss Analysis

(Amounts in 000's)

	AAL
■ 6/30/12 Actual	\$ 42,419
■ 6/30/13 Expected	44,832
■ Experience (Gains)/Losses	
• Premiums Less Than Expected	(4,971)
• Demographic & Other	<u>1,289</u>
• Total	(3,682)
■ Assumption (Gains)/Losses	
• CalPERS 97-2011 Assumptions	711
• Remove vesting schedule	<u>37</u>
• Total	748
■ Implied Subsidy	3,189
■ Total Change	255
■ 6/30/13 Actual	45,087



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RESULTS

Schedule of Funding Progress

(Amounts in 000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
1/1/2009	\$ -	\$ 30,211	\$ 30,211	0.0%	\$ 21,593	140%
6/30/2010	4,725	38,989	34,264	12.1%	22,385	153%
6/30/2012	9,028	42,419	33,391	21.3%	21,231	157%
6/30/2013	11,983	45,087	33,104	26.6%	21,921	151%



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RESULTS

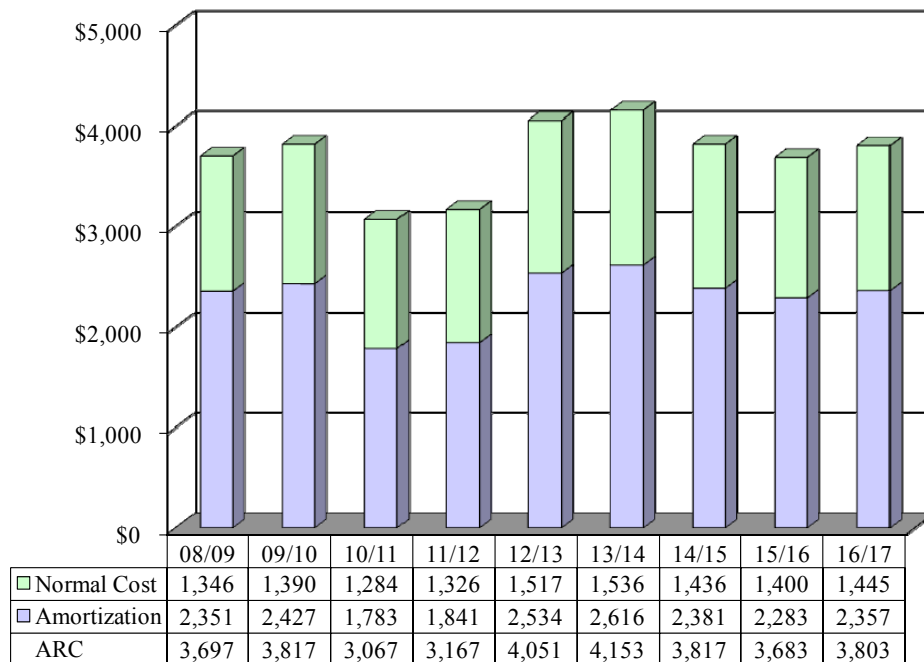
Annual Required Contribution (ARC)
(Amounts in 000's)

	6/30/12	6/30/13	
	Valuation 2014/15	2015/16	2016/17
■ ARC - \$			
• Normal Cost	\$ 1,436	\$ 1,400	\$ 1,445
• UAAL Amortization	<u>2,381</u>	<u>2,283</u>	<u>2,357</u>
• Total ARC	3,817	3,683	3,803
■ Total Agency Payroll (in 000's)	21,231	21,921	22,634
■ ARC - % of Total Agency Payroll			
• Normal Cost	6.8%	6.4%	6.4%
• UAAL Amortization	<u>11.2%</u>	<u>10.4%</u>	<u>10.4%</u>
• Total ARC	18.0%	16.8%	16.8%



RESULTS

Annual Required Contributions
(Amounts in 000's)



RESULTS

Amortization Bases

(Amounts in 000's)

	6/30/2012 Valuation 6/30/14	6/30/2013 Valuation	
		6/30/15	6/30/16
■ Outstanding Balance			
• Initial UAAL	\$ 30,174	\$ 30,166	\$ 30,087
• (Gain)/Loss			
➤ 6/30/10	6,387	6,385	6,368
➤ 6/30/12	(3,830)	(3,829)	(3,819)
➤ 6/30/13		(1,251)	(1,248)
• Contributions < ARC	—	—	—
• Total	32,731	31,472	31,389



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RESULTS

Amortization Payments

(Amounts in 000's)

	6/30/2012 Valuation 2014/15	6/30/2013 Valuation	
		2015/16	2016/17
■ Amortization Payment - \$			
• Initial UAAL	\$ 2,195	\$ 2,188	\$ 2,260
• (Gain)/Loss			
➤ 6/30/10	465	463	478
➤ 6/30/12	(279)	(278)	(287)
➤ 6/30/13	-	(91)	(94)
• Contributions < ARC	—	—	—
• Total	2,381	2,283	2,357
■ Average Amortization Years	21.0	20.0	19.0



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RESULTS

Estimated Net OPEB Obligation (NOO)

(Amounts in 000's)

	CAFR		Estimated			
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
■ NOO at BOY	\$ -	\$ -	\$ -	\$ (4)	\$ -	\$ -
■ Annual OPEB Cost						
• ARC	3,167	4,051	4,153	3,817	3,683	3,803
• Interest on NOO	-	-	-	-	-	-
• Amortization of NOO	-	-	-	-	-	-
• Annual OPEB Cost	3,167	4,051	4,153	3,817	3,683	3,803
■ Contributions						
• Benefit Payments ⁸						
➢ Cash	1,729	1,902	1,973	2,079	2,267	2,501
➢ Implied Subsidy	-	-	-	-	289	311
• Trust Pre-Funding ⁹	<u>1,438</u>	<u>2,149</u>	<u>2,184</u>	<u>1,734</u>	<u>1,128</u>	<u>992</u>
• Total Contribution	3,167	4,051	4,156	3,813	3,683	3,803
■ Estimated NOO at EOY	-	-	(4)	-	-	-

⁸ Estimated benefit payments used for 2014/15+. Actual benefit payments should be used to calculate actual NOO.

⁹ 2013/14 trust payment provided by District; 2014/15 trust payment assumed to get 6/30/15 NOO to \$0.



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RESULTS

10-Year Projection Illustration

(Amounts in 000's)

Fiscal Year	Begin Year NOO	ARC	Annual OPEB Cost (AOC)	Contribution			Total Agency Payroll	ARC % of Total Pay	Contr % of Total Pay
				Benefit Pmts	Pre-Fund	Total Contrib			
2015/16	\$ -	\$ 3,683	\$ 3,683	\$ 2,555	\$ 1,128	\$ 3,683	\$ 21,921	16.9%	16.9%
2016/17	-	3,803	3,803	2,811	992	3,803	22,634	16.9%	16.9%
2017/18	-	3,926	3,926	3,106	820	3,926	23,369	16.9%	16.9%
2018/19	-	4,054	4,054	3,500	554	4,054	24,129	16.9%	16.9%
2019/20	-	4,186	4,186	3,811	375	4,186	24,913	16.9%	16.9%
2020/21	-	4,322	4,322	4,061	261	4,322	25,723	16.9%	16.9%
2021/22	-	4,462	4,462	4,183	279	4,462	26,559	16.9%	16.9%
2022/23	-	4,607	4,607	4,264	343	4,607	27,422	16.9%	16.9%
2023/24	-	4,757	4,757	4,441	316	4,757	28,313	16.9%	16.9%
2024/25	-	4,911	4,911	4,508	403	4,911	29,233	16.9%	16.9%



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RESULTS

Cash & Implied Subsidy
(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ Actuarial Accrued Liability			
• Actives	20,049	1,566	21,615
• Retirees	<u>21,849</u>	<u>1,624</u>	<u>23,472</u>
• Total	41,898	3,190	45,087
■ Actuarial Value of Assets	<u>11,983</u>	-	<u>11,983</u>
■ Unfunded Actuarial Accrued Liability	29,915	3,190	33,104
■ 2015/16 ARC - \$			
• Normal Cost	\$ 1,302	\$ 98	\$ 1,400
• UAAL Amortization	<u>2,036</u>	<u>247</u>	<u>2,283</u>
• Total	3,338	346	3,683
■ Pay-Go	<u>2,267</u>	<u>289</u>	<u>2,555</u>
■ ARC less Pay-Go	1,071	57	1,128



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RESULTS

2015/16 Medical Benefit Implied Subsidy Transfer Illustration
(Amounts in 000's)

Before Implied Subsidy	Actives	Retirees	Total
■ Total Premium	\$ 3,500	\$ 2,267	\$5,767
■ Participant Contributions¹⁰	<u>-</u>	<u>-</u>	<u>-</u>
■ District Contributions	3,500	2,267	5,767

After Implied Subsidy	Actives	Retirees	Total
■ Total Premium	\$ 3,500	\$ 2,267	\$5,767
■ Participant Contributions	-	-	-
■ Implied Subsidy Transfer	<u>(289)</u>	<u>289</u>	<u>-</u>
■ District Contributions	3,211	2,556	5,767

¹⁰ For illustrative purposes, assumes District pays full active premium of \$3,500 and full retiree premium.

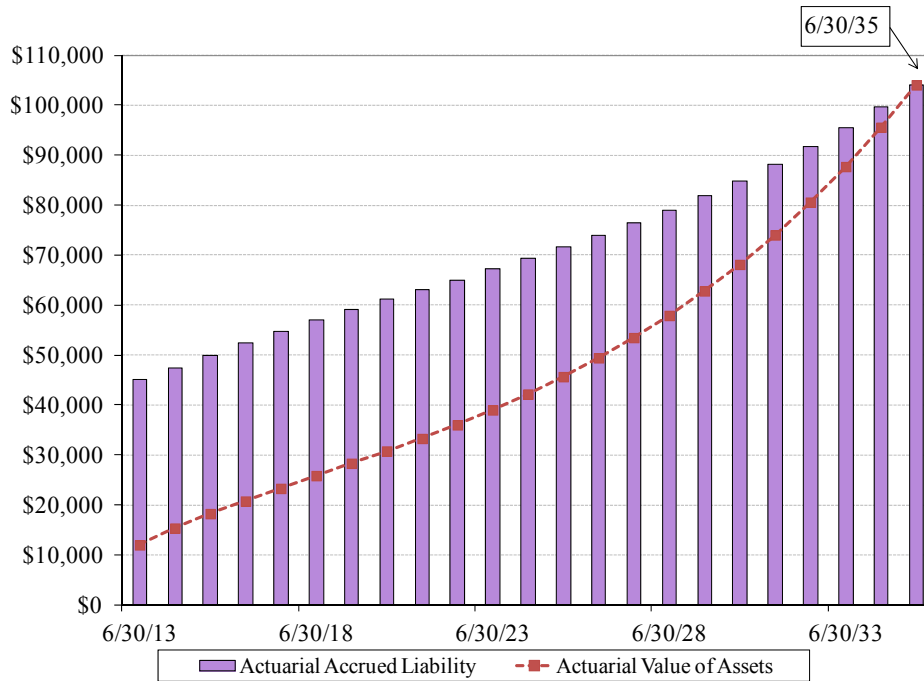


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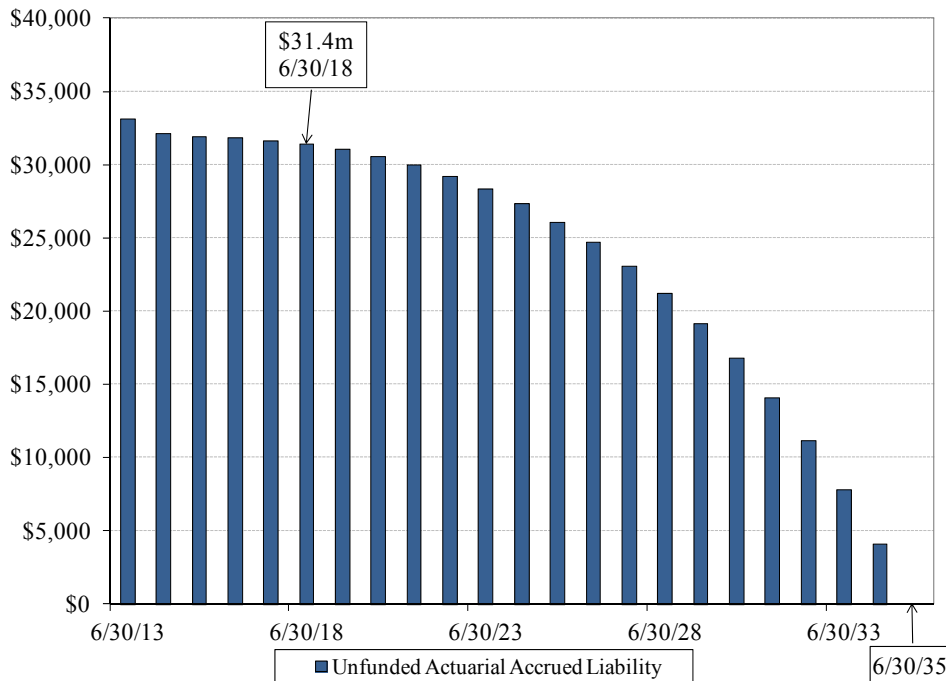
RESULTS

Funded Status Projection
(Amounts in 000's)



RESULTS

Unfunded Liability Projection
(Amounts in 000's)



ACTUARIAL CERTIFICATION

This report presents the Marin Municipal Water District Retiree Healthcare Plan (“Plan”) June 30, 2013 actuarial valuation. The purpose of this valuation is to:

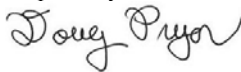
- Determine the Governmental Accounting Standards Board Statement Nos. 43 and 45 June 30, 2013 Benefit Obligations,
- Determine the Plan’s June 30, 2013 Funded Status, and
- Calculate the 2015/16 and 2016/17 Annual Required Contributions.

The report provides information intended for reporting under GASB 43 and 45, but may not be appropriate for other purposes. Information provided in this report may be useful to the District for the Plan’s financial management. Future valuations may differ significantly if the Plan’s experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions, participant data, and asset information provided by the District 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. Additionally, in our opinion, actuarial methods and assumptions comply with GASB 43 and 45. 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
 Vice President
 Bartel Associates, LLC
 August 27, 2014



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PREMIUMS

2013 PEMHCA Monthly Premiums Bay Area

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Blue Shield	\$784.63	\$1,569.26	\$2,040.04	\$261.32	\$522.64	\$783.96
Blue Shield NetValue	670.21	1,340.42	1,742.55	261.32	522.64	783.96
Kaiser	668.63	1,337.26	1,738.44	288.37	576.74	865.11
PERS Choice	667.03	1,334.06	1,734.28	325.74	651.48	977.22
PERS Select	487.20	974.40	1,266.72	325.74	651.48	977.22
PERSCare	1,083.11	2,166.22	2,816.09	370.43	740.86	1,111.29
PORAC	581.00	1,088.00	1,382.00	418.00	833.00	1,331.00



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PREMIUMS

2014 PEMHCA Monthly Premiums
Bay Area

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 657.33	\$1,314.66	\$1,709.06	\$341.12	\$682.24	\$1,023.36
Anthem Traditional	728.41	1,456.82	1,893.07	341.12	682.24	1,023.36
Blue Shield	836.59	1,673.18	2,175.13	298.21	596.42	894.63
Blue Shield NetValue	704.01	1,408.02	1,830.43	298.21	596.42	894.63
Kaiser	742.72	1,485.44	1,931.07	294.97	589.94	884.91
UnitedHealthcare	764.24	1,528.48	1,987.02	193.33	386.66	579.99
PERS Choice	690.77	1,381.54	1,796.00	307.23	614.46	921.69
PERS Select	661.52	1,323.04	1,719.95	307.23	614.46	921.69
PERSCare	720.04	1,440.08	1,872.10	327.36	654.72	982.08



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PREMIUMS

2015 PEMHCA Monthly Premiums
Bay Area

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$662.41	\$1,324.82	\$1,722.27	\$445.38	\$890.76	\$1,336.14
Anthem Traditional	827.57	1,655.14	2,151.68	445.38	890.76	1,336.14
Blue Shield Access+	928.87	1,857.74	2,415.06	352.63	705.26	1,057.89
Blue Shield NetValue	870.60	1,741.20	2,263.56	352.63	705.26	1,057.89
Kaiser	714.45	1,428.90	1,857.57	295.51	591.02	886.53
United Healthcare	850.67	1,701.34	2,211.74	267.41	534.82	802.23
PERS Choice	700.84	1,401.68	1,822.18	339.47	678.94	1,018.41
PERS Select	690.43	1,380.86	1,795.12	339.47	678.94	1,018.41
PERSCare	775.08	1,550.16	2,015.21	368.76	737.52	1,106.28



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PREMIUMS

2013 Delta Dental Premium

- \$127.97/employee/month composite rate

2014 Delta Dental Premium¹¹

- \$118.17/employee/month composite rate

¹¹ Assumed annual average dental claim is \$910 per participant



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DATA SUMMARY

Medical Plan Participation

June 30, 2013

Plan	Active	Retiree		
		Pre-65	Post-65	Total
Blue Shield	13%	29%	21%	24%
Blue Shield NetValue	1%	1%	1%	2%
Kaiser	76%	52%	42%	45%
PERS Choice	9%	15%	21%	19%
PERS Select	1%	0%	1%	0%
PERSCare	0%	3%	14%	10%
Total	100%	100%	100%	100%



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DATA SUMMARY

Active Medical Plan Coverage

Plan	Region	Single	2-Party	Family	Waived	Total
Blue Shield	Bay Area	7	10	11	-	28
Blue Shield NV	Bay Area	-	-	1	-	1
Kaiser	Bay Area	46	49	60	-	155
	Sacramento	-	1	-	-	1
PERS Choice	Bay Area	5	6	8	-	19
PERS Select	Bay Area	-	-	1	-	1
Waived		-	-	-	20	20
Total		58	66	81	20	225



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DATA SUMMARY

Retiree Medical Plan Coverage
Under Age 65

Plan	Region	Single	2-Party	Family	Waived	Total
Blue Shield	Bay Area	5	8	5	-	18
	Northern CA	-	2	-	-	2
	Southern CA	-	1	-	-	1
Blue Shield NV	Bay Area	-	1	-	-	1
Kaiser	Bay Area	11	18	5	-	34
	Sacramento	1	1	-	-	2
	Southern CA	1	-	-	-	1
	Out of State	1	-	-	-	1
PERS Choice	Bay Area	2	1	1	-	4
	Out of State	1	4	2	-	7
PERSCare	Bay Area	1	-	-	-	1
	Northern CA	-	1	-	-	1
Waived		-	-	-	1	1
Total		23	37	13	1	74



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DATA SUMMARY

Retiree Medical Plan Coverage
Over Age 65

Plan	Region	Single	2-Party	Family	Waived	Total
Blue Shield	Bay Area	15	11	-	-	26
	Northern CA	1	1	-	-	2
Blue Shield NV	Bay Area	-	1	-	-	1
	Sacramento	1	-	-	-	1
Kaiser	Bay Area	20	29	-	-	49
	Sacramento	-	2	1	-	3
	Southern CA	-	2	-	-	2
PERS Choice	Bay Area	4	8	2	-	14
	Sacramento	-	1	-	-	1
	Northern CA	1	3	-	-	4
	Southern CA	1	-	-	-	1
	Out of State	2	6	-	-	8
PERSCare	Bay Area	4	6	-	-	10
	Northern CA	-	1	-	-	1
	Out of State	2	4	1	-	7
Waived		-	-	-	14	14
Total		51	75	4	14	144



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DATA SUMMARY

Actives by Age and Service

Age	District Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	-	-	-	-	-	-	-
25-29	-	5	2	-	-	-	-	7
30-34	-	7	6	3	1	-	-	17
35-39	-	7	5	4	-	-	-	16
40-44	-	6	10	11	4	2	-	33
45-49	-	4	8	13	6	7	1	39
50-54	-	1	4	15	8	8	12	48
55-59	-	-	11	10	6	9	9	45
60-64	-	2	5	4	2	2	3	18
≥ 65	-	-	-	1	-	-	1	2
Total	-	32	51	61	27	28	26	225



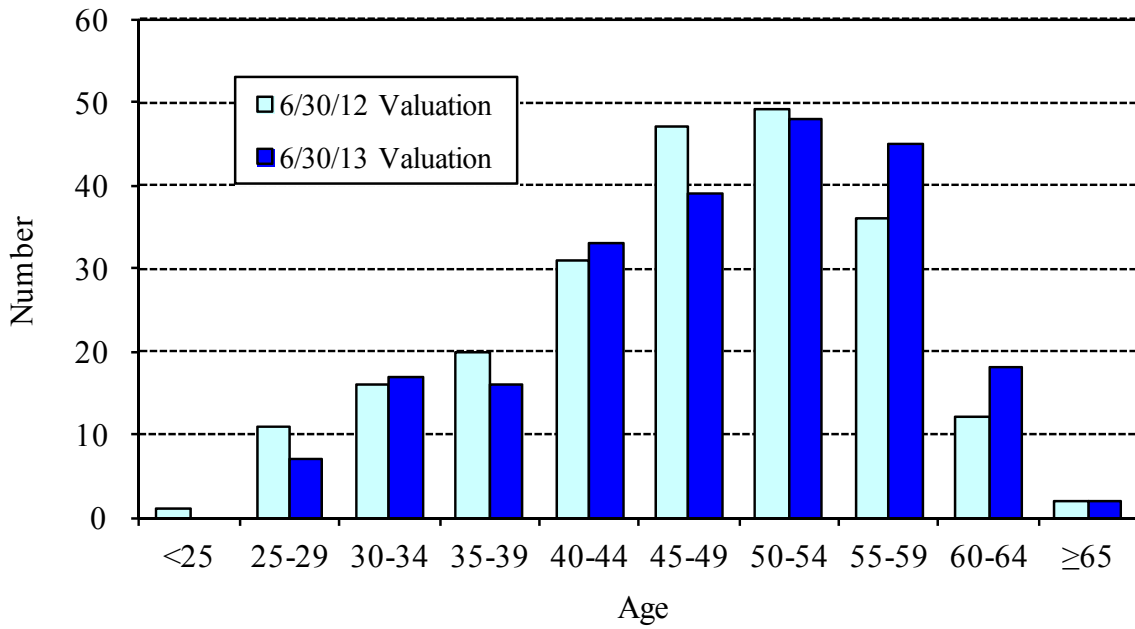
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DATA SUMMARY

Active Age Distribution



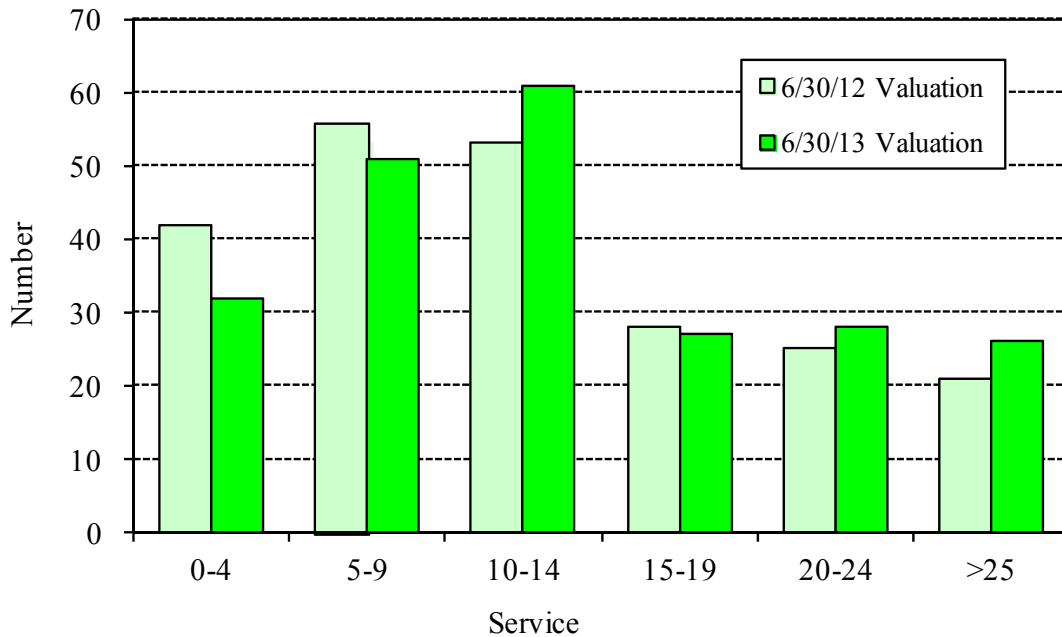
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DATA SUMMARY

Active Service Distribution



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DATA SUMMARY

Retiree Medical Coverage by Age Group

Age	Single	2-Party	Family	Waived	Total
Under 50	-	1	1	-	2
50-54	1	2	1	-	4
55-59	7	11	6	-	24
60-64	15	23	5	1	44
65-69	14	18	2	4	38
70-74	10	18	2	1	31
75-79	9	24	-	1	34
80-84	9	8	-	2	19
85 & Over	9	7	-	6	22
Total < 65	23	37	13	1	74
Total ≥ 65	51	75	4	14	144
Total	74	112	17	15	218
Average Age	72.0	70.5	61.0	79.3	70.9



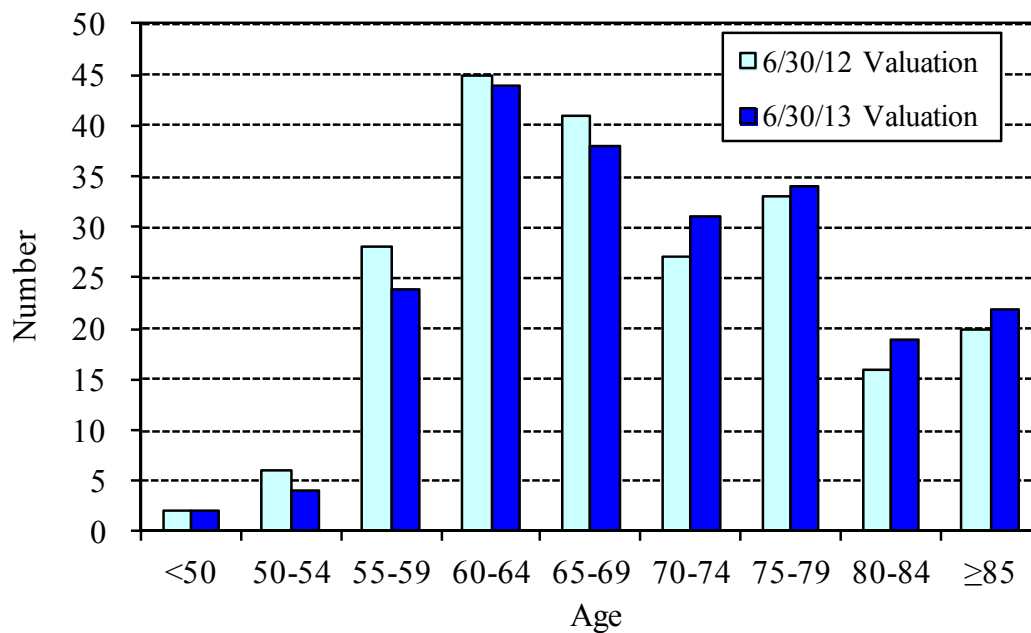
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DATA SUMMARY

Retiree Age Distribution



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ACTUARIAL ASSUMPTIONS

	June 30, 2012 Valuation	June 30, 2013 Valuation
■ Funding Policy	■ Full pre-funding in CalPERS OPEB Trust (CERBT)	■ Aggregate increase: same ■ Merit increase: same
■ Payroll Increases	■ Aggregate increase: 3.25% ■ Merit increase: CalPERS 1997-2007 Experience Study	■ Aggregate increase: same ■ Merit increase: same
■ General Inflation	■ 3.00%	■ Same
■ Dental Trend	■ 4.00% per year	■ Same
■ Medical Plan at Retirement	■ Medical plan at 65 consistent with current elections for retirees over 65	■ Same
■ Dental Cap Increase	■ None	■ Same
■ Retirement	■ CalPERS 1997-2007 Experience Study ■ Hire Age: 34.8 ■ Miscellaneous: 2.7% @ 55 ■ Expected Ret Age: 58.1	■ CalPERS 1997-2011 Experience Study ■ Hire Age: 34.8 ■ Miscellaneous: 2.7% @ 55 ■ Expected Ret Age: 57.9



ACTUARIAL ASSUMPTIONS

	June 30, 2012 Valuation	June 30, 2013 Valuation
■ Medical Participation at Retirement	■ Currently covered: 100% ■ Currently waived: 50%	■ Same
■ Waived Retiree Re-election	■ 10% are assumed to elect at age 65	■ Same
■ Marital Status	■ Currently covered: current marital status ■ Not currently covered: 80% married	■ Same
■ Medicare Eligible Rate	■ 100% ■ Everyone eligible for Medicare will elect Part B coverage	■ Same



ACTUARIAL ASSUMPTIONS

	June 30, 2012 Valuation	June 30, 2013 Valuation
<ul style="list-style-type: none"> ■ Spouse Age 	<ul style="list-style-type: none"> ■ Actives: Males 3 years older than females ■ Retirees: Males 3 years older than females if spouse birth date not provided 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Dependents 	<ul style="list-style-type: none"> ■ Actives: 20% have family coverage < 65 ■ Dental coverage: 2 children 	<ul style="list-style-type: none"> ■ Same



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ACTUARIAL METHODS

	June 30, 2012 Valuation	June 30, 2013 Valuation
<ul style="list-style-type: none"> ■ Cost Method 	<ul style="list-style-type: none"> ■ Entry Age Normal 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Amortization Method 	<ul style="list-style-type: none"> ■ Level percentage of payroll 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Actuarial Value of Assets 	<ul style="list-style-type: none"> ■ Valuation assets based on actual assets provided by CERBT ■ Investment gains/losses spread over a 5-year rolling period ■ Not less than 80% nor more than 120% of market value 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Unfunded Liability Amortization 	<ul style="list-style-type: none"> ■ Unfunded liability amortized over 21-year period commencing 2014/15 	<ul style="list-style-type: none"> ■ Unfunded liability amortized over 20-year period commencing 2015/16



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DEFINITIONS

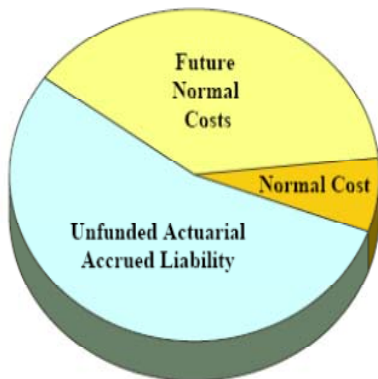
<ul style="list-style-type: none"> ■ GASB 45 Accrual Accounting 	<ul style="list-style-type: none"> ■ Project future employer-provided benefit cash flows for current active employees and current retirees ■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used 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
<ul style="list-style-type: none"> ■ PayGo Cost 	<ul style="list-style-type: none"> ■ Cash subsidy is the pay-as-you-go employer benefit payments for retirees ■ Implied subsidy is the difference between the actual cost of retiree benefits and retiree premiums subsidized by active employee premiums



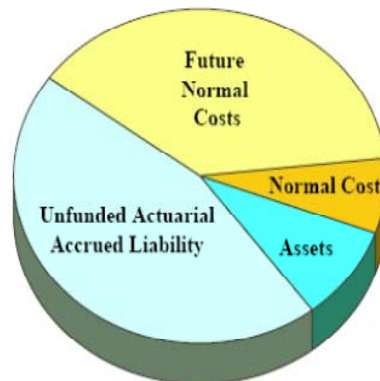
DEFINITIONS

Present Value of Benefits

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



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



DEFINITIONS

<p>■ Annual Required Contribution (ARC)</p>	<p>■ GASB 45 contribution is Normal Cost plus amortization of:</p> <ul style="list-style-type: none">• Initial UAAL and AAL for plan, assumption, and method changes• Experience gains and losses (difference between actual experience and that expected from assumptions)• Contribution gains and losses (difference between ARC and actual contributions)
<p>■ Net OPEB Obligation (NOO)</p>	<p>■ NOO is accumulated amounts expensed but not funded</p> <p>■ Net OPEB Asset if amounts funded exceed those expensed</p>
<p>■ Annual OPEB Cost (AOC)</p>	<p>■ Expense for current period including:</p> <ul style="list-style-type: none">• ARC• Interest on NOO• Adjustment of NOO <p>■ Adjustment of NOO prevents double counting of expense since ARCs include amortization of prior contribution gains and losses previously expensed</p>

