Classic Values, Innovative Advice

AC Transit Employees' Retirement Plan

Actuarial Valuation Report as of January 1, 2022

Produced by Cheiron

August 2022

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Classic Values, Innovative Advice

August 12, 2022

Retirement Board of
Alameda – Contra Costa Transit District Retirement Plan
1600 Franklin Street, 5th Floor
Oakland, CA 94612

Dear Members of the Board:

At your request, we have conducted an actuarial valuation of the Retirement Plan for the Alameda – Contra Costa Transit District Retirement Plan (AC Transit Employees' Retirement Plan, the Plan) as of January 1, 2022. This report contains information on the Plan's assets and liabilities. Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report.

This report was prepared solely for the Retirement Board for the purposes described herein, except that the plan auditor may rely on this report solely for the purpose of completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

Sincerely,
Cheiron

Graham A. Schmidt, ASA, EA, FCA, MAAA	Anne D. Harper, FSA, EA, MAAA
Consulting Actuary	Principal Consulting Actuary

FOREWORD

Cheiron has performed the actuarial valuation of the AC Transit Employees' Retirement Plan as of January 1, 2022. The valuation is organized as follows:

- In Section I, the **Executive Summary,** we describe the purpose of an actuarial valuation, summarize the key results found in this valuation, and disclose important trends.

- In Section II, **Disclosures Related to Risk**, we review the primary risks facing the District, and quantify these using various risk and maturity measures.

- The **Main Body** of the report presents details on the Plan's
  - Section III – Assets
  - Section IV – Liabilities
  - Section V – Contributions

- In the **Appendices,** we conclude our report with detailed information describing plan membership (Appendix A), actuarial assumptions and methods employed in the valuation (Appendix B), a summary of pertinent plan provisions (Appendix C), and a glossary of key actuarial terms (Appendix D).

The results of this report rely on plan experience conforming to the underlying assumptions and methods outlined in this report. To the extent that the actual plan experience deviates from the underlying assumptions and methods, or there are any changes in plan provisions or applicable laws, the results would vary accordingly.

Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation.

Deterministic and stochastic projections in this valuation report were developed using R-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the Plan. R-scan uses standard roll-forward techniques that implicitly assume a stable active population. Because R-scan does not automatically capture how changes in one variable affect all other variables, some scenarios may not be consistent.

In preparing our report, we relied on information (some oral and some written) supplied by the Plan Administrator. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

SECTION I – EXECUTIVE SUMMARY

The primary purpose of the actuarial valuation and this report is to measure, describe, and identify the following as of the valuation date:

- The financial condition of the Plan,
- Past and expected trends in the financial progress of the Plan,
- Employer contribution rates for Fiscal Year July 1, 2022 – June 30, 2023, and the 2023 Plan Year, and
- An assessment and disclosure of key risks.

In the balance of this Executive Summary, we present (A) the basis upon which this year's valuation was completed, (B) the key findings of this valuation including a summary of all key financial results, (C) details of the changes in employer contribution, (D) a discussion of the calculation and timing of the district's contributions, (E) an examination of the historical trends, and (F) the projected financial outlook for the Plan.

A. Valuation Basis

This valuation determines the employer and PEPRA member contributions for the calendar year 2023. At its June 2, 2022 meeting, the Retirement Board approved to change the effective period of the contribution timing from a fiscal year basis to a calendar year basis, beginning 12 months after the valuation date, effective with the January 1, 2022 actuarial valuation. As part of the action taken at the June 2, 2022 meeting, the Retirement Board provided direction that the employer and PEPRA member contributions for the 1st half of the fiscal year 2022-2023 (i.e., the period from July 1 through December 31, 2022) shall be based on the results of the January 1, 2021 actuarial valuation.

The Plan's funding policy is to contribute an amount equal to the sum of:

- The normal cost under the Entry Age normal cost method,
- Amortization of the Unfunded Actuarial Liability (UAL), and
- The Plan's expected administrative expenses.

This valuation was prepared based on the plan provisions shown in Appendix C. There have been no changes to the plan provisions since the prior valuation.

A summary of the actuarial assumptions used in the current valuation is shown in Appendix B. There have been no changes to the actuarial assumptions since the prior valuation.

A summary of the actuarial methods used in the current valuation is also shown in Appendix B. The UAL as of January 1, 2016 is amortized over a closed period (six years remaining as of January 1, 2022) – with the exception of a portion of the extraordinary investment loss from 2008, which is being amortized over a separate closed period (currently 17 years). Changes in the UAL attributable to actuarial gains and losses or changes in assumptions and methods occurring after January 1, 2016 are amortized over closed 20-year periods as a level percentage of member payroll, with payments commencing 12 months following the valuation establishing the base. At the June 8, 2021 board meeting, the Retirement Board chose to phase-in the impact of the January 1, 2021 economic assumption change on the UAL over a period of three years, followed by 17 years of payments as a level percentage of payroll. The single equivalent amortization period for the aggregate stream of UAL payments is just under eight years.

B. Key Findings of this Valuation

The key results of the January 1, 2022 actuarial valuation are as follows:

- The actuarially determined employer contribution (ADC) rate decreased from 33.29% of payroll for the FY 2021-2022 to 31.98% of payroll for the FY 2022-2023, primarily due to investment gains and greater than expected salary growth. The ADC for these periods increased from $63.3 million to $66.1 million, or a 4.5% increase.
- Beginning with this valuation, the actuarially determined contribution will determine the employer and PEPRA member contributions for the following Plan / calendar year, in this case calendar year 2023. The ADC rate for 2023 is 32.51% of pay ($68.2 million) based on estimated 2023 payroll and the final UAL payment phase-in of lowering the discount rate from 7.00% to 6.75% in 2021.
- The Plan's funded ratio, the ratio of Actuarial Value of Assets over Actuarial Liability, increased from 72.7% to 76.2% as of January 1, 2022, and increased based on the Market Value of Assets, from 77.2% to 81.0%.
- The minimum funded ratio required to cover liabilities for retired and inactive members, which we refer to as the inactive funded ratio, increased from 56.4% to 56.7%.

Table I-1 on the following page summarizes all the key results of the valuation with respect to membership, assets and liabilities, and contributions.

SECTION I – EXECUTIVE SUMMARY

Table I-1
Summary of Plan Results

	January 1, 2021	January 1, 2022	% Change
Participant Counts			
Active Participants	2,163	2,119	-2.03%
Participants Receiving a Benefit	2,173	2,212	1.79%
Inactive Participants	166	164	-1.20%
Total	4,502	4,495	-0.16%
Annual Actuarial Pay of Active Members	$ 203,455,866	$ 204,740,935	0.63%
Projected Fiscal Year District Payroll	$ 190,000,000	$ 206,700,000	8.79%
Assets and Liabilities			
Actuarial Liability (AL)	$ 1,084,688,403	$ 1,125,454,854	3.76%
Actuarial Value of Assets (AVA)	788,654,000	857,510,000	8.73%
Unfunded Actuarial Liability (UAL)	$ 296,034,403	$ 267,944,854	-9.49%
Funded Ratio (AVA)	72.7%	76.2%	3.48%
Funded Ratio (MVA)	77.2%	81.0%	3.73%
Inactive Funded Ratio	56.4%	56.7%	0.33%
Employer Contributions			
Based on Projected Pensionable Payroll			
Total Contribution	$ 63,501,151	$ 67,359,432	6.08%
Employee Contribution	250,000	1,267,000	406.80%
Actuarially Determined Contribution (ADC, Fiscal Year)	$ 63,251,151	$ 66,092,432	4.49%
ADC (Following Calendar Year)		$ 68,191,031	
ADC Employer Rate, Fiscal Year	33.29%	31.98%	-1.31%
ADC Employer Rate, Following Calendar Year	N/A	32.51%	
PEPRA Member Rate	6.25%	7.00%	0.75%

C. Changes in the Employer Contribution

Table I-2 below summarizes the impact of actuarial experience and assumption changes on the actuarially determined employer contribution.

Table I-2
Employer Contribution Reconciliation

	Total Contribution as % of Payroll	Total Contribution in Dollars
FYE 2022 Net Employer Contribution	**33.29%**	**$ 63,251,151**
Expected changes (expected payroll growth)	0.00%	1,897,530
Change due to phase-in of prior discount rate change	0.35%	714,717
Change due to investment (gains)/losses during 2021	-0.78%	(1,611,896)
Change due to PEPRA	-0.20%	(441,305)
Change due to actual payroll growth	-1.00%	1,499,300
Change due to contribution timing change	0.18%	347,335
Change due to demographic (gains)/losses	0.14%	435,599
FYE 2023 Net Employer Contribution	**31.98%**	**$ 66,092,432**

- Expected payroll growth, based on the 3% salary assumption, increased the dollar cost of the Plan by about $1.9 million, but has no impact on the contribution rate as a percentage of payroll.

- The Retirement Board chose to phase-in the payment for the increase in the UAL due to the 2021 change in discount rate from 7.00% to 6.75% over a period of three years.

  This second year of the UAL phase-in increased Plan costs by approximately $0.7 million, or by 0.35% of payroll, for the current fiscal year. The UAL payment is fully reflected in the amortization payment used to determine the 2023 calendar year cost.

- Actuarial gains from investments decreased Plan costs.

  Plan assets returned 9.54% on a market value basis during 2021, producing $23.3 million in gains above the expected 6.75% return for the prior year. The return on the Actuarial Value of Assets was 9.55% which is above the actuarial assumption. The gains in 2019, 2020, and 2021 offset the asset losses during the 2018 year.

SECTION I – EXECUTIVE SUMMARY

The Actuarial Value of Assets is currently 94% of market value. Since actuarial assets are below market assets, there are unrecognized investment gains (of approximately $53.8 million) that will help to dampen costs in future years.

- Impact of new PEPRA members

  When new members are hired under the PEPRA benefit structure, the employer contributions decrease since the PEPRA benefits are not as generous and the employees pay a portion of the cost. During 2021, three new non-represented PEPRA members and 96 new represented PEPRA members were hired, which reduces the employer's share of the normal cost by about 0.20% of payroll.

- Actual payroll growth was different than expected.

  The fiscal year projected payroll of $206.7 million – based on an estimate provided by the District – is higher than expected payroll of $194.7 million based on assumed payroll growth of 3.00%. The actual payroll growth increased the normal cost by approximately $1.5 million. The total contribution amount was then divided by the new, larger-than-anticipated payroll base, resulting in a decrease in the contribution rate of 1.00% of payroll.

- Contribution timing change

  The change from a fiscal year to calendar year basis, effective with the January 1, 2022 valuation, increased the contribution rate slightly by 0.18% of payroll.

- Demographic experience differed from that projected by the actuarial assumptions.

  Demographic gains and losses occur when status changes within the Plan (retirements, deaths, disabilities, and terminations) or other changes in the Plan population do not agree exactly with those predicted by the Plan's actuarial assumptions. During 2021, the Plan experienced a small demographic loss, which increased the contribution rate by 0.14%.

D. Calculation and Timing of District Contributions

The District contribution consists of the sum of:

- A dollar contribution for the amortization of the Unfunded Actuarial Liability,
- A dollar contribution for estimated administrative expenses, and
- A percentage of payroll contribution for the normal cost.

This funding method was instituted to allow District contributions to the Retirement Plan to correspond with actual Plan membership and payroll during the year, and therefore with actual benefit accruals.

The normal cost contribution will be calculated and remitted to the Plan on a monthly basis by the application of the normal cost percentage to the actual District pensionable payroll during that month. In prior valuations, the normal cost percentage would be effective beginning with the start of the fiscal year following the valuation date. Beginning with this valuation, the normal cost percentage will be effective with the calendar year, beginning on January 1st, 12 months after the valuation date.

If the Retirement Board, at its sole discretion, after consulting with the Plan actuary and the District, determines that the method described in the prior sentence fails to cover the normal cost of the Plan, the Board will be authorized to provide the District with a pensionable payroll figure to utilize in making the monthly contribution. All pensionable pay will be included, including vacation and sick leave for non-PEPRA members. The dollar contributions for amortization and expenses will be contributed in roughly equal monthly installments during the year.

The District implemented the benefit provisions required under the California Public Employees' Pension Reform Act (PEPRA), creating Tier 2 for non-represented members hired on or after January 1, 2016 effective with the 2018 valuation and for represented members hired on or after January 1, 2020 effective with the 2021 valuation. These PEPRA provisions resulted in lower future benefit accruals, along with a member contribution rate equal to half of the PEPRA normal cost (rounded to the nearest 0.25%).

In the 2021 actuarial valuation, we calculated the Tier 2 Member contribution rate for FYE 2022 as 6.25%, one-half of the total normal cost rate of 12.73% rounded to the nearest 0.25%. The member rate will only change in future years if the total Tier 2 normal cost rate increases or decreases by more than 1% of pay from the normal cost rate in effect when the rate was last adjusted. Because the PEPRA normal cost changed by 1.00% or more (to 13.88% in 2022), the Tier 2 Member contribution rate was recalculated as 7.00% – or half of 13.88%, rounded to the nearest 0.25%. Consistent with the change in the application of the employer contribution rates, this rate will go into effect beginning January 1, 2023. Table V-3 later in this report summarizes the employer normal cost calculations for the District, including Tier 2 members.

SECTION I – EXECUTIVE SUMMARY

For the 2022-2023 fiscal year, the District has provided an estimate of pensionable payroll of $188.6 million for Non-PEPRA members and $18.1 million for PEPRA members. The contributions for the first half of the fiscal year are based on the results of the January 1, 2021 valuation, and the contributions for the second half of the fiscal year are based on the result of this valuation. The District contributions for both periods and in total, are shown in Table I-3 below based on estimated payroll.

Table I-3
Summary of District Contributions for FY 2022-23

Item	7/1/2022-12/31/2022	1/1/2023-6/30/2023	Cost in Dollars FYE 2022-23
Projected Pensionable Payroll			$ 206,700,000
Non-PEPRA			188,600,000
PEPRA			18,100,000
Amortization of Unfunded	$ 18,035,672	$ 18,379,252	$ 36,414,924
Expenses	$ 810,609	$ 810,609	1,621,218
Non-PEPRA Normal Cost	14.19%	14.28%	26,847,210
PEPRA Normal Cost	6.48%	6.88%	1,209,080
Total (Estimated)	$ 32,813,891	$ 33,278,541	$ 66,092,432
Total (FY 2022-2023 Rate)			31.98%

For the 2023 calendar year, we have used the projected pensionable payroll amounts provided by the District for FY2022-23 for each group (Non-PEPRA and PEPRA), increased by one-half year at the assumed wage inflation rate (3.0%). The projected District contributions for the calendar year, are estimated to be as shown in Table I-4 below.

Table I-4
Summary of District Contributions for Plan Year 2023

Item			Cost in Dollars 2023
Projected Pensionable Payroll		$	209,777,589
Non-PEPRA			191,408,095
PEPRA			18,369,494
Amortization of Unfunded		$	37,978,846
Expenses			1,615,287
Non-PEPRA Normal Cost	14.28%		27,333,076
PEPRA Normal Cost	6.88%		1,263,821
Total (Estimated)		$	68,191,031
Total (Calendar Year 2023 Rate)			32.51%

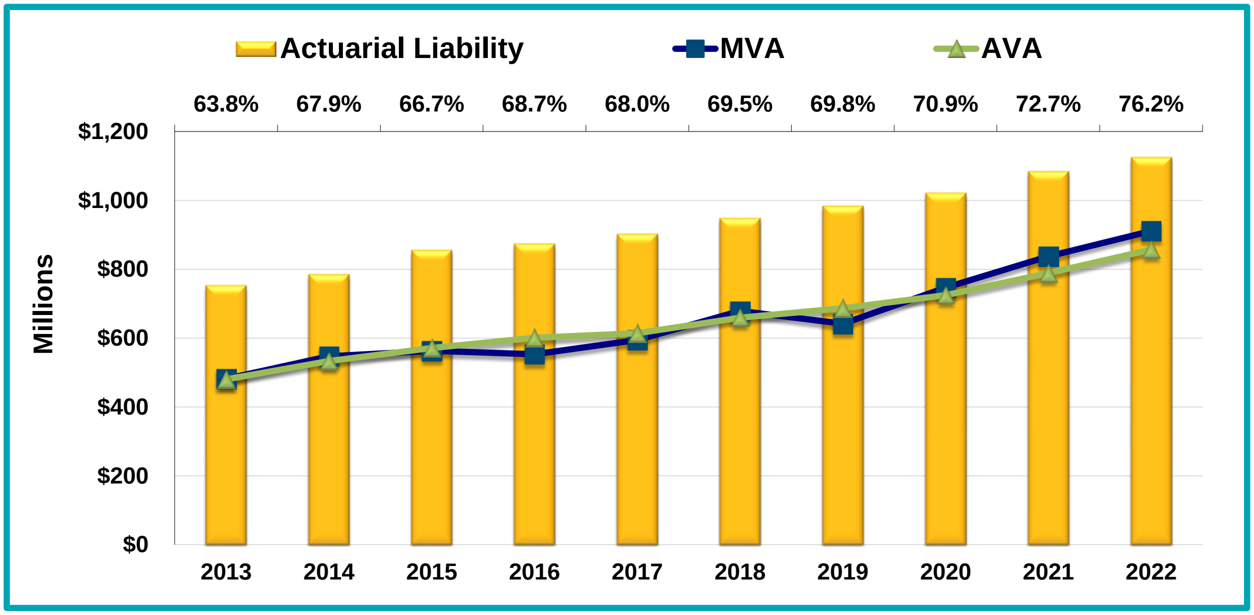
E. Historical Trends

Despite the fact that for most retirement plans the greatest attention is given to the current valuation results and in particular, the size of the current Unfunded Actuarial Liability and the employer contribution, it is important to remember that each valuation is merely a snapshot in the long-term progress of a pension fund. It is more important to judge a current year's valuation result relative to historical trends, as well as trends expected into the future.

Assets and Liabilities

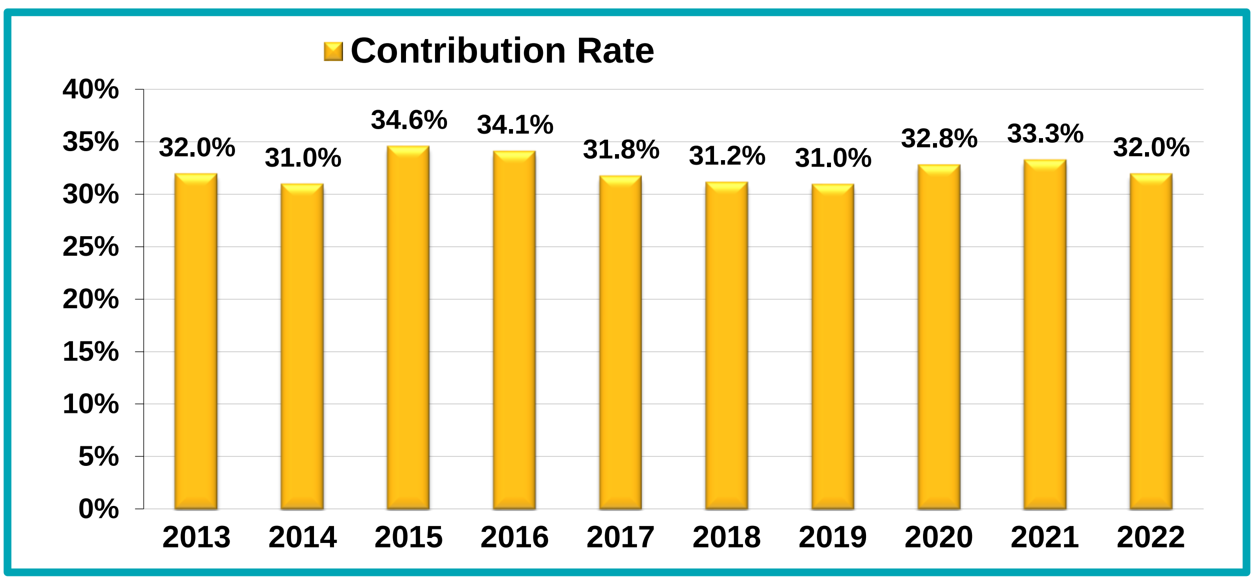
The chart on the next page compares the Market Value of Assets (MVA) and Actuarial Value of Assets (AVA) to the Actuarial Liabilities. The percentage shown at the top of each bar is the ratio of the Actuarial Value of Assets to the Actuarial Liability (the funded ratio). The funded ratio increased from 63.8% in 2012 to 76.2% as of January 1, 2022 due to the recovery in the investment markets since 2009, and ongoing contributions by the District and PEPRA members.

SECTION I – EXECUTIVE SUMMARY



Contributions

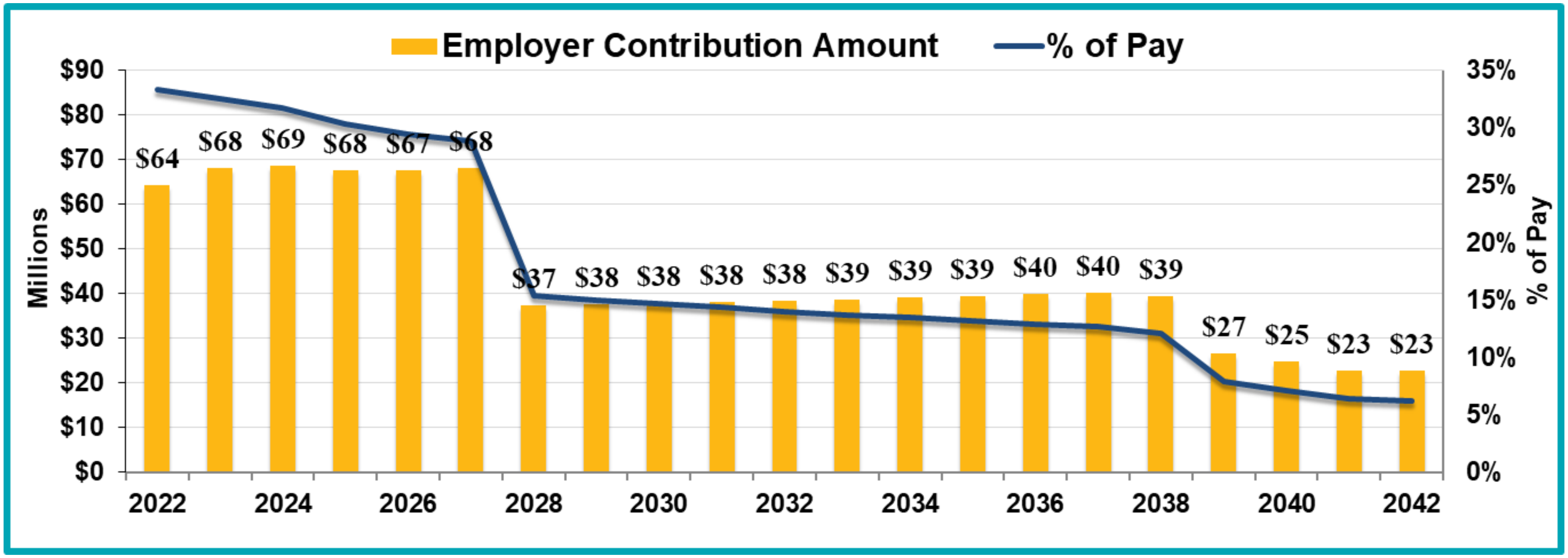
The chart below shows a history of the Plan's actuarially determined employer contribution rates determined by the past 10 valuations, as a percentage of payroll. The contributions rates have remained relatively stable over this period, with overall investment gains and growth in payroll offsetting assumption changes, which have increased cost.



F. Future Expected Financial Trends

The analysis of projected financial trends is perhaps the most important component of this valuation. In this section, we present our assessment of the implications of the January 1, 2022 valuation results in terms of benefit security (assets over liabilities) and contribution levels. The following graph shows the projection of employer contributions for each *calendar* year, assuming that assets will earn the long-term 6.75% assumption each year during the projection period, which is clearly unlikely. Future total payroll increases are assumed to be 3.00% per year. The contribution amounts are represented by the gold bars and the contributions as a percentage of payroll are represented by the dark blue line.

Projection of Employer Contributions, 6.75% return each year

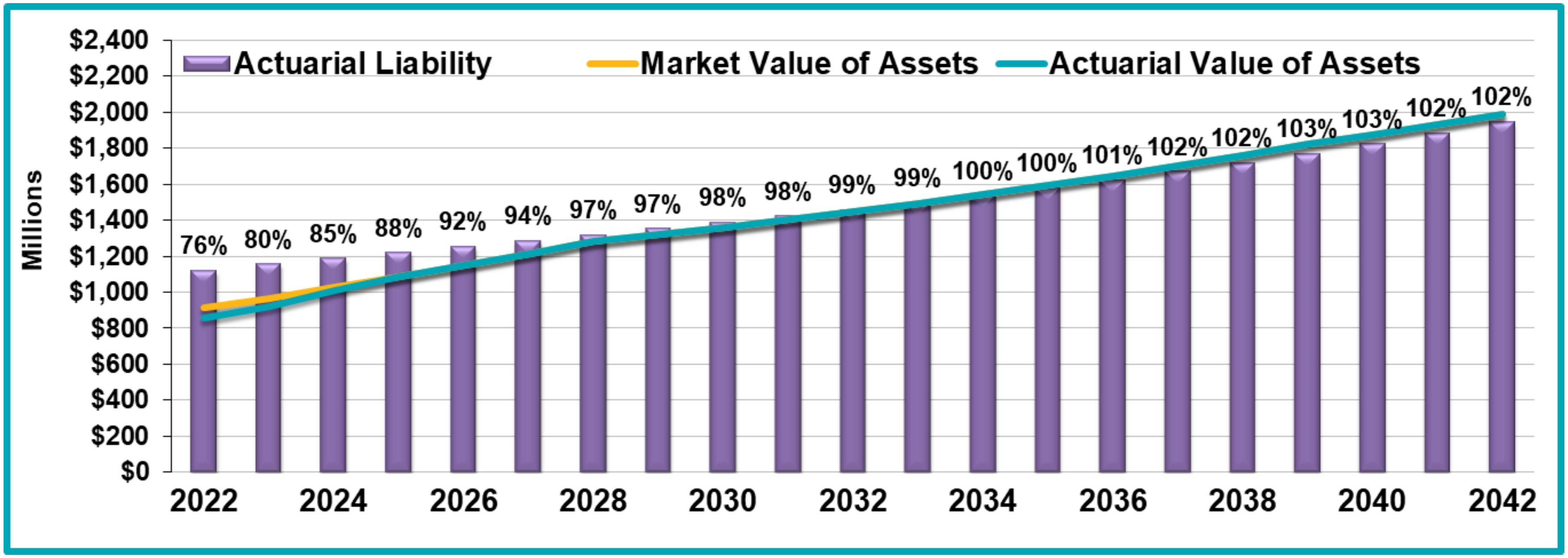


The Plan's contribution rate is expected to decline moderately through 2027, as a result of the recognition of deferred investment gains and a reduction in the employer normal cost rate, due to the PEPRA members becoming a larger portion of the active population. A significant reduction in contribution rate and amount is projected in 2028 as the bulk of the current unfunded liability is fully paid for by 2028. Note that this graph does not forecast any actuarial gains or losses or future changes to the funding policy, aside from deferred gains on the Actuarial Value of Assets in the next few years.

Asset and Liability Projections:

The following graph shows the projection of assets and liabilities assuming that assets will earn the long-term 6.75% assumption each year during the projection period. The percentage shown at the top of each bar is the ratio of the Actuarial Value of Assets to the Actuarial Liability (the funded ratio on a smoothed basis).

Projection of Assets and Liabilities, 6.75% return each year



The graph shows that the projected funded status increases over the next 20 years to reach 102%, assuming the actuarial assumptions are achieved. **However, it is the actual return on Plan assets that will determine the future funding status and contribution rate to the Plan.**

SECTION II – DISCLOSURES RELATED TO RISK

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. These assumptions represent a reasonable estimate of future experience, but actual future experience will undoubtedly be different and may vary significantly. This section of the report is intended to identify the primary risks to the plan, provide some background information about those risks, and provide an assessment of those risks.

Identification of Risks

The fundamental risk to a pension plan is that the contributions needed to pay the benefits become unaffordable. While the Plan cannot determine on its own what contribution level is unaffordable, we can project expected contribution rates and illustrate the potential impact of key sources of risk on those contribution rates so the District can assess affordability. While there are a number of factors that could lead to contribution amounts becoming unaffordable, we believe the primary risks are:

- Investment risk,
- Assumption change risk, and
- Contribution risk.

Other risks that we have not identified may also turn out to be important.

Investment Risk is the potential for investment returns to be different than expected. Lower investment returns than anticipated will increase the Unfunded Actuarial Liability necessitating higher contributions in the future unless there are other gains that offset these investment losses. The potential volatility of future investment returns is determined by the Plan's asset allocation and the affordability of the investment risk is determined by the amount of assets invested relative to the size of the plan sponsor or other contribution base.

Assumption change risk is the potential for the environment to change such that future valuation assumptions are different than the current assumptions. For example, declines in interest rates over the last three decades resulted in higher investment returns for fixed-income investments, but lower expected future returns necessitating either a change in investment policy, a reduction in discount rate, or some combination of the two. Assumption change risk is an extension of the other risks identified, but rather than capturing the risk as it is experienced, it captures the cost of recognizing a change in environment when the current assumption is no longer reasonable.

Contribution risk is the potential for actual future contributions to deviate from expected future contributions. There are different sources of contribution risk ranging from the sponsor failing to make contributions in accordance with the funding policy to material changes in the contribution base (e.g., covered employees, covered payroll, sponsor revenue) that affect the amount of contributions the plan can collect.

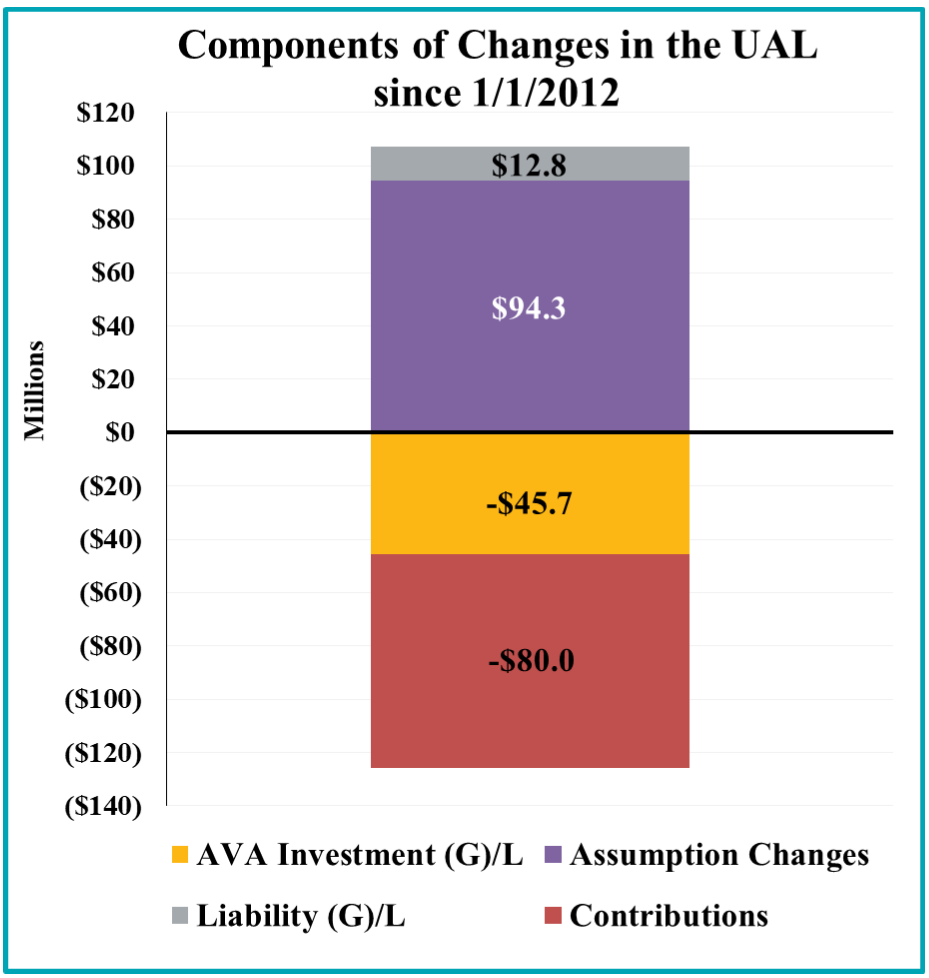
SECTION II – DISCLOSURES RELATED TO RISK

The chart below shows the components contributing to the Unfunded Actuarial Liability (UAL) from January 1, 2013 through January 1, 2022.

Each year the UAL is expected to increase for benefits earned in the current year (the normal cost), administrative expenses, and interest on the UAL. This expected increase is referred to as the "tread water" level. If contributions are greater than the tread water level, the UAL is expected to decrease. Conversely, if contributions are less than the tread water level, the UAL is expected to increase.

Over the last 10 years, the UAL has decreased by approximately $19 million. Contributions in excess of the tread water level (red bar) of $80 million and net investment gains (gold bar) of $46 million on the Actuarial Value of Assets (AVA) are the primary sources of the decrease in the UAL. The assumptions changes (purple bar) of $94 million and the net liability losses (gray bar) of $13 million have increased the UAL since January 1, 2012.

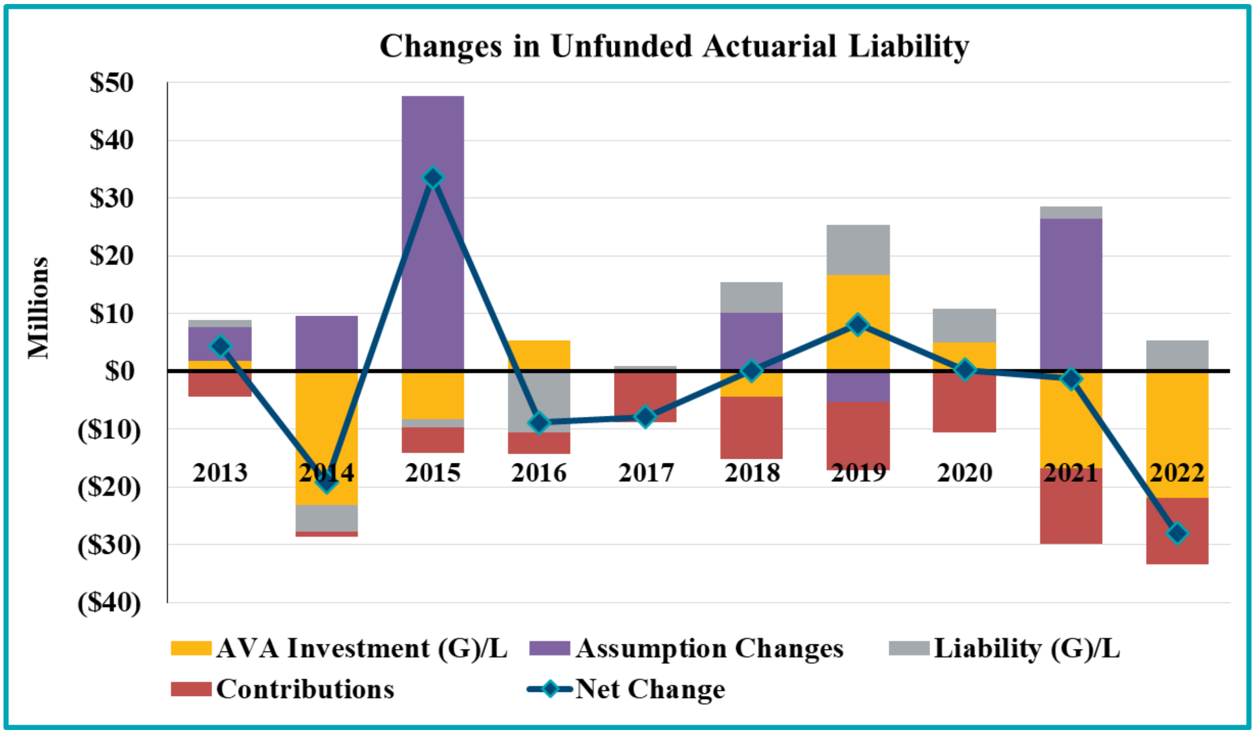
Chart II-1



SECTION II – DISCLOSURES RELATED TO RISK

Chart II-2 below details the annual sources of the UAL change (colored bars) for each valuation year. The net UAL change for each year is represented by the blue diamonds.

Chart II-2



The impact of all assumption changes is represented by the purple bars. In 2015, there was an experience study performed, which resulted in significant increases in liabilities, primarily due to changes in the mortality assumptions. In 2013 and 2014, the discount rate was reduced by 0.125% each year (from 7.50% to 7.25%), increasing the liabilities. The return assumption was reduced again in 2018, 2019 and 2021, though the reduction for the 2019 valuation was offset by changes in the mortality assumptions that reduced liabilities.

The amortization policy has a material impact on the growth or decline of the UAL. With longer amortization periods, the UAL payment is lower and may cover only the interest on the UAL. However, the Plan's UAL payment, based on its amortization policies over the last 10 years, has consistently paid principal in addition to the normal cost and interest. The Plan's single equivalent amortization period is 7.7 years. In other words, if the Plan paid the same UAL payment (increasing annually at the payroll growth rate of 3.0%) as it will pay in 2023, it would take only 7.7 years to fully pay the existing UAL. The red bars in the chart above show the amount of decrease in the UAL each year based on the contribution levels.

While the net investment gains and losses resulted in a relatively smaller change in the UAL – a $46 million decrease – the year-to-year investment volatility can have a large impact on the UAL and is unpredictable. For example, the actuarial investment gain reflected in the 2014 valuation was $23 million compared to the $17 million actuarial loss reflected in the 2019 valuation (which occurred during 2018).

The table below shows the same information as Chart II-2, but the annual source of the UAL change is shown numerically instead of graphically.

Table II-1
Unfunded Actuarial Liability (UAL) Change by Source

Valuation Year	Assumption & Method Changes	Contributions	Investment Experience	Liability Experience	Total UAL Change
2013	5,810,978	(4,436,954)	1,754,764	1,320,961	4,449,749
2014	9,543,730	(924,571)	(23,214,229)	(4,602,108)	(19,197,178)
2015	47,715,405	(4,324,692)	(8,282,589)	(1,489,113)	33,619,011
2016	0	(3,739,648)	5,422,670	(10,524,978)	(8,841,956)
2017	0	(8,758,138)	36,106	855,649	(7,866,383)
2018	10,040,964	(10,916,506)	(4,343,000)	5,350,527	131,985
2019	(5,244,129)	(11,946,872)	16,711,000	8,600,025	8,120,024
2020	0	(10,564,017)	4,992,000	5,822,390	250,373
2021	26,434,532	(12,968,565)	(16,853,000)	2,159,490	(1,227,543)
2022	0	(11,468,115)	(21,961,000)	5,339,566	(28,089,549)
Total	**$ 94,301,480**	**$ (80,048,078)**	**$ (45,737,278)**	**$ 12,832,409**	**$ (18,651,467)**

Plan Maturity Measures

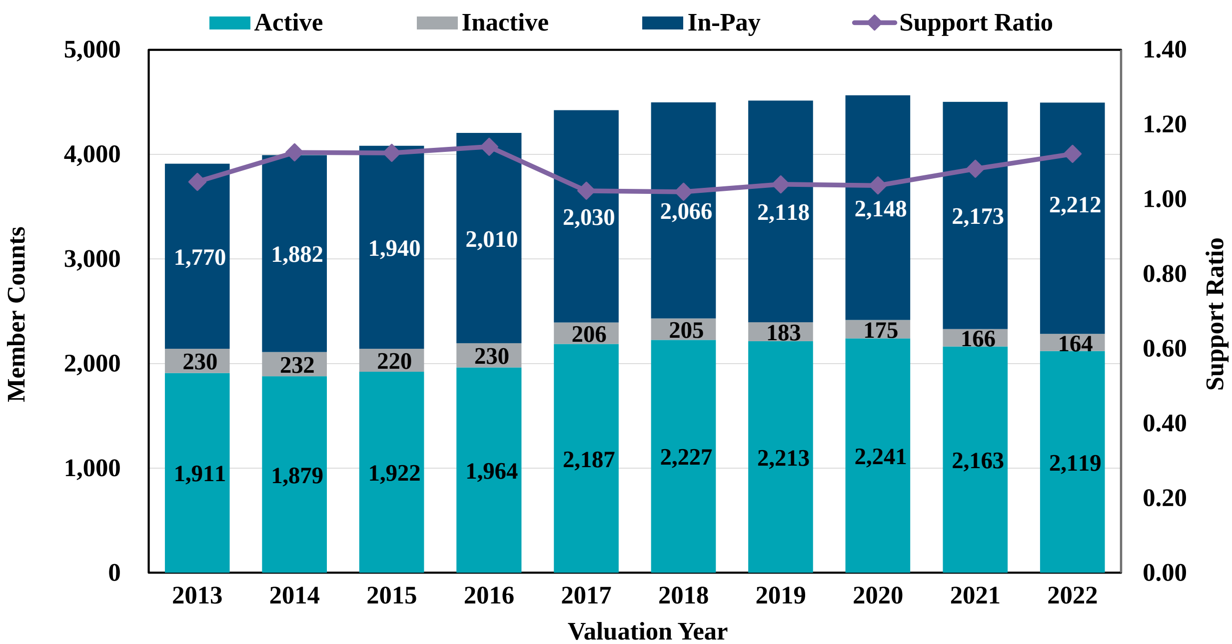
The future financial condition of a mature pension plan is more sensitive to each of the risks identified above than a less mature plan. Before assessing each of these risks, it is important to understand the maturity of the plan and how the maturity has changed over time.

Plan maturity can be measured in a variety of ways, but they all get at one basic dynamic – the larger the plan is compared to the contribution or revenue base that supports it; the more sensitive the plan will be to risk. The measures on the next page have been selected as the most important in understanding the primary risks identified for the plan.

SECTION II – DISCLOSURES RELATED TO RISK

Inactives per Active (Support Ratio)

One simple measure of plan maturity is the ratio of the number of inactive members (those receiving benefits or those entitled to a deferred benefit) to the number of active members. The Support Ratio is expected to increase gradually as a plan matures. The chart below shows a slight increase in the Support Ratio from 2013 to 2016 as the number of retirees increased at a higher rate than the active membership. There was a sharp decline in the Support Ratio in 2017 as the active population increased by 11%, but the 2016 and 2022 ratios are relatively the same.



Leverage Ratios

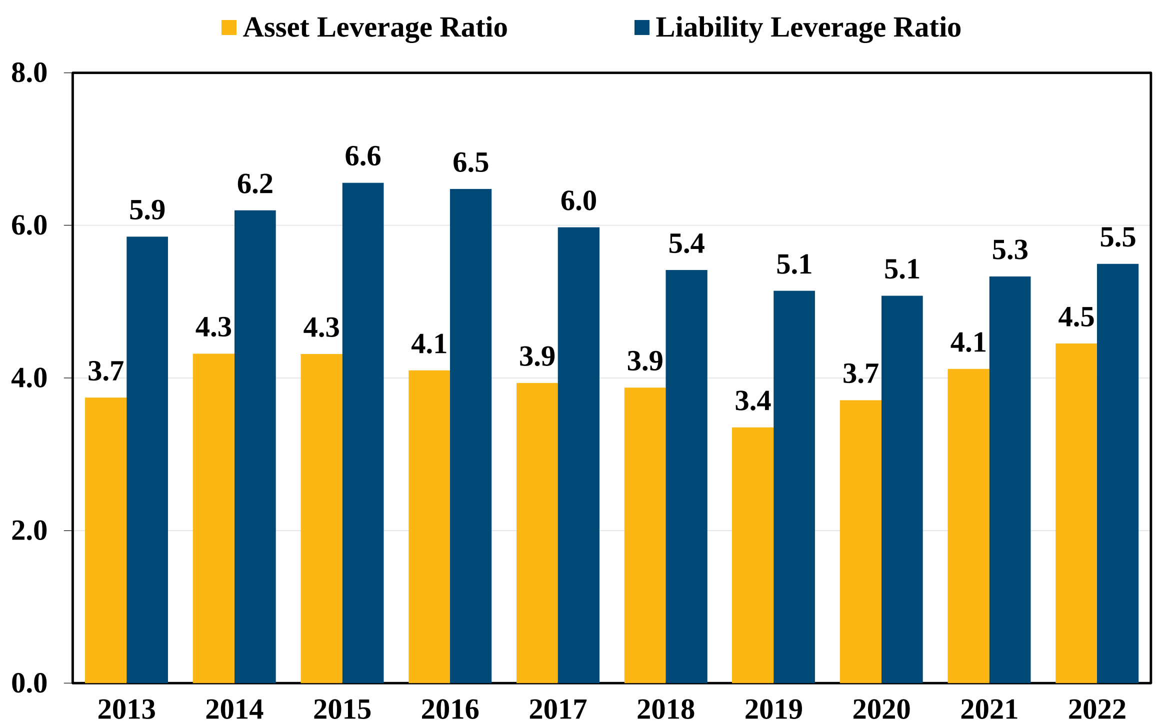
Leverage or volatility ratios measure the size of the plan compared to its revenue base more directly. The asset leverage ratio is simply the Market Value of Assets to active member payroll and indicates the sensitivity of the Plan to investment returns. The liability leverage ratio is the Plan's Actuarial Liability to active member payroll and indicates the sensitivity of the Plan to assumption changes or demographic experience.

The Plan assets are currently over four times the covered payroll. As the Plan becomes better funded, the asset leverage ratio will increase, and if it were 100% funded, the asset leverage ratio would be about five and equal the Actuarial Liability (AL) leverage ratio. Although both of these ratios are lower than those of many other public plans, the increase in the asset leverage ratio expected to accompany an improvement in the Plan's funding still represents a substantial increase in the volatility of the contributions.

SECTION II – DISCLOSURES RELATED TO RISK

An asset leverage ratio of 4.5 means that if the Plan's assets lose 10% of their value (a 16.75% actuarial loss compared to the expected return of 6.75%), the loss is about 75% of payroll (4.5 x 16.75%). Based on the current amortization policy, the contribution rate would ultimately increase by about 5% of payroll, after deferred asset losses are fully recognized. The same investment loss if the Plan were 100% funded would be just over 92% of payroll and an ultimate contribution rate increase of more than 6% of payroll.

The chart below shows the historical leverage ratios of the Plan. The recent increases in the asset leverage ratio have been driven by positive investment and contribution experience, while the recent increases in the liability leverage ratio have resulted from the lowering of the discount rate and the continued maturation of the Plan. Fluctuations in active member payroll – in particular the growth driven by rising active headcounts from 2015 through 2018 – have also had a significant impact on these ratios.

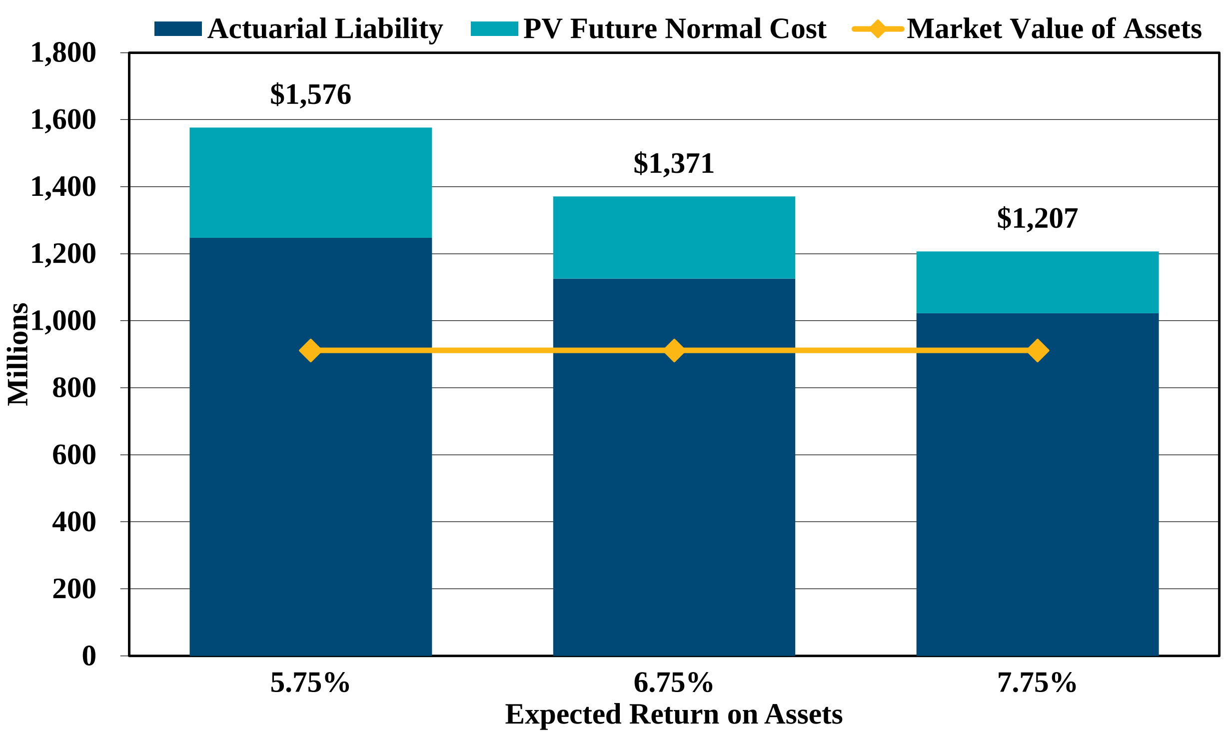


Assessing Costs and Risks

Sensitivity to Investment Returns

The chart below compares assets to the present value of all projected future benefits discounted at the current expected rate of return and at an investment return 100 basis points above and below the expected rate of return. The present value of future benefits is shown as a bar with the portion attributable to past service in dark blue (Actuarial Liability) and the portion attributable to future service in teal (Present Value of Future Normal Costs). The Market Value of Assets is shown by the gold line.

Present Value of Future Benefits versus Assets



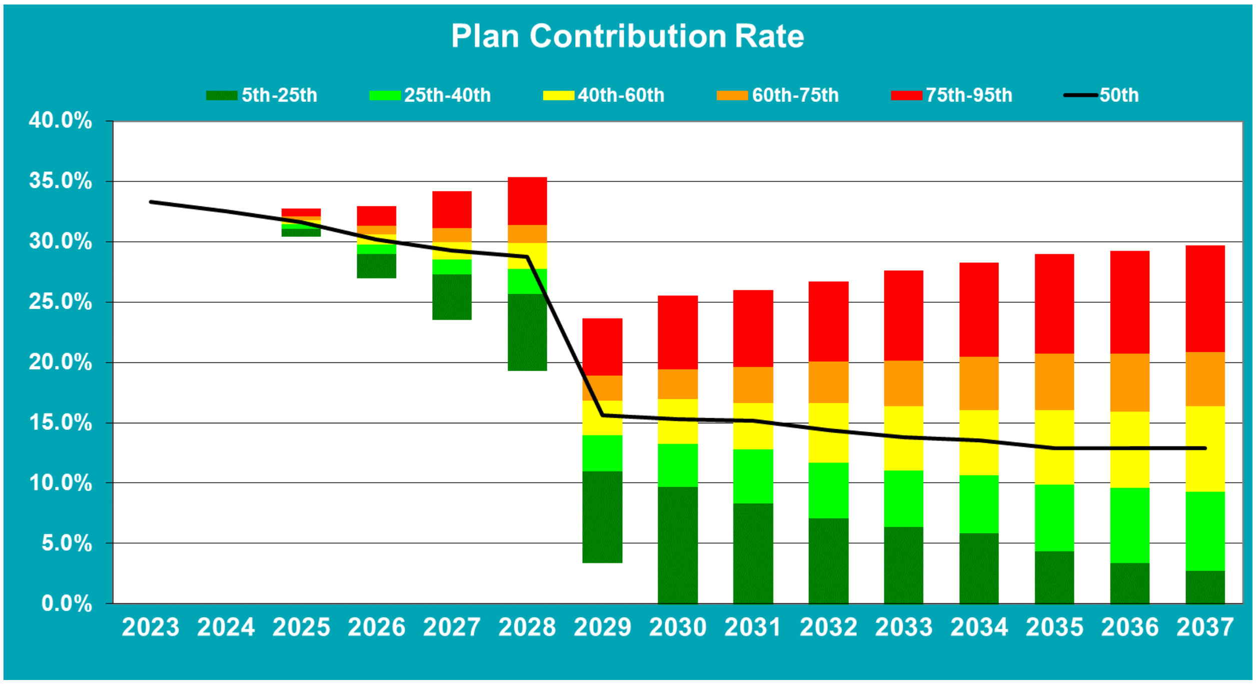
If investments return 6.75% annually, the Plan would need approximately $1.4 billion in assets today to pay all projected benefits compared to current assets of $911 million. If investment returns are only 5.75%, the Plan would need approximately $1.6 billion in assets today, and if investment returns are 7.75%, the Plan would need approximately $1.2 billion in assets today.

SECTION II – DISCLOSURES RELATED TO RISK

Stochastic Projections

Stochastic projections serve to show the range of probable outcomes of various measurements. The chart below and on the following page show the projected range of the employer contribution rate and of the funded ratio on an Actuarial Value of Assets basis. The range in both scenarios is driven by the volatility of investment returns (assumed to be based on an 11.6% standard deviation of annual returns, as provided by the Plan's investment consultant NEPC).

Stochastic Projection of Employer Contributions as a Percent of Pay

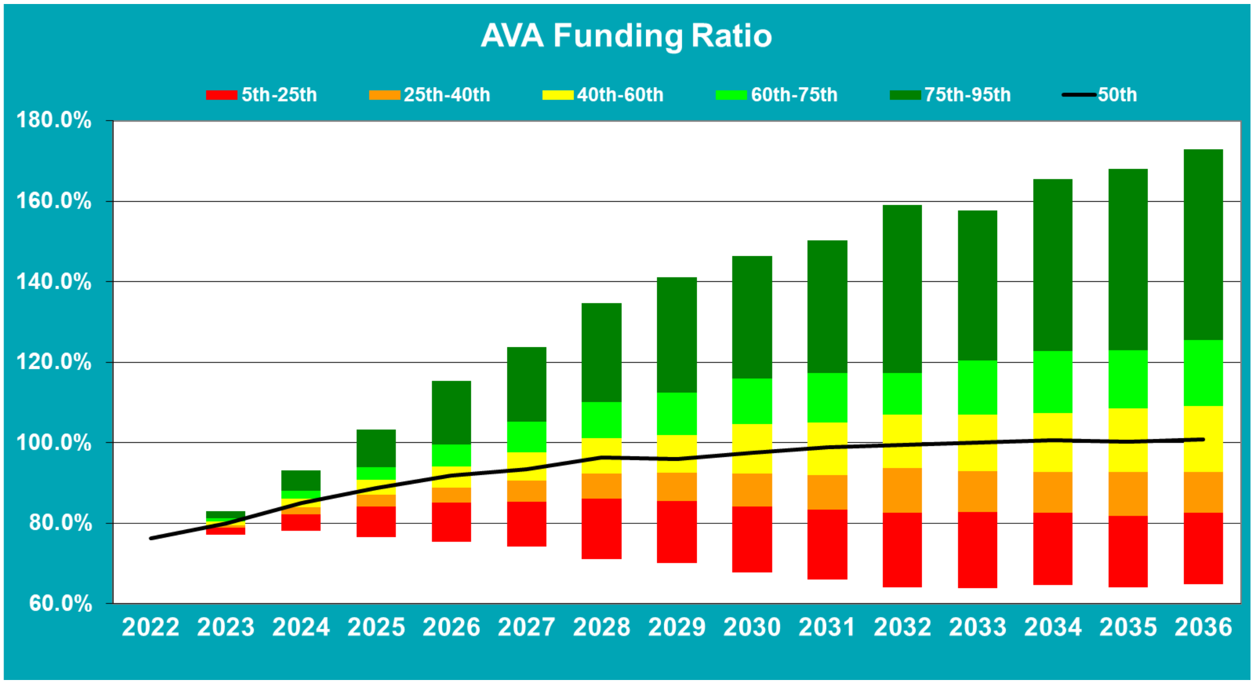


The stochastic projection of employer contributions as a percent of pay shows the probable range of future contribution rates. The black line represents the median contribution rate, which should align closely with the baseline projection scenarios assuming the expected returns of 6.75% each year, discussed in subsection E. of the Executive Summary of this report. In the most pessimistic scenario shown, the 95th percentile, the projected employer contribution rate reaches over 35% of pay in 2028.

We note that these projections allow the District's contribution to drop below its share of the normal cost if the Plan becomes overfunded (i.e., a funded ratio above 100%). Under the PEPRA legislation, this is currently only allowed if the Plan becomes extremely over-funded (above 120%) and meets other conditions; these provisions have been ignored for the purposes of these simulations.

SECTION II – DISCLOSURES RELATED TO RISK

Stochastic Projection of Funded Ratio on an Actuarial Value of Assets Basis



While the baseline funded ratio (black line) is projected to be about 100% at the end of the 15-year period shown here, there is a wide range of potential outcomes. Good investment returns have the likelihood of bringing the funded ratio well over 100%. Due to the sound funding policy of the Plan, even in scenarios with unfavorable investment returns, the Plan is projected to remain over 63% funded on an Actuarial Value of Assets basis. These projections assume that both the full employer and employee contributions are made each year under every scenario.

More Detailed Assessment

While a more detailed assessment is always valuable to enhance the understanding of the risks identified above, we believe the scenarios illustrated above cover the primary risks facing the Plan at this time. We would be happy to provide the Board with a more detailed assessment at their request.

SECTION III – ASSETS

Pension Plan assets play a key role in the financial operation of the Plan and in the decisions the Board may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, employer contributions, and the ultimate security of participants' benefits.

In this section, we present detailed information on Plan assets including:

- **Description** of Plan assets as of December 31, 2020 and December 31, 2021
- Statement of the **changes** in market values during the year
- Development of the **Actuarial Value of Assets**
- A summary of the Plan's **Investment Performance**

Description

There are two types of asset values disclosed in the valuation, the Market Value of Assets and the Actuarial Value of Assets. The market value represents "snap-shot" or "cash-out" values, which provide the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. As a result, market values are usually not as suitable for long-range planning, as are the Actuarial Values of Assets, which reflect smoothing of annual investment returns.

Table III-1 discloses and compares each component of the Market Value of Assets as of December 31, 2020 and December 31, 2021.

Table III-1
Balance Sheet as of December 31,

Investments at Market	**2020**	**2021**
Total Investments at Market	$ 840,695,000	$ 913,672,000
Receivables		
Interest	$ 174,000	$ 378,000
From Brokers	127,000	0
Employer Contributions	5,728,000	5,723,000
Other	0	0
Total Receivables	$ 6,029,000	$ 6,101,000
Payables		
To AC Transit	$ 5,271,000	$ 5,516,000
To Brokers	34,000	0
Accrued Benefits Payable	1,858,000	1,984,000
Other	1,694,000	922,000
Total Payables	$ 8,857,000	$ 8,422,000
Market Value of Assets	**$ 837,867,000**	**$ 911,351,000**

SECTION III – ASSETS

Changes in Market Value

The components of asset change are:

- Contributions (employer and employee)
- Benefit payments
- Expenses (investment and administrative)
- Investment income (realized and unrealized)

Table III-2 shows the components of the change in the Market Value of Assets during 2021.

Table III-2
Income Statement
January 1, 2021 through December 31, 2021

	Actual	Expected
Market Value at January 1, 2021	837,867,000	837,867,000
Contributions		
Employer/Employee Contributions	60,062,000	60,062,000
Due and Unpaid Contributions	0	0
Other Receipts	0	0
Total Contributions	60,062,000	60,062,000
Investment Income		
Interest & Dividends	7,844,000	
Realized & Unrealized Gain/(Loss)	74,335,000	
Other Investment Income	0	
Investment Expenses	(2,563,000)	
Total Investment Income	79,616,000	56,349,000
Disbursements		
Benefit Payments	(64,655,000)	(64,655,000)
Administrative Expenses	(1,539,000)	(1,539,000)
Total Disbursments	(66,194,000)	(66,194,000)
Market Value at December 31, 2021	911,351,000	888,084,000
Approximate Return	9.54%	6.75%
Admin Expenses as a Percentage of Mean Assets	0.18%	0.18%

Actuarial Value of Assets (AVA)

The Actuarial Value of Assets represents a "smoothed" value developed by the actuary to reduce the volatile results that could develop due to short-term fluctuations in the Market Value of Assets. For this Plan, the Actuarial Value of Assets is calculated on a modified market-related value. The Market Value of Assets is adjusted to recognize, over a five-year period, investment earnings which are greater than (or less than) the assumed investment return. The actuarial value is constrained to fall within 20% of the market value.

Table III-3
Development of Actuarial Value of Assets
as of January 1, 2022

Year	(a) Expected Return[1]	(b) Actual Return	(c) = (b) – (a) Unexpected Earnings	(d) Not Recognized	(c) x (d) Unrecognized Earnings
2018	48,263,000	(34,344,000)	(82,607,000)	20%	(16,521,000)
2019	44,738,000	110,146,000	65,408,000	40%	26,163,000
2020	52,148,000	94,790,000	42,642,000	60%	25,585,000
2021	56,349,000	79,616,000	23,267,000	80%	18,614,000
1. Total Unrecognized Dollars					53,841,000
2. Market Value of Assets as of January 1, 2022					911,351,000
3. Actuarial Value of Assets as of January 1, 2022 [(2) - (1)]					857,510,000
4. Ratio of Actuarial Value to Market Value [(3) ÷ (2)]					94.09%

[1] Computed using the assumed return on market value with all income and expenses assumed to occur mid-year.

SECTION III – ASSETS

Investment Performance

The following table calculates the investment related gain/loss for the plan year on both a market value and an actuarial value basis. The market value gain/loss is an appropriate measure for comparing the actual asset performance to the Plan's long-term assumption (6.75% for the most recent year).

Table III-4
Asset Gain/(Loss)

	Market Value	Actuarial Value
As of January 1, 2021	**$ 837,867,000**	**$ 788,654,000**
Employer Contributions	60,062,000	60,062,000
Employee Contributions	0	0
Benefit Payments	(64,655,000)	(64,655,000)
Expenses	(1,539,000)	(1,539,000)
Expected Investment Earnings (6.75%)	56,349,000	53,027,000
Expected Value as of January 1, 2022	**$ 888,084,000**	**$ 835,549,000**
Investment Gain / (Loss)	23,267,000	21,961,000
As of January 1, 2022	**911,351,000**	**$ 857,510,000**
Return	9.54%	9.55%

SECTION IV – LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at January 1, 2021 and January 1, 2022
- Statement of **changes** in these liabilities during the year
- **Development of the Actuarial Gain/(Loss)**

Disclosure

Several types of liabilities are calculated and presented in this report. We note that the liabilities described below are not appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations, in the case of a Plan termination or other similar action.

- **Present Value of Future Benefits:** Used for measuring all future Plan obligations, represents the amount of money needed today to fully fund all benefits of the Plan both earned as of the valuation date and those to be earned in the future by current plan participants, under the current Plan provisions.

- **Actuarial Liability:** Used for funding calculations, this liability is calculated by taking the present value of future benefits and subtracting the present value of future normal costs under an acceptable actuarial funding method. The method used for this Plan is called the **Entry Age Normal** (EAN) funding method.

- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Actuarial Value of Assets, not including the contribution receivable.

Table IV-1 below discloses each of these liabilities for the current and prior valuations.

Table IV-1
Liabilities/Net (Surplus)/Unfunded

	January 1, 2021	January 1, 2022
Present Value of Future Benefits		
Active Participant Benefits	$ 718,986,038	$ 732,376,542
Retiree and Inactive Benefits	611,598,229	638,328,414
Present Value of Future Benefits (PVB)	**$ 1,330,584,267**	**$ 1,370,704,956**
Actuarial Liability		
Present Value of Future Benefits (PVB)	$ 1,330,584,267	$ 1,370,704,956
Present Value of Future Normal Costs (PVFNC)	245,895,864	245,250,102
Actuarial Liability (AL = PVB – PVFNC)	**$ 1,084,688,403**	**$ 1,125,454,854**
Actuarial Value of Assets (AVA)	788,654,000	857,510,000
Net (Surplus)/Unfunded (AL – AVA)	**$ 296,034,403**	**$ 267,944,854**

Changes in Liabilities

Each of the liabilities disclosed in the prior table are expected to change at each valuation. The components of that change (as shown in Table IV-2 below), depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments increasing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method or software

Table IV-2
Changes in Actuarial Liability

Actuarial Liability at January 1, 2021	$	1,084,688,403
Actuarial Liability at January 1, 2022	$	1,125,454,854
Liability Increase (Decrease)		40,766,451
Change due to:		
Assumption Change		0
Accrual of Benefits		27,210,795
Actual Benefit Payments		(64,655,000)
Interest		72,871,090
Actuarial (Gain)/Loss		5,339,566

SECTION IV – LIABILITIES

Development of Actuarial Gain/(Loss)

Unfunded liabilities will change (as shown in Table IV-3 below) because of all of the above, as well as changes in Plan assets resulting from:

- Employer contributions different than the actuarial cost
- Investment earnings different than expected
- A change in the method used to measure plan assets

Table IV-3
Development of Actuarial Gain / (Loss)

1. Unfunded Actuarial Liability at Start of Year (not less than zero)	$	296,034,403
2. Employer Normal Cost at Start of Year (plus expected expenses)		28,688,854
3. Interest on 1. and 2. to End of Year		21,918,820
4. Expected Contributions for Prior Year		62,686,650
5. Interest on 4. to End of Year		4,231,349
6. Change in Unfunded Actuarial Liability Due to Changes in Assumptions		0
7. Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. – 5. + 6.]	$	279,724,078
8. Actual Unfunded Actuarial Liability at End of Year (not less than zero)		267,944,854
9. Actuarial Gain / (Loss) [7. – 8.]	$	11,779,224
Actuarial (Loss) From Liabilities more than expected		(5,339,566)
Actuarial Gain From Actuarial Asset returns more than expected		21,961,000
Actuarial (Loss) From Expenses more than expected		(13,114)
Actuarial (Loss) From Contributions less than expected		(4,829,096)

SECTION V – CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level (if any) of contributions is needed to properly maintain the funding status of the Plan. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

For this Plan, the actuarial funding method used to determine the normal cost and the Unfunded Actuarial Liability is the **Entry Age Normal (EAN)** cost method. This method is consistent with the method required under the GASB accounting statements.

The normal cost is calculated as the amount necessary to fund Members' benefits as a level percentage of total payroll over their projected working lives. Normal cost contributions are assumed to be made throughout the year, or on average mid-year.

The Unfunded Actuarial Liability is the difference between the EAN Actuarial Liability and the Actuarial Value of Assets.

The Unfunded Actuarial Liability payment is based on:

- A closed 12-year (six years remaining) amortization of the UAL as of January 1, 2016,
- A closed 30-year (17 years remaining) amortization of the 2008 Extraordinary Actuarial Loss (50% of the investment losses occurring during 2008),
- 20-year amortization layers of any new Unfunded Actuarial Liability due to assumptions changes and actuarial gains and losses starting with the January 1, 2017 valuation. The amortization payments for each layer are expected to begin 12 months following the valuation establishing the base.
- The payment for the UAL layer associated with the discount rate change in the January 1, 2021 actuarial valuation was phased-in over a three year period, with the phase-in completed with the 2023 amortization payment.

All layers are calculated as a level percentage of payroll and assume mid-year payments to reflect the fact that employer contributions are made throughout the year.

The tables on the following pages present the employer contributions for the Plan for the current and prior valuations.

SECTION V – CONTRIBUTIONS

Table V-1a
Development of Employer Contribution Amount on a Fiscal Year Basis

	January 1, 2021	January 1, 2022
1. Entry Age Normal Cost (Employer Only)		
a. Non-PEPRA	14.19%	14.24% [3]
b. PEPRA	6.48%	6.68% [3]
2. Entry Age Actuarial Liability		
Active Members		
c. Retirement	$ 443,847,644	$ 456,707,953
d. Termination	10,358,797	10,828,501
e. Occupational Disability	6,099,928	6,353,426
f. Total and Permanent Disability	5,589,939	5,891,813
g. Death	7,193,866	7,344,747
h. Total Active Liability:(c) + (d) + (e) + (f) + (g)	$ 473,090,174	$ 487,126,440
Inactive Members		
i. Retirement	$ 518,068,212	$ 543,831,212
j. Termination	19,448,497	20,372,701
k. Disability	29,038,596	28,997,095
l. Death	45,042,924	45,127,406
m. Total Inactive Liability: (i) + (j) + (k) + (l)	$ 611,598,229	638,328,414
n. Total Entry Age Actuarial Liability: (2h) + (2m)	$ 1,084,688,403	$ 1,125,454,854
3. Actuarial Value of Assets	$ 788,654,000	$ 857,510,000
4. Fiscal Year Contribution Adjustment[1]	17,329,126	0
5. Unfunded Accrued Liability[2]: (2n) - (3) - (4)	$ 278,705,277	$ 267,944,854
6. Amortization of Unfunded Liability	32,806,298	34,112,341 [3]
7. Expected Administrative Expenses	1,478,059	1,518,705
8. Projected Payroll	$ 190,000,000	$ 206,700,000
o. Non-PEPRA	$ 186,000,000	$ 188,600,000
p. PEPRA	$ 4,000,000	$ 18,100,000
9. Total Contribution with Interest: [(1a) * (8o) +(1b) * (8p) + [(6) + (7)] * 1.0675]	$ 63,251,151	$ 66,092,432
10. Total Contribution as a Percent of Projected Payroll: (9) / (8)	33.29%	31.98%

[1] District UAL contributions due and unpaid for the fiscal year containing the valuation date.
[2] The 2021 UAL shown in this exhibit differs from Table I-1, since the receivable contribution offset is included here.
[3] FY2022-2023 amounts are based on a blend of amounts determined from the 1/1/2021 and 1/1/2022 valuations

SECTION V – CONTRIBUTIONS

Table V-1b
Development of Employer Contribution Amount on a Plan / Calendar Year Basis

		January 1, 2022
1. Entry Age Normal Cost (Employer Only)		
a. Non-PEPRA		14.28%
b. PEPRA		6.88%
2. Entry Age Actuarial Liability		
Active Members		
c. Retirement	$	456,707,953
d. Termination		10,828,501
e. Occupational Disability		6,353,426
f. Total and Permanent Disability		5,891,813
g. Death		7,344,747
h. Total Active Liability:(c) + (d) + (e) + (f) + (g)	$	487,126,440
Inactive Members		
i. Retirement	$	543,831,212
j. Termination		20,372,701
k. Disability		28,997,095
l. Death		45,127,406
m. Total Inactive Liability: (i) + (j) + (k) + (l)		638,328,414
n. Total Entry Age Actuarial Liability: (2h) + (2m)	$	1,125,454,854
3. Actuarial Value of Assets	$	857,510,000
4. Unfunded Accrued Liability: (2n) - (3)	$	267,944,854
5. Amortization of Unfunded Liability (with Interest to Mid-Year)		37,978,846
6. Expected Administrative Expenses (with Interest to Mid-Year)		1,615,287
7. Projected Payroll (for following Calendar Year)	$	209,777,589
o. Non-PEPRA	$	191,408,095
p. PEPRA	$	18,369,494
8. Total Contribution (with Interest to Mid-Year) [(1a) * (7o) +(1b) * (7p) + (5) + (6)]	$	68,191,031
9. Total Contribution as a Percent of Projected Payroll: (8) / (7)		32.51%

SECTION V – CONTRIBUTIONS

Table V-2
Development of Amortization Payment for the 2023 Plan Year

Type of Base	Date Established	Initial Amount	Initial Amortization Years	1/1/2022 Outstanding Balance	Remaining Amortization Years	Amortization Amount	1/1/2023 Outstanding Balance	Remaining Amortization Years	Amortization Amount
2008 Extraordinary Actuarial Loss	1/1/2009	$ 78,762,712	30	$ 82,080,652	17	$ 6,329,844	$ 80,863,987	16	$ 6,519,739
Remaining UAL as of 2016	1/1/2016	212,567,221	12	141,554,052	6	25,750,643	123,620,139	5	26,523,163
2016 Experience Loss	1/1/2017	29,089	20	27,540	15	2,330	26,912	14	2,400
2017 Experience Gain	1/1/2018	(558,939)	20	(538,181)	16	(43,391)	(528,189)	15	(44,693)
Assumption changes	1/1/2018	10,040,964	20	9,668,063	16	779,497	9,488,544	15	802,882
2018 Experience Loss	1/1/2019	24,473,917	20	23,887,033	17	1,842,105	23,532,961	16	1,897,368
Assumption changes	1/1/2019	(5,244,129)	20	(5,118,375)	17	(394,716)	(5,042,506)	16	(406,557)
2019 Experience Loss	1/1/2020	13,329,161	20	13,179,808	18	975,435	13,028,169	17	1,004,698
2020 Experience Gain	1/1/2021	(12,584,911)	20	(12,510,683)	19	(891,260)	(12,403,735)	18	(917,998)
Assumption changes	1/1/2021	26,434,532	20	27,524,962	19	1,339,049	27,953,462	18	2,068,830 [1]
2021 Experience Gain	1/1/2022	(11,810,017)	20	(11,810,017)		(2,391,144)	(10,054,647)	20	(691,328) [2]
Total Unfunded Actuarial Liability (UAL)				**$ 267,944,854**					**$ 36,758,504**
With Interest to Mid-Year									37,978,846

[1] This payment reflects the third and final year of a three year-year phase-in of the recognition of the increase in UAL due to new economic assumptions.

[2] The amortization of the 2022 UAL layer does not begin until January 1, 2023. The UAL base is rolled forward using the total UAL payments anticipated during 2022, net of the payments on the existing bases.

SECTION V – CONTRIBUTIONS

Table V-3
Employer Normal Cost Summary

	Non-PEPRA	PEPRA	Total
1. Entry Age Normal Cost (Middle of Year)	$ 25,943,592	$ 1,624,580	
2. Actuarial Payroll (Normal Cost)	$ 181,645,569	$ 11,703,501	
3. Normal Cost as a Percent of Covered Payroll: (1) / (2)	14.28%	13.88% [1]	
4. Employee Contributions as a Percent of Covered Payroll	0.00%	7.00%	
5. Employer Normal Cost Rate: (3) - (4)	14.28%	6.88%	
6. Projected Fiscal Year Payroll	$ 188,600,000	$ 18,100,000	$ 206,700,000
7. Projected Fiscal Year Employer Normal Cost	$ 26,932,080	$ 1,245,280	$ 28,177,360
8. Employer Normal Cost as a Percent of Fiscal Year Payroll: (7) / (6)			13.63%

[1] Exceeds the rate used to establish prior PEPRA member rate (12.73%) by more than 1% of pay, therefore member rate reset to half the total Normal Cost rate, rounded to the nearest 0.25%.

APPENDIX A – MEMBERSHIP INFORMATION

Data pertaining to active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan Administrator electronically. This information includes but is not limited to, the Plan provisions, employee data, and financial information.

Active Participants	ATU	IBEW	AFSCME	Non-Represented	Total
Non-PEPRA					
Number	1,611	29	251	66	**1,957**
Vested	912	23	204	61	**1,200**
Non-Vested	699	6	47	5	**757**
Average Age	49.0	51.9	48.7	52.0	**49.1**
Average Service	12.7	11.9	12.7	12.8	**12.6**
Average Pay	$ 86,460	$ 111,798	$ 121,784	$ 154,326	**$ 93,655**
PEPRA					
Number	115	3	14	30	**162**
Vested	0	0	0	4	**4**
Non-Vested	115	3	14	26	**158**
Average Age	40.2	53.1	45.5	43.2	**52.5**
Average Service	0.7	0.5	0.9	1.2	**3.2**
Average Pay	$ 53,173	$ 92,491	$ 105,798	$ 70,846	**$ 120,113**
Total Number	1,726	32	265	96	**2,119**

APPENDIX A – MEMBERSHIP INFORMATION

Inactive Participants	ATU	IBEW	AFSCME	Non-Represented	Total
Number of Service Retired Participants	1,290	16	259	121	**1,686**
Average Age	71.8	71.6	72.4	70.1	**71.8**
Average Annual Benefit	$ 30,783	$ 32,566	$ 42,227	$ 51,986	**$ 34,079**
Number of Beneficiaries	281	2	63	14	**360**
Average Age	71.1	73.5	72.1	66.8	**71.2**
Average Annual Benefit	$ 13,003	$ 19,722	$ 21,110	$ 23,170	**$ 14,855**
Number of Occupational Disabled Participants	93	0	2	0	**95**
Average Age	67.6	0.0	74.6	0.0	**67.8**
Average Annual Benefit	$ 13,850	$ 0	$ 18,696	$ 0	**$ 13,952**
Number of Total and Permanent Disabled Participants	68	0	3	0	**71**
Average Age	68.4	0.0	70.1	0.0	**68.4**
Average Annual Benefit	$ 26,390	$ 0	$ 39,444	$ 0	**$ 26,941**
Number of Terminated Vested Participants	121	2	35	5	**163**
Average Age	51.5	43.0	49.1	47.9	**50.8**
Average Annual Benefit	$ 14,913	$ 10,350	$ 14,494	$ 23,866	**$ 15,042**
Number of Terminated Nonvested PEPRA Participants	0	0	0	1	**1**
Average Contribution Balance	$ 0	$ 0	$ 0	$ 6,832	**$ 6,832**

APPENDIX A – MEMBERSHIP INFORMATION

Data Reconciliation January 1, 2021 to January 1, 2022

ATU Members

	Active	Actives on Leave	Vested Terminated	Occupational Disability	Total and Permanent Disability	Beneficiaries	Retired	Total Participants
Participant count as of January 1, 2021	**1,405**	**365**	**125**	**93**	**68**	**274**	**1,264**	**3,594**
New January 2, 2021 through December 31, 2021	88	0	(1)	0	0	0	0	87
Terminated with Vested Benefits	(3)	(8)	13	0	0	0	0	2
Became Occupationally Disabled	0	(4)	0	4	0	0	0	0
Became Totally and Permanently Disabled	0	(4)	0	0	4	0	0	0
Retired	(31)	(32)	(12)	(2)	0	0	77	0
Transfer to/from Non-Union Status	(10)	0	0	0	0	0	0	(10)
Died or Terminated without a Vested Benefit	(1)	(1)	(2)	(2)	(3)	(11)	(37)	(57)
Died with Beneficiary Payable	(2)	(1)	0	0	(1)	18	(14)	0
QDRO Commenced	0	0	0	0	0	4	0	4
Assumed Leave Status (New Leave)	(262)	262	0	0	0	0	0	0
Leave Status Changes	194	(194)	0	0	0	0	0	0
Refund of Contributions/No Further Benefits	(15)	(20)	(2)	0	0	(4)	0	(41)
Miscellaneous Adjustments	0	0	0	0	0	0	0	0
Total Change	(42)	(2)	(4)	0	0	7	26	(15)
Participant count as of January 1, 2022	**1,363**	**363**	**121**	**93**	**68**	**281**	**1,290**	**3,579**

APPENDIX A – MEMBERSHIP INFORMATION

Data Reconciliation January 1, 2021 to January 1, 2022

IBEW Members

	Active	Actives on Leave	Vested Terminated	Occupational Disability	Total and Permanent Disability	Beneficiaries	Retired	Total Participants
Participant count as of January 1, 2021	**31**	**0**	**2**	**0**	**0**	**2**	**14**	**49**
New January 2, 2021 through December 31, 2021	3	0	0	0	0	0	0	3
Terminated with Vested Benefits	0	0	0	0	0	0	0	0
Became Occupationally Disabled	0	0	0	0	0	0	0	0
Became Totally and Permanently Disabled	0	0	0	0	0	0	0	0
Retired	(2)	0	0	0	0	0	2	0
Transfer to/from Non-Union Status	0	0	0	0	0	0	0	0
Died or Terminated without a Vested Benefit	0	0	0	0	0	0	0	0
Died with Beneficiary Payable	0	0	0	0	0	0	0	0
QDRO Commenced	0	0	0	0	0	0	0	0
Assumed Leave Status (New Leave)	0	0	0	0	0	0	0	0
Leave Status Changes	0	0	0	0	0	0	0	0
Refund of Contributions/No Further Benefits	0	0	0	0	0	0	0	0
Miscellaneous Adjustments	0	0	0	0	0	0	0	0
Total Change	1	0	0	0	0	0	2	3
Participant count as of January 1, 2022	**32**	**0**	**2**	**0**	**0**	**2**	**16**	**52**

APPENDIX A – MEMBERSHIP INFORMATION

Data Reconciliation January 1, 2021 to January 1, 2022

AFSCME Members

	Active	Actives on Leave	Vested Terminated	Occupational Disability	Total and Permanent Disability	Beneficiaries	Retired	Total Participants
Participant count as of January 1, 2021	**254**	**21**	**29**	**3**	**3**	**62**	**258**	**630**
New January 2, 2021 through December 31, 2021	8	0	0	0	0	0	0	8
Terminated with Vested Benefits	(5)	(1)	6	0	0	0	0	0
Became Occupationally Disabled	0	0	0	0	0	0	0	0
Became Totally and Permanently Disabled	0	0	0	0	0	0	0	0
Retired	(9)	(1)	0	0	0	0	10	0
Transfer to/from Non-Union Status	1	(1)	0	0	0	0	0	0
Died or Terminated without a Vested Benefit	(1)	0	0	(1)	0	(3)	(6)	(11)
Died with Beneficiary Payable	(1)	0	0	0	0	4	(3)	0
QDRO Commenced	0	0	0	0	0	1	0	1
Assumed Leave Status (New Leave)	(9)	9	0	0	0	0	0	0
Leave Status Changes	16	(16)	0	0	0	0	0	0
Refund of Contributions/No Further Benefits	0	0	0	0	0	(1)	0	(1)
Miscellaneous Adjustments	0	0	0	0	0	0	0	0
Total Change	0	(10)	6	(1)	0	1	1	(3)
Participant count as of January 1, 2022	**254**	**11**	**35**	**2**	**3**	**63**	**259**	**627**

APPENDIX A – MEMBERSHIP INFORMATION

Data Reconciliation January 1, 2021 to January 1, 2022

Non-Represented Members

	Active	Actives on Leave	Vested Terminated	Occupational Disability	Total and Permanent Disability	Beneficiaries	Retired	Total Participants
Participant count as of January 1, 2021	**85**	**2**	**10**	**0**	**0**	**15**	**117**	**229**
New January 2, 2021 through December 31, 2021	4	0	(1)	0	0	0	0	3
Terminated with Vested Benefits	0	0	0	0	0	0	0	0
Became Occupationally Disabled	0	0	0	0	0	0	0	0
Became Totally and Permanently Disabled	0	0	0	0	0	0	0	0
Retired	(3)	0	(1)	0	0	0	4	0
Transfer to/from Non-Union Status	10	0	0	0	0	0	0	10
Died or Terminated without a Vested Benefit	0	0	0	0	0	(1)	0	(1)
Died with Beneficiary Payable	0	0	0	0	0	0	0	0
QDRO Commenced	0	0	0	0	0	0	0	0
Assumed Leave Status (New Leave)	(2)	2	0	0	0	0	0	0
Leave Status Changes	2	(2)	0	0	0	0	0	0
Refund of Contributions/No Further Benefits	(2)	0	(2)	0	0	0	0	(4)
Miscellaneous Adjustments	0	0	0	0	0	0	0	0
Total Change	9	0	(4)	0	0	(1)	4	8
Participant count as of January 1, 2022	**94**	**2**	**6**	**0**	**0**	**14**	**121**	**237**

APPENDIX A – MEMBERSHIP INFORMATION

Data Reconciliation January 1, 2021 to January 1, 2022

Total Members

	Active	Actives on Leave	Vested Terminated	Occupational Disability	Total and Permanent Disability	Beneficiaries	Retired	Total Participants
Participant count as of January 1, 2021	**1,775**	**388**	**166**	**96**	**71**	**353**	**1,653**	**4,502**
New January 2, 2021 through December 31, 2021	103	0	(2)	0	0	0	0	101
Terminated with Vested Benefits	(8)	(9)	19	0	0	0	0	2
Became Occupationally Disabled	0	(4)	0	4	0	0	0	0
Became Totally and Permanently Disabled	0	(4)	0	0	4	0	0	0
Retired	(45)	(33)	(13)	(2)	0	0	93	0
Transfer to/from Non-Union Status	1	(1)	0	0	0	0	0	0
Died or Terminated without a Vested Benefit	(2)	(1)	(2)	(3)	(3)	(15)	(43)	(69)
Died with Beneficiary Payable	(3)	(1)	0	0	(1)	22	(17)	0
QDRO Commenced	0	0	0	0	0	5	0	5
Assumed Leave Status (New Leave)	(273)	273	0	0	0	0	0	0
Leave Status Changes	212	(212)	0	0	0	0	0	0
Refund of Contributions/No Further Benefits	(17)	(20)	(4)	0	0	(5)	0	(46)
Miscellaneous Adjustments	0	0	0	0	0	0	0	-
Total Change	(32)	(12)	(2)	(1)	0	7	33	(7)
Participant count as of January 1, 2022	**1,743**	**376**	**164**	**95**	**71**	**360**	**1,686**	**4,495**

APPENDIX A – MEMBERSHIP INFORMATION

Age / Service Distribution on Active Participants as of January 1, 2022

ATU Members

Counts

	Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	4	3	0	0	0	0	0	0	0	0	7
25 to 29	4	22	4	0	0	0	0	0	0	0	30
30 to 34	22	89	82	2	0	0	0	0	0	0	195
35 to 39	15	43	133	12	2	0	0	0	0	0	205
40 to 44	10	60	107	23	15	21	0	0	0	0	236
45 to 49	11	39	91	21	39	51	2	0	0	0	254
50 to 54	10	28	80	20	33	71	21	2	0	0	265
55 to 59	8	25	60	31	38	53	25	14	4	0	258
60 to 64	2	9	35	19	19	59	17	12	18	6	196
65 to 69	0	1	14	10	5	16	4	9	6	2	67
70 & up	0	0	2	2	2	1	2	0	2	2	13
Total	86	319	608	140	153	272	71	37	30	10	1,726

Compensation

	Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Avg. Comp.
Under 25	48,183	41,853	0	0	0	0	0	0	0	0	45,470
25 to 29	47,070	70,542	76,147	0	0	0	0	0	0	0	68,160
30 to 34	50,112	70,310	81,674	100,295	0	0	0	0	0	0	73,118
35 to 39	51,383	77,069	80,681	79,406	98,227	0	0	0	0	0	77,876
40 to 44	58,592	80,470	86,092	87,695	83,202	88,903	0	0	0	0	83,720
45 to 49	52,546	76,459	87,903	78,856	86,134	92,876	96,940	0	0	0	84,665
50 to 54	49,425	77,365	89,160	90,800	87,504	93,357	94,043	129,712	0	0	88,149
55 to 59	52,889	71,438	87,206	90,488	90,441	88,965	103,288	100,780	98,073	0	88,310
60 to 64	48,183	86,159	86,983	91,241	94,023	93,770	89,649	100,235	100,805	104,928	92,549
65 to 69	0	60,474	83,752	89,804	102,889	93,828	90,954	85,252	104,669	80,511	90,550
70 & up	0	0	82,964	112,941	81,443	92,827	85,530	0	95,938	96,523	92,577
Total	51,534	74,756	85,019	87,893	88,836	92,182	95,914	98,390	100,889	98,363	84,242

APPENDIX A – MEMBERSHIP INFORMATION

Age / Service Distribution on Active Participants as of January 1, 2022

IBEW Members

Counts

Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	1	1	0	0	0	0	0	0	0	2
35 to 39	0	1	2	0	0	0	0	0	0	0	3
40 to 44	1	1	2	0	2	0	0	0	0	0	6
45 to 49	0	0	1	1	0	0	0	0	0	0	2
50 to 54	0	3	1	0	1	0	1	0	0	0	6
55 to 59	1	0	0	0	0	1	1	0	0	0	3
60 to 64	1	0	2	0	2	2	0	0	0	0	7
65 to 69	0	0	1	0	0	0	1	0	0	0	2
70 & up	0	0	0	0	0	1	0	0	0	0	1
Total	3	6	10	1	5	4	3	0	0	0	32

Compensation

Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Avg. Comp.
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	97,562	107,927	0	0	0	0	0	0	0	102,744
35 to 39	0	76,732	119,218	0	0	0	0	0	0	0	105,056
40 to 44	95,680	108,773	105,749	0	134,380	0	0	0	0	0	114,119
45 to 49	0	0	106,801	110,700	0	0	0	0	0	0	108,750
50 to 54	0	109,586	108,933	0	99,163	0	121,512	0	0	0	109,728
55 to 59	95,680	0	0	0	0	108,670	109,144	0	0	0	104,498
60 to 64	86,112	0	107,413	0	110,056	114,374	0	0	0	0	107,114
65 to 69	0	0	154,603	0	0	0	119,271	0	0	0	136,937
70 & up	0	0	0	0	0	101,199	0	0	0	0	101,199
Total	92,491	101,971	114,302	110,700	117,607	109,654	116,642	0	0	0	109,988

APPENDIX A – MEMBERSHIP INFORMATION

Age / Service Distribution on Active Participants as of January 1, 2022

AFSCME Members

Counts

	Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	5	1	0	0	0	0	0	0	0	6
30 to 34	2	6	8	0	0	0	0	0	0	0	16
35 to 39	2	6	14	5	0	0	0	0	0	0	27
40 to 44	1	9	23	9	7	2	0	0	0	0	51
45 to 49	0	9	14	8	8	9	0	0	0	0	48
50 to 54	1	7	16	3	8	16	2	0	0	0	53
55 to 59	1	6	3	4	5	4	2	2	1	0	28
60 to 64	0	4	5	1	4	4	1	2	2	1	24
65 to 69	0	2	1	1	1	1	1	1	0	1	9
70 & up	0	0	0	1	0	0	1	0	0	1	3
Total	7	54	85	32	33	36	7	5	3	3	265

Compensation

	Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Avg. Comp.
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	88,247	115,937	0	0	0	0	0	0	0	92,862
30 to 34	103,823	111,730	96,463	0	0	0	0	0	0	0	103,108
35 to 39	93,274	105,068	118,320	106,644	0	0	0	0	0	0	111,358
40 to 44	116,569	117,000	119,442	125,341	135,592	129,743	0	0	0	0	122,616
45 to 49	0	119,217	129,516	134,588	113,708	122,634	0	0	0	0	124,505
50 to 54	125,893	120,048	116,069	129,805	138,292	122,290	126,757	0	0	0	123,193
55 to 59	102,905	119,634	127,777	129,282	133,599	148,661	129,071	66,423	113,348	0	124,577
60 to 64	0	98,440	125,611	120,204	149,888	137,456	99,548	130,310	110,996	140,690	125,593
65 to 69	0	132,787	113,065	113,065	133,958	153,880	131,758	131,439	0	165,040	134,198
70 & up	0	0	0	125,526	0	0	126,616	0	0	114,086	122,076
Total	105,652	112,694	118,659	125,104	132,323	128,283	124,225	104,981	111,780	139,939	120,939

APPENDIX A – MEMBERSHIP INFORMATION

Age / Service Distribution on Active Participants as of January 1, 2022

Non-Represented Members

Counts											
	Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	2	1	0	0	0	0	0	0	0	3
35 to 39	0	2	4	0	0	0	0	0	0	0	6
40 to 44	0	5	4	4	0	0	0	0	0	0	13
45 to 49	2	3	5	4	1	3	0	1	0	0	19
50 to 54	0	7	9	0	2	2	1	0	0	0	21
55 to 59	1	5	3	1	3	0	1	0	0	0	14
60 to 64	0	1	4	2	2	2	1	0	0	0	12
65 to 69	0	1	2	1	0	0	0	0	1	0	5
70 & up	0	2	0	0	0	0	1	0	0	0	3
Total	3	28	32	12	8	7	4	1	1	0	96

Compensation											
	Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Avg. Comp.
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	112,480	116,459	0	0	0	0	0	0	0	113,806
35 to 39	0	141,149	140,810	0	0	0	0	0	0	0	140,923
40 to 44	0	125,231	123,807	153,637	0	0	0	0	0	0	133,533
45 to 49	99,711	106,392	156,333	171,920	167,190	142,359	0	135,256	0	0	143,025
50 to 54	0	122,760	140,697	0	173,821	181,761	157,720	0	0	0	142,594
55 to 59	128,059	115,841	186,311	175,595	149,873	0	146,719	0	0	0	145,581
60 to 64	0	128,059	168,870	180,286	143,018	158,217	159,208	0	0	0	160,482
65 to 69	0	140,251	134,439	202,668	0	0	0	0	138,444	0	150,048
70 & up	0	128,059	0	0	0	0	183,782	0	0	0	146,633
Total	109,160	121,984	147,692	170,089	156,311	158,148	161,857	135,256	138,444	0	143,634

APPENDIX A – MEMBERSHIP INFORMATION

Age / Service Distribution on Active Participants as of January 1, 2022

Total Members

Counts											
	Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	4	3	0	0	0	0	0	0	0	0	7
25 to 29	4	27	5	0	0	0	0	0	0	0	36
30 to 34	24	98	92	2	0	0	0	0	0	0	216
35 to 39	17	52	153	17	2	0	0	0	0	0	241
40 to 44	12	75	136	36	24	23	0	0	0	0	306
45 to 49	13	51	111	34	48	63	2	1	0	0	323
50 to 54	11	45	106	23	44	89	25	2	0	0	345
55 to 59	11	36	66	36	46	58	29	16	5	0	303
60 to 64	3	14	46	22	27	67	19	14	20	7	239
65 to 69	0	4	18	12	6	17	6	10	7	3	83
70 & up	0	2	2	3	2	2	4	0	2	3	20
Total	99	407	735	185	199	319	85	43	34	13	2,119

Compensation											
	Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Avg. Comp.
Under 25	48,183	41,853	0	0	0	0	0	0	0	0	45,470
25 to 29	47,070	73,821	84,105	0	0	0	0	0	0	0	72,277
30 to 34	54,588	73,985	83,623	100,295	0	0	0	0	0	0	76,179
35 to 39	56,311	82,758	86,201	87,417	98,227	0	0	0	0	0	83,535
40 to 44	66,514	88,215	93,130	104,433	102,747	92,454	0	0	0	0	92,915
45 to 49	59,803	85,766	96,404	103,854	92,418	99,484	96,940	135,256	0	0	94,168
50 to 54	56,377	93,214	97,784	95,887	100,927	100,545	100,306	129,712	0	0	97,222
55 to 59	68,160	85,638	93,555	97,163	99,008	93,421	106,766	96,486	101,128	0	94,467
60 to 64	60,826	92,661	99,190	100,653	107,116	98,917	93,831	104,532	101,824	110,037	99,705
65 to 69	0	116,575	94,948	101,147	108,067	97,361	102,474	89,871	109,494	108,687	99,985
70 & up	0	128,059	82,964	117,136	81,443	97,013	120,365	0	95,938	102,377	105,542
Total	58,347	83,440	92,036	99,784	99,483	97,923	102,080	100,014	102,955	107,958	91,911

APPENDIX A – MEMBERSHIP INFORMATION

Benefit Summary as of January 1, 2022

Retired Participants and Beneficiaries

Counts

Age	ATU	IBEW	AFSCME	Non-Represented	Total
0 - 34	3	0	0	0	3
35 - 39	1	0	0	0	1
40 - 44	2	0	0	0	2
45 - 49	6	0	1	1	8
50 - 54	6	0	3	4	13
55 - 59	88	1	15	10	114
60 - 64	216	2	41	21	280
65 - 69	354	4	54	33	445
70 - 74	387	5	88	30	510
75 - 79	254	4	68	23	349
80 - 84	146	2	37	10	195
85 - 89	73	0	10	2	85
90 - 94	30	0	5	1	36
95+	5	0	0	0	5
Total	1,571	18	322	135	2,046

Average Monthly Benefits

Age	ATU	IBEW	AFSCME	Non-Represented	Total
0 - 34	$842	$0	$0	$0	$842
35 - 39	$1,267	$0	$0	$0	$1,267
40 - 44	$672	$0	$0	$0	$672
45 - 49	$1,596	$0	$2,664	$854	$1,637
50 - 54	$2,098	$0	$1,893	$2,713	$2,240
55 - 59	$1,824	$767	$2,415	$4,462	$2,124
60 - 64	$2,758	$4,244	$3,547	$4,325	$3,001
65 - 69	$2,674	$4,656	$4,202	$4,786	$3,034
70 - 74	$2,422	$1,241	$3,246	$4,019	$2,646
75 - 79	$2,119	$2,600	$3,012	$3,889	$2,415
80 - 84	$1,840	$1,112	$2,507	$3,097	$2,023
85 - 89	$1,463	$0	$1,574	$923	$1,463
90 - 94	$927	$0	$1,274	$3,290	$1,040
95+	$1,017	$0	$0	$0	$1,017
Total	$2,300	$2,595	$3,175	$4,083	$2,558

APPENDIX A – MEMBERSHIP INFORMATION

Benefit Summary as of January 1, 2022

Disabled Participants

Counts

Age	ATU	IBEW	AFSCME	Non-Represented	Total
0 - 34	0	0	0	0	0
35 - 39	0	0	0	0	0
40 - 44	3	0	0	0	3
45 - 49	4	0	0	0	4
50 - 54	14	0	0	0	14
55 - 59	13	0	0	0	13
60 - 64	26	0	0	0	26
65 - 69	31	0	3	0	34
70 - 74	30	0	1	0	31
75 - 79	17	0	1	0	18
80 - 84	15	0	0	0	15
85 - 89	6	0	0	0	6
90 - 94	2	0	0	0	2
95+	0	0	0	0	0
Total	161	0	5	0	166

Average Monthly Benefits

Age	ATU	IBEW	AFSCME	Non-Represented	Total
0 - 34	$0	$0	$0	$0	$0
35 - 39	$0	$0	$0	$0	$0
40 - 44	$1,464	$0	$0	$0	$1,464
45 - 49	$2,008	$0	$0	$0	$2,008
50 - 54	$1,742	$0	$0	$0	$1,742
55 - 59	$2,261	$0	$0	$0	$2,261
60 - 64	$2,007	$0	$0	$0	$2,007
65 - 69	$1,682	$0	$3,120	$0	$1,809
70 - 74	$1,382	$0	$1,929	$0	$1,399
75 - 79	$1,173	$0	$1,688	$0	$1,202
80 - 84	$1,157	$0	$0	$0	$1,157
85 - 89	$1,039	$0	$0	$0	$1,039
90 - 94	$683	$0	$0	$0	$683
95+	$0	$0	$0	$0	$0
Total	$1,596	$0	$2,595	$0	$1,626

APPENDIX A – MEMBERSHIP INFORMATION

Benefit Summary as of January 1, 2022

Terminated Vested Participants

Counts

Age	ATU	IBEW	AFSCME	Non-Represented	Total
0 - 34	2	0	0	0	2
35 - 39	7	0	5	0	12
40 - 44	17	1	5	1	24
45 - 49	23	1	10	3	37
50 - 54	38	0	11	1	50
55 - 59	14	0	1	0	15
60 - 64	14	0	2	0	16
65 - 69	4	0	0	0	4
70 - 74	2	0	1	0	3
75 - 79	0	0	0	0	0
80 - 84	0	0	0	0	0
85 - 89	0	0	0	0	0
90 - 94	0	0	0	0	0
95+	0	0	0	0	0
Total	121	2	35	5	163

Average Monthly Benefits

Age	ATU	IBEW	AFSCME	Non-Represented	Total
0 - 34	$1,233	$0	$0	$0	$1,233
35 - 39	$1,116	$0	$1,040	$0	$1,085
40 - 44	$1,281	$1,204	$1,355	$3,404	$1,382
45 - 49	$1,497	$521	$926	$1,798	$1,340
50 - 54	$1,470	$0	$1,632	$1,146	$1,499
55 - 59	$909	$0	$546	$0	$884
60 - 64	$586	$0	$848	$0	$619
65 - 69	$1,185	$0	$0	$0	$1,185
70 - 74	$1,181	$0	$847	$0	$1,069
75 - 79	$0	$0	$0	$0	$0
80 - 84	$0	$0	$0	$0	$0
85 - 89	$0	$0	$0	$0	$0
90 - 94	$0	$0	$0	$0	$0
95+	$0	$0	$0	$0	$0
Total	$1,243	$863	$1,208	$1,989	$1,253

APPENDIX A – MEMBERSHIP INFORMATION

Benefit Form Elections as of January 1, 2022

Retired Participants

	ATU	IBEW	AFSCME	Non-Represented	Total
Income Reducing at age 65	14	0	2	1	17
Straight Life Annuity (Level Income)	767	8	156	59	990
Full Joint and Survivor	207	7	43	31	288
Full Joint and Survivor with Pop-up	12	0	5	1	18
Half Joint and Survivor	216	1	38	25	280
Half Joint and Survivor with Pop-up	37	0	5	4	46
5 Year Certain Plus Life	13	0	8	0	21
10 Year Certain Plus Life	11	0	1	0	12
15 Year Certain Plus Life	3	0	0	0	3
20 Year Certain Plus Life	10	0	1	0	11
Not Assigned or Reported	0	0	0	0	0
Total Retired Participants	1,290	16	259	121	1,686

Beneficiaries of Retired Participants

	ATU	IBEW	AFSCME	Non-Represented	Total
Income Reducing at age 65	0	0	0	0	0
Straight Life Annuity (Level Income)	230	2	48	11	291
Full Joint and Survivor	0	0	0	0	0
Full Joint and Survivor with Pop-up	0	0	0	0	0
Half Joint and Survivor	0	0	0	0	0
Half Joint and Survivor with Pop-up	0	0	0	0	0
5 Year Certain Plus Life	5	0	0	1	6
10 Year Certain Plus Life	5	0	2	0	7
15 Year Certain Plus Life	0	0	0	0	0
20 Year Certain Plus Life	7	0	1	0	8
Not Assigned or Reported	34	0	12	2	48
Total Retired Participants	281	2	63	14	360

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

The assumptions and methods used in the actuarial valuation as of January 1, 2022 are:

Actuarial Method

Annual contributions to the Alameda-Contra Costa Transit District AC Transit Employees' Retirement Plan are computed under the Entry Age Normal actuarial cost method. Under the Entry Age Normal cost method, the normal cost is calculated as the amount necessary to fund Members' benefits as a level percentage of total payroll over their projected working lives.

At each valuation date, the Actuarial Liability is equal to the difference between the liability for the Members' total projected benefit and the present value of future normal costs. The excess of the Actuarial Liability over Plan assets is the Unfunded Actuarial Liability. Amounts may be added to or subtracted from the Unfunded Actuarial Liability due to Plan amendments, changes in actuarial assumptions, and actuarial gains and losses.

The actuarial present value of benefits assigned to the year following each valuation date is the Plan normal cost. The total Plan cost is the sum of the normal cost, expected administrative expenses, and the amortization of the Unfunded Actuarial Liability. The Unfunded Actuarial Liability payment is calculated as a level percentage of active payroll and is based on:

- A closed 12-year (six years remaining) amortization of the UAL as of January 1, 2016,
- A closed 30-year (17 years remaining) amortization of the 2008 Extraordinary Actuarial Loss (50% of the investment losses occurring during 2008),
- 20-year amortization layers of any new Unfunded Actuarial Liability due to assumptions changes and actuarial gains and losses starting with the January 1, 2017 valuation.
    - The payments for each UAL layer will commence 12 months after the layer is established. The current year UAL base will be rolled forward from the valuation date to the end of the year, based on the anticipated total UAL payments for the year, net of the UAL payments on the existing bases.
    - The payment for the UAL layer associated with the discount rate change in the January 1, 2021 actuarial valuation is being phased-in over a three year period (fully phased-in with the 2023 payment).
- Future changes in the Unfunded Actuarial Liability due to plan changes will be amortized as a level percentage of active payroll over separate, closed layers, with the period yet to be determined.

The District is responsible for remitting its Plan contributions as the sum of dollar amounts for amortization of the Unfunded Actuarial Liability and expenses, plus a percentage of pensionable payroll paid for the normal cost.

Actuarial Value of Plan Assets

Actuarial gains and losses from Plan investments over the four years prior to the valuation date are recognized at the rate of 20% per year in computing the Plans' Actuarial Value of Assets. The Actuarial Value of Assets is constrained to within 20% of the market value.

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

The assumptions used in this report reflect the results of an experience study performed by Cheiron covering the period January 1, 2015 through December 31, 2018 and adopted by the Board. More details on the rationale for the demographic and economic assumptions can be found in the Actuarial Experience Study Report dated August 5, 2019. The Board adopted an expected rate or return of 6.75% at a special board meeting on June 8, 2021.

1. Valuation Date

All assets and liabilities are computed as of January 1, 2022.

2. Rate of Return

The annual rate of return on all Plan assets is assumed to be 6.75% net of investment expenses.

3. Cost-of-Living

The cost-of-living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.

4. Interest on Member Contributions

The annual credited interest rate on member contributions is assumed to be 3.00%.

5. Plan Expenses

An allowance for Plan administrative expenses ($1,518,705 for 2022), increasing each year at the assumed rate of inflation, has been included in the annual cost calculation.

6. Increases in Pay

Wage inflation component: 3.00%
Additional longevity and promotion component:

Years of Service	AFSCME/ Non-Union	ATU/ IBEW
0-3	2.75%	9.00%
4-7	2.00%	0.50%
8-24	1.25%	0.50%
25+	0.50%	0.50%

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

7. Sick Leave Conversion

Projected retirement benefits for active ATU/IBEW Participants are increased by 0.75% to allow for the conversion of unused sick leave to deferred compensation contributions (and therefore pay) in the years before retirement.

8. Mortality Improvement

Mortality is assumed to improve in future years in accordance with the MP-2018 generational improvement tables, applied from the base year of the mortality tables (2006).

9. Active Participant Mortality

Rates of mortality for all active Participants are given by the RP-2014 Adjusted to 2006 Non-Annuitant Mortality Table with Blue Collar Adjustment.

10. Retired Participant Mortality

Rates of mortality for ATU/IBEW retired Participants, spouses and surviving spouses are given by the RP-2014 Adjusted to 2006 Blue Collar Annuitant Mortality Table with a 110% adjustment factor for male members and a 130% adjustment for female members.

Rates of mortality for AFSCME/Non-Union retired Participants, spouses and surviving spouses are given by the RP-2014 Adjusted to 2006 Blue Collar Annuitant Mortality Table with a 110% adjustment factor for male members and no adjustment for female members.

11. Disabled Participant Mortality

Rates of mortality for all disabled Participants are given by the RP-2014 Disabled Mortality Blue Collar Table Adjusted to 2006.

12. Family Composition

All Participants are assumed to have beneficiaries eligible for pre-retirement death benefits. Male members are assumed to be three years older than their spouses. Female members are assumed to be three years younger than their spouses.

13. Pay for Benefits

In order to allow for leaves of absence among ATU Participants, in projecting future benefits the future pay for each member with less than six years of service is based on the highest pay earned during all years preceding the valuation date. Future pay for ATU members with six or more years of service is based on the highest three-year average pay

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

earned during all years preceding the valuation date. For all other members, future pay is based on the most recent year of compensation.

14. Service Retirement

Rates of service retirement among ATU/IBEW Participants eligible to retire are given by the following table:

	Males		Females	
Age	<20 Years of Service	20+ Years of Service	<20 Years of Service	20+ Years of Service
55 – 59	3.0%	7.0%	6.0%	14.0%
60 – 64	8.0%	23.0%	12.0%	23.0%
65-69	22.0%	35.0%	35.0%	35.0%
70+	100.0%	100.0%	100.0%	100.0%

Rates of service retirement among AFSCME/Non-Represented Participants eligible to retire are given by the following table:

Age	< 20 Years of Service	20+ Years of Service
50 – 54	15.0%	15.0%
55 – 59	8.0%	8.0%
60 – 64	15.0%	18.0%
65 – 69	20.0%	30.0%
70+	100.0%	100.0%

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

15. Termination

Rates of termination for all Participants from causes other than death, disability, and service retirement are as follows:

Years of Service	ATU/IBEW	AFSCME/ Non-Represented
0	13.0%	10.0%
1	6.0%	10.0%
2	2.5%	8.0%
3-5	2.5%	7.0%
6-8	2.5%	5.0%
9-11	2.5%	2.0%
12	2.5%	1.5%
13-14	2.0%	1.5%
15+	1.5%	1.5%

Assumed termination rates do not extend past eligibility for retirement benefits.

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

16. Disability

Rates of disability for male Participants are given by the following table:

Age	AFSCME/ Non-Union	ATU/IBEW
20	0.0000%	0.0000%
25	0.0000%	0.0000%
30	0.0413%	0.1320%
35	0.0638%	0.2040%
40	0.1163%	0.3720%
45	0.1875%	0.6000%
50	0.2813%	0.9000%
55	0.0220%	0.2820%
60	0.0263%	0.3360%
65+	0.0000%	0.0000%

200% of the above ATU/IBEW male rates are assumed for the ATU/IBEW female Participants.

150% of the above AFSCME/Non-Union male rates are assumed for the AFSCME/Non-Union female Participants.

One-half of disabilities are assumed to be total and permanent for male members and the remaining one-half are assumed to be occupational. One-quarter of disabilities are assumed to be total and permanent for female members and the remaining three-quarters are assumed to be occupational.

It is assumed that ATU occupational disabilities will be reduced by 15% to reflect worker's compensation awards.

Disabled Participants are not assumed to return to active service.

17. Employment Status

No transfers between AFSCME/Non-Union and ATU/IBEW are assumed.

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

18. General Leave

Retirement liabilities for Tier 1 Non-Represented Participants with employment contracts with the District are increased by 20% to reflect the effect of accumulated General Leave. Liabilities for death, disability, and termination benefits for these Participants are increased by 10% for General Leave.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

A. Participation

Full-time employees and Peak Load Operators of AC Transit District are eligible to participate in the AC Transit Employees' Retirement Plan. Paratransit drivers, direct hires and interns are not eligible to participate.

A Non-Represented Tier 2 Participant is a Non-Represented Employee who first becomes a Participant in the Plan on or after January 1, 2016.

A Represented Tier 2 Participant is a Represented Employee who first becomes a Participant in the Plan on or after January 1, 2020.

B. Member Contributions

Non-Represented Tier 2 Participants will contribute half of the normal cost of the Plan, rounded to the nearest 0.25%. Contributions will be based on the normal cost associated with their benefits. Tier 2 Participants will pay a single contribution rate, not a rate based on entry age. The member rate (prior to phase-in) will only change if the total Tier 2 normal cost rate increases or decreases by more than 1% of pay from the normal cost rate in effect when the rate was last adjusted (12.73% in 2021). Because the total Tier 2 normal cost increased to 13.88% in 2022, the Tier 2 Member contribution rate was recalculated as 7.00% (half of 13.88%, rounded to the nearest 0.25%). Table V-3 in this report summarizes the employer Normal Cost calculations for the District, including Tier 2 members.

C. Definitions

Average Final Earnings

A Participant's Average Final Earnings is the greater of the following:

- The monthly average of a Participant's Compensation during the last 60 months of employment. Months during which the Participant worked less than 1/2 month will be excluded from the average.

- The monthly average of a Participant's Compensation during the five individual calendar years (not necessarily consecutive) in which the earnings were highest. Months during which the Participant worked less than 1/2 month will be excluded from the average.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Effective June 30, 2008, Average Final Earnings for ATU members who retire after reaching age 55 and earning eight years of service is the greater of the following:

- The monthly average of a Participant's Compensation during the last 36 months of employment. Months during which the Participant worked less than 1/2 month will be excluded from the average.

- The monthly average of a Participant's Compensation during the three individual calendar years (not necessarily consecutive) in which the earnings were highest. Months during which the Participant worked less than 1/2 month will be excluded from the average.

Effective July 1, 2006, Average Final Earnings for IBEW members who retire after reaching age 60 and earning 10 years of service is the greater of the following:

- The monthly average of a Participant's Compensation during the last 36 months of employment. Months during which the Participant worked less than 1/2 month will be excluded from the average.

- The monthly average of a Participant's Compensation during the three individual calendar years (not necessarily consecutive) in which the earnings were highest. Months during which the Participant worked less than 1/2 month will be excluded from the average.

Effective July 1, 2001, Average Final Earnings for AFSCME/Non-represented members who retire after reaching age 60 is the greater of the following:

- The monthly average of a Participant's Compensation during the last 36 months of employment. Months during which the Participant worked less than 1/2 month will be excluded from the average.

- The monthly average of a Participant's Compensation during the three individual calendar years (not necessarily consecutive) in which the earnings were highest. Months during which the Participant worked less than 1/2 month will be excluded from the average.

Effective January 1, 2007 for AFSCME employees employed on or after June 21, 2007, Final Average Earnings for members who are at least 55 years old will be computed using final 36 months of employment or the highest three years.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Effective July 1, 2005, Average Final Earnings for Non-represented members who retire after reaching age 50 is the greater of the following:

- The monthly average of a Participant's Compensation during the last 36 months of employment. Months during which the Participant worked less than 1/2 month will be excluded from the average.

- The monthly average of a Participant's Compensation during the three individual calendar years (not necessarily consecutive) in which the earnings were highest. Months during which the Participant worked less than 1/2 month will be excluded from the average.

Lump sum payments for accumulated vacation or sick leave not actually taken prior to retirement are not included in computing Average Final Earnings. Any payments received after employment ends are not computed in Average Final Earnings.

Tier 2: For purposes of determining the Tier 2 Participant's Service Retirement Benefit, "Monthly Average Earnings" means the highest average annual Compensation earned by the New Participant during a period of 36 consecutive months immediately preceding his or her Retirement, or during any other period of 36 consecutive months during the New Participant's applicable service that the New Participant designates on the application for Retirement.

Compensation

A Participant's Compensation is the earnings for which Form W-2 is issued by AC Transit for income tax purposes, including amounts excluded from Form W-2 under Internal Revenue Code Sections 125 (Cafeteria Plans), 402(a)(8) (Cash or Deferred Arrangements), 402(h)(1)(B) (Simplified Employee Pensions), 457 (Deferred Compensation), or 403(b) (Tax Deferred Annuities).

For ATU members only up to two weeks of casual vacation pay per year can be included in Compensation. Unused sick leave pay converted to contributions to a Member's Deferred Compensation plan while active is considered part of Compensation for ATU and IBEW members. For all employees, any contributions made by the District on the Participant's behalf to a 457 Plan are considered compensation. Compensation earned during part-time employment included in Service is converted to a full-time basis in the computation of Average Final Earnings.

For a non-represented Participant who has an employment agreement with the District, effective January 1, 2006 Compensation includes amounts of General Leave taken as cash compensation.

Tier 2: For purposes of determining a Tier 2 Participant's Service Retirement Benefit, "Compensation" means the normal monthly rate of pay or base pay of the New Participant paid by the District in cash to similarly situated Employees of the same group or class of

APPENDIX C – SUMMARY OF PLAN PROVISIONS

employment for services rendered on a full-time bases during normal working hours, pursuant to publicly available pay schedules. Deferred amounts will be included in Compensation when earned rather than when paid. The following amounts are excluded from Compensation:

1. Any amount that the Board determines has been paid to increase the New Participant's Benefit.
2. Any amount that is (A) paid in kind to the New Participant, or was paid directly to a third-party (other than the Plan) for the New Participant's benefit, and (B) subsequently converted to and received by the new Participant in cash.
3. Any one-time or ad hoc payments to the New Participant.
4. Severance or any other payment that is granted or awarded to the Participant in connection with, or in anticipation of, a separation from employment, but is received by the New Participant while employed.
5. Any payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated.
6. Any payments for additional services rendered outside of normal working hours.
7. Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
8. Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.
9. District contributions to deferred compensation or defined contribution plans.
10. Any bonus paid in addition to the amounts described in Section 13.3(b) of the Plan.
11. Any other form of compensation that the Board determines is inconsistent with the requirements of Section 13.3(b) of the Plan.
12. Any other form of compensation that the Board determines should not be included in Compensation.

Tier 2: For each calendar year after 2014, any amount in excess of the contribution and benefit base specified in section 430(b) of the Title 42 of the United States Code on January 1, 2013, as adjusted in accordance with Section 13.3(c) of the Plan, is excluded from Compensation. The Board will adjust the annual Compensation limit described in the preceding sentence after each annual actuarial valuation of the Plan based on changes to the Consumer Price Index for All Urban Consumers: U.S. City Average. The adjustment will be effective on the January 1 following each such annual valuation. The limit for 2022 is $134,974 for members participating in Social Security.

Service

Service is computed from the date in which the Participant becomes an employee and remains in continuous employment to the date service ceases.

Service is measured in completed years; fractions of a year are not included. Effective January 1, 2007, for individuals who were employed on or after June 21, 2006, AFSCME/Non-represented members receive fractional years of service based on completed days.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Continuous service is not broken if a Participant is reinstated within six months of termination. Continuous service is not broken by an authorized leave of absence.

A Participant who has prior service with AC Transit or predecessor companies and has no more than five years break in service will be given full credit for the prior service. The break in service period will not be included when computing service.

Service does not include time while receiving a disability benefit.

D. Service Retirement Benefit

Eligibility

Prior to January 1, 1998, all Participants were eligible for service retirement upon attaining age 55 and completing 10 or more years of service.

Effective January 1, 1998, ATU members are eligible for service retirement upon attaining age 55 and completing 10 or more years of service.

Effective June 30, 2008, ATU members are eligible for service retirement upon attaining age 55 and completing eight or more years of service.

Effective January 1, 1999, IBEW members are eligible for service retirement upon attaining age 55 and completing five or more years of service.

Effective July 1, 1998, AFSCME and non-represented Participants are eligible for service retirement upon attaining age 55 and completing five or more years of service.

Effective July 1, 2005, non-represented Participants are eligible for service retirement upon attaining age 50 and completing five or more years of service.

Tier 2 Participants are eligible to retire upon attaining age 52 and completing five or more years of service. Tier 2 Participants must reach the specified age, regardless of their years of service, to retire for service.

Benefit Amount

- **ATU (Non-PEPRA)**: Effective January 1, 1998, the retirement benefit for ATU members is 2% times years of service times the Participant's Average Final Earnings for retirement before age 65, and 2.5% times years of service multiplied by the Participant's Average Final Earnings for retirement after age 65.

  Effective June 30, 2008, ATU members with eight years of service, and who are 60 or older will receive 2.25% times years of service multiplied by the Participant's Average Final Earnings.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

- **IBEW (Non-PEPRA)**: Effective January 1, 1999, the service retirement benefit for IBEW members is 2% times years of service times the Participant's Average Final Earnings for retirement before age 65, and 2.5% times years of service multiplied by the Participant's Average Final Earnings for retirement after age 65.

  Effective July 1, 2006 IBEW members with 10 years of service and who are 60 or older will receive 2.25% times years of service multiplied by the Participant's Average Final Earnings.

- **AFSCME (Non-PEPRA)**: Effective July 1, 1998, the service retirement benefit for AFSCME members is 2% times years of service times the Participant's Average Final Earnings for retirement before age 65, and 2.5% times years of service multiplied by the Participant's Average Final Earnings for retirement after age 65.

  Effective July 1, 2001, the service retirement benefit for AFSCME members commencing at age 60 or later is 2.25% times years of service times the Participant's Average Final Earnings.

  Effective January 1, 2007 for individuals who were employed on or after June 21, 2006, the service retirement benefit for AFSCME members commencing at age 55 is 2% times years of service times the Participant's Average Final Earnings. The 2% multiplier will increase to 2.1% at age 56, 2.2% at age 57, 2.3% at age 58, 2.4% at age 59, and 2.5% at age 60 and after.

- **Non-represented (Non-PEPRA):** Effective July 1, 1998, the service retirement benefit for non-represented members is 2% times years of service times the Participant's Average Final Earnings for retirement before age 65, and 2.5% times years of service multiplied by the Participant's Average Final Earnings for retirement after age 65.

  Effective July 1, 2001, the service retirement benefit for non-represented members commencing at age 60 or later is 2.25% times years of service times the Participant's Average Final Earnings.

  Effective July 1, 2005, the service retirement benefit for non-represented members commencing at age 50 is 2% times years of service times the Participant's Average Final Earnings. The 2% multiplier will increase to 2.1% at age 51, 2.2% at age 52, 2.3% at age 53, 2.4% at age 54, and 2.5% at age 55 and after.

  Effective January 1, 2007 for individuals who were employed on or after June 21, 2006, the service retirement benefit for non-represented members commencing at age 50 is 2% times years of service times the Participant's Average Final Earnings. The 2% multiplier will increase to 2.15% at age 51, 2.3% at age 52, 2.45% at age 53, 2.6% at age 54, and 2.75% at age 55 and after. The age 51-55 multiple will be applied to non-represented service after July 1, 1994. For service prior to July 1, 1994 or for service that is not non-represented, the old table (2.0 % at 50, 2.1% at 51, 2.2% at 52, 2.3% at 53, 2.4% at 54, 2.5% at 55) will apply.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Tier 2 (PEPRA): For all Tier 2 Participants the benefit multiplier will be 1% at age 52, increasing by 0.1% for each year of age to 2.5% at 67. In between exact ages, the multiplier will increase by 0.025% for each quarter year increase in age.

Retirement benefits will not exceed 100% of the Participant's Average Final Earnings.

Prior to the above effective dates, under Option I, a Participant will receive a percentage (found in Table 1) of Average Final Earnings to age 65, with a lesser percentage (found in Table 2) payable after 65 for life. Under Option II, a Participant will receive a level percentage (found in Table 3) of Average Final Earnings for life. Under both Options, a Participant is guaranteed a minimum monthly benefit of $400, payable for life, reduced if benefits are payable to a beneficiary after the Participant's death. The tables shown on the following pages are for ATU/IBEW Participants; AFSCME/Non-Union Participants percentages are 1% higher.

Prior to the above effective dates, the service retirement benefit for members with less than 20 years of service is a percentage of the Participant's Average Final Earnings determined by age and service at retirement. The percentage is determined from the tables on the next page, based on the Participant's age at retirement and 20 years of service. The benefit is then prorated for years less than 20 by multiplying the benefit from the table by actual years of service at retirement divided by two.

Form of Benefit

The benefit begins at retirement and continues for the Participant's life with no cost-of-living adjustments. A Participant not selecting Option I under the prior formula may elect to receive reduced benefits in the form of a contingent annuity with 50% or 100% continuing to a beneficiary after death, or in the form of a term certain life annuity, with payments guaranteed for 5, 10, 15 or 20 years.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Table 1

Age > Service	**55**	**56**	**57**	**58**	**59**	**60**	**61**	**62**	**63**	**64**
20	0.3600	0.3700	0.3800	0.3900	0.4000	0.4250	0.4250	0.4300	0.4300	0.4350
21	0.3700	0.3800	0.3900	0.4000	0.4100	0.4300	0.4300	0.4300	0.4300	0.4350
22	0.3800	0.3900	0.4000	0.4100	0.4200	0.4400	0.4400	0.4400	0.4400	0.4400
23	0.3900	0.4000	0.4100	0.4200	0.4300	0.4600	0.4600	0.4600	0.4600	0.4600
24	0.4100	0.4200	0.4300	0.4400	0.4500	0.4800	0.4800	0.4800	0.4800	0.4800
25	0.4250	0.4350	0.4450	0.4550	0.4650	0.5000	0.5000	0.5000	0.5000	0.5000
26	0.4250	0.4350	0.4550	0.4650	0.4750	0.5000	0.5025	0.5050	0.5100	0.5125
27	0.4300	0.4400	0.4600	0.4700	0.4900	0.5100	0.5125	0.5150	0.5225	0.5275
28	0.4300	0.4400	0.4600	0.4800	0.5000	0.5200	0.5250	0.5325	0.5375	0.5450
29	0.4350	0.4550	0.4750	0.4950	0.5150	0.5300	0.5350	0.5425	0.5550	0.5675
30	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
31	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
32	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
33	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
34	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
35	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
36	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
37	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
38	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
39	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900
40	0.4400	0.4600	0.4800	0.5000	0.5200	0.5400	0.5525	0.5650	0.5775	0.5900

Table 2

Age > Service	**55**	**56**	**57**	**58**	**59**	**60**	**61**	**62**	**63**	**64**	**65**
20	0.2500	0.2600	0.2700	0.2800	0.2900	0.3100	0.3100	0.3100	0.3300	0.3500	0.3900
21	0.2600	0.2700	0.2800	0.2900	0.3000	0.3150	0.3150	0.3150	0.3350	0.3550	0.3950
22	0.2700	0.2800	0.2900	0.3000	0.3100	0.3200	0.3200	0.3200	0.3400	0.3600	0.4000
23	0.2800	0.2900	0.3000	0.3100	0.3200	0.3300	0.3300	0.3300	0.3450	0.3650	0.4050
24	0.2900	0.3000	0.3100	0.3200	0.3300	0.3400	0.3400	0.3400	0.3500	0.3700	0.4100
25	0.3200	0.3300	0.3400	0.3500	0.3600	0.3800	0.3800	0.3800	0.3800	0.3800	0.4150
26	0.3250	0.3300	0.3400	0.3500	0.3600	0.3800	0.3825	0.3850	0.3875	0.3900	0.4350
27	0.3250	0.3300	0.3400	0.3500	0.3600	0.3800	0.3825	0.3850	0.3900	0.4000	0.4450
28	0.3250	0.3300	0.3400	0.3500	0.3600	0.3800	0.3850	0.3875	0.3925	0.4075	0.4600
29	0.3250	0.3350	0.3450	0.3550	0.3650	0.3800	0.3850	0.3875	0.3975	0.4225	0.4750
30	0.3300	0.3400	0.3500	0.3600	0.3700	0.3900	0.4000	0.4075	0.4175	0.4350	0.4900
31	0.3400	0.3500	0.3600	0.3700	0.3800	0.3950	0.4050	0.4175	0.4275	0.4475	0.4950
32	0.3500	0.3600	0.3700	0.3800	0.3900	0.4000	0.4150	0.4275	0.4425	0.4575	0.5000
33	0.3600	0.3700	0.3800	0.3900	0.3950	0.4050	0.4250	0.4375	0.4525	0.4675	0.5050
34	0.3700	0.3800	0.3900	0.3950	0.4000	0.4100	0.4300	0.4475	0.4625	0.4775	0.5100
35	0.3900	0.3950	0.4000	0.4050	0.4100	0.4150	0.4350	0.4525	0.4725	0.4950	0.5150
36	0.4000	0.4050	0.4100	0.4150	0.4200	0.4300	0.4500	0.4700	0.4850	0.5000	0.5200
37	0.4100	0.4150	0.4200	0.4250	0.4300	0.4400	0.4600	0.4750	0.4900	0.5050	0.5250
38	0.4200	0.4250	0.4300	0.4350	0.4400	0.4500	0.4650	0.4800	0.4950	0.5100	0.5300
39	0.4300	0.4350	0.4400	0.4450	0.4500	0.4550	0.4700	0.4850	0.5075	0.5250	0.5500
40	0.4400	0.4450	0.4500	0.4550	0.4600	0.4650	0.4800	0.5000	0.5200	0.5450	0.5700

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Table 3

Age > Service	55	56	57	58	59	60	61	62	63	64	65
20	0.3160	0.3240	0.3310	0.3390	0.3460	0.3610	0.3610	0.3610	0.3610	0.3610	0.3900
21	0.3260	0.3330	0.3390	0.3460	0.3520	0.3660	0.3660	0.3660	0.3660	0.3660	0.3950
22	0.3360	0.3420	0.3480	0.3540	0.3600	0.3730	0.3730	0.3730	0.3730	0.3730	0.4000
23	0.3460	0.3530	0.3600	0.3660	0.3730	0.3850	0.3850	0.3850	0.3850	0.3850	0.4050
24	0.3620	0.3680	0.3750	0.3810	0.3880	0.3970	0.3970	0.3970	0.3970	0.3970	0.4100
25	0.3830	0.3890	0.3960	0.4020	0.4090	0.4150	0.4150	0.4150	0.4150	0.4150	0.4150
26	0.3850	0.3920	0.3990	0.4060	0.4130	0.4200	0.4225	0.4250	0.4275	0.4300	0.4350
27	0.3860	0.3940	0.4020	0.4090	0.4170	0.4250	0.4275	0.4300	0.4350	0.4400	0.4450
28	0.3860	0.3950	0.4040	0.4120	0.4210	0.4300	0.4350	0.4400	0.4450	0.4500	0.4600
29	0.3910	0.4000	0.4090	0.4170	0.4260	0.4350	0.4400	0.4450	0.4550	0.4650	0.4750
30	0.3960	0.4050	0.4140	0.4220	0.4310	0.4400	0.4500	0.4600	0.4700	0.4800	0.4900
31	0.4010	0.4100	0.4190	0.4270	0.4360	0.4450	0.4550	0.4650	0.4750	0.4850	0.4950
32	0.4060	0.4150	0.4240	0.4320	0.4410	0.4500	0.4600	0.4700	0.4800	0.4900	0.5000
33	0.4110	0.4200	0.4290	0.4370	0.4460	0.4550	0.4650	0.4750	0.4850	0.4950	0.5050
34	0.4160	0.4250	0.4340	0.4420	0.4510	0.4600	0.4700	0.4800	0.4900	0.5000	0.5100
35	0.4210	0.4300	0.4390	0.4470	0.4560	0.4650	0.4750	0.4850	0.4950	0.5050	0.5150
36	0.4260	0.4350	0.4440	0.4520	0.4610	0.4700	0.4800	0.4900	0.5000	0.5100	0.5200
37	0.4310	0.4400	0.4490	0.4570	0.4660	0.4750	0.4850	0.4950	0.5050	0.5150	0.5250
38	0.4360	0.4450	0.4540	0.4620	0.4710	0.4800	0.4900	0.5000	0.5100	0.5200	0.5300
39	0.4410	0.4500	0.4590	0.4670	0.4760	0.4850	0.4950	0.5050	0.5250	0.5350	0.5500
40	0.4460	0.4550	0.4640	0.4720	0.4810	0.4900	0.5000	0.5150	0.5300	0.5500	0.5700

APPENDIX C – SUMMARY OF PLAN PROVISIONS

E. Occupational Disability Benefit

Eligibility

A Participant is eligible for an occupational disability benefit if the Participant is unable to perform the duties of his or her job with the District, cannot be transferred to another job with the District, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. A Participant must have earned 10 years of service to qualify for occupational disability.

PEPRA is silent on eligibility requirements for benefits other than service retirement, therefore the Plan's rules will continue to apply to Tier 2 Participants.

Benefit Amount

The occupational disability benefit is a percentage of the Participant's Average Final Earnings determined by service at the last day of active service from Table 4 below. There is a minimum monthly benefit of $400 payable for life.

Effective January 1, 1998, an ATU member who receives an occupational disability benefit will have this benefit reduced by a monthly amount actuarially equivalent to any workers' compensation benefits received.

Table 4

Service	Benefit	Service	Benefit
10	29.0%	26	37.0%
11	29.5%	27	37.5%
12	30.0%	28	38.0%
13	30.5%	29	38.5%
14	31.0%	30	39.0%
15	31.5%	31	39.0%
16	32.0%	32	39.0%
17	32.5%	33	39.0%
18	33.0%	34	39.0%
19	33.5%	35	39.0%
20	34.0%	36	39.0%
21	34.5%	37	39.0%
22	35.0%	38	39.0%
23	35.5%	39	39.0%
24	36.0%	40	39.0%
25	36.5%		

A disabled Tier 2 Participant with less than five years of service will receive a lump sum benefit of member contributions increased with interest.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

A disabled Tier 2 Participant with less than 10 years of service, but at least five years of service, is entitled to receive the PEPRA Retirement Benefit, which may be elected at age 52 (or later if the member defers receipt).

A disabled Tier 2 Participant with at least 10 years of service is entitled to the greater of:

- A monthly benefit equal to the non-PEPRA Occupational Disability Benefit payable immediately, and
- The PEPRA Retirement Benefit, which may be elected at age 52 (or later if the member defers receipt).

Form of Benefit

The occupational disability benefit begins at disability and continues until the Participant's recovery or death or until the disabled Participant chooses to convert the disability benefit to a retirement benefit. No cost-of-living increases are payable.

Effective June 30, 2008, a disabled ATU Participant may elect to receive reduced benefits in the form of a contingent annuity with 50% continuing to a spouse, domestic partner, or eligible child after death.

The disabled Participant may convert the disability benefit to a retirement benefit at age 65, or earlier as follows:

- Effective July 1, 1997 for ATU Participants, age 55
- Effective July 1, 1998 for AFSCME and non-represented Participants, age 55
- Effective July 1, 1999 for IBEW Participants, age 55
- Effective July 1, 2005 for non-represented Participants, age 50

A disabled Tier 2 Participant with less than 10 years of service, but at least five years of service, or a disabled Tier 2 Participant with at least 10 years of service and receiving the PEPRA Retirement Benefit may elect to receive reduced benefits in any form available to the PEPRA Retirement Benefit.

A disabled Tier 2 Participant with at least 10 years of service and receiving the non-PEPRA Occupational Disability Benefit begins payment and continues until the member's recovery or death or until the disabled member chooses to convert the disability benefit to a retirement benefit. No cost-of-living increases are payable. The disabled Tier 2 Participant may convert the disability benefit to a retirement benefit at age 52, the earliest age at which a Tier 2 Participant is eligible for a service retirement benefit.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

F. Total and Permanent Disability Benefit

Eligibility

A Participant is eligible for a total and permanent disability benefit if the Participant has earned 10 years of service and cannot work in any occupation for wages or profit. Effective June 30, 2008, ATU members are eligible after earning eight years of service.

PEPRA is silent on eligibility requirements for benefits other than service retirement, therefore the Plan's rules will continue to apply to Tier 2 Participants.

Benefit Amount

The benefit is 50% of the Average Final Earnings.

A disabled Tier 2 Participant with less than five years of service will receive a lump sum benefit of member contributions increased with interest.

A disabled Tier 2 Participant with less than 10 years of service, but at least five years of service, is entitled to receive the PEPRA Retirement Benefit, which may be elected at age 52 (or later if the Tier 2 Participant defers receipt).

A disabled Tier 2 Participant with at least 10 years of service is entitled to the greater of:

- A monthly benefit equal to the non-PEPRA Occupational Disability Benefit payable immediately, and
- The PEPRA Retirement Benefit, which may be elected at age 52 (or later if the member defers receipt).

Form of Benefit

The total and permanent disability benefit begins at disability and continues until the Participant's recovery or death or until the disabled Participant chooses to convert the disability benefit to a retirement benefit. No cost-of-living increases are payable.

Effective June 30, 2008, a disabled ATU Participant may elect to receive reduced benefits in the form of a contingent annuity with 50% continuing to a spouse, domestic partner, or eligible child after death.

The disabled Participant may convert the disability benefit to a retirement benefit at age 65, or earlier as follows:

- Effective July 1, 1997 for ATU Participants, age 55
- Effective July 1, 1998 for AFSCME and non-represented Participants, age 55
- Effective July 1, 1999 for IBEW Participants, age 55
- Effective July 1, 2005 for non-represented Participants, age 50

APPENDIX C – SUMMARY OF PLAN PROVISIONS

A disabled Tier 2 Participant with less than 10 years of service, but at least five years of service, or a disabled Tier 2 Participant with at least 10 years of service and receiving the PEPRA Retirement Benefit may elect to receive reduced benefits in any form available to the PEPRA Retirement Benefit.

A disabled Tier 2 Participant with at least 10 years of service and receiving the non-PEPRA Total and Permanent Disability Benefit begins payment and continues until the Tier 2 Participant's recovery or death or until the disabled Tier 2 Participant chooses to convert the disability benefit to a retirement benefit. The disabled Tier 2 Participant may convert the disability benefit to a retirement benefit as early as age 52, the earliest age at which a Tier 2 Participant is eligible for a service retirement benefit.

G. Pre-Retirement Death Benefit

Eligibility

A Participant's surviving spouse, domestic partner, or eligible child is eligible for a pre-retirement death benefit if the Participant has completed 10 years of service with the District or if the Participant is eligible for retirement. The Participant must also be married one or more years prior to his or her death unless the death is caused by an accident.

Effective June 30, 2008, an ATU Participant's surviving spouse, domestic partner, or eligible child is eligible for a pre-retirement death benefit if the Participant has completed eight years of service with the District or if the Participant is eligible for retirement. The Participant must also be married one or more years prior to his or her death unless the death is caused by an accident.

Effective January 1, 1999, an IBEW Participant's surviving spouse, domestic partner, or eligible child is eligible for a pre-retirement death benefit if the Participant has completed 10 years of service with the District or if the Participant is eligible for retirement. The Participant must also be married one or more years prior to his or her death unless the death is caused by an accident.

Effective July 1, 2001 minor children in absence of eligible spouse are eligible for a pre-retirement death benefit.

An AFSCME Participant's surviving spouse, domestic partner, or eligible child is eligible for a pre-retirement death benefit if the Participant has completed 10 years of service with the District or if the Participant is eligible for retirement. The Participant must be married to the surviving spouse one or more years prior to his or her death unless the death is caused by an accident.

PEPRA is silent on eligibility requirements for benefits other than service retirement, therefore the Plan's rules will continue to apply to Tier 2 Participants.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Benefit Amount

The pre-retirement death benefit is the benefit that would have been payable to the beneficiary had the Participant retired immediately prior to his or her death and elected to receive a 50% Joint and Survivor annuity.

If the Tier 2 Participant did not have five years of service, or if the member was not married, then the beneficiary will receive a lump sum benefit of member contributions increased with interest.

Form of Benefit

The death benefit begins the month after the Participant dies and continues for the life of the surviving spouse/domestic partner/eligible child(ren). No optional form of benefit may be elected. No cost-of-living increases are payable.

If the Tier 2 Participant did not have five years of service, then the beneficiary will receive an immediate lump sum. No optional form of benefit may be elected.

H. Termination Benefit

Eligibility

Effective July 1, 1997, an ATU Participant is eligible for a termination benefit after earning 10 years of service. The Participant will be eligible to commence benefits at age 55.

Effective June 30, 2008, an ATU Participant is eligible for a termination benefit after earning eight years of service. The Participant will be eligible to commence benefits at age 55.

Effective July 1, 1998, an AFSCME or non-represented Participant is eligible for a termination benefit after earning five years of service. The Participant will be eligible to commence benefits at age 55.

Effective January 1, 1999, an IBEW Participant is eligible for a termination benefit after earning five years of service. The Participant will be eligible to commence benefits at age 55.
Effective July 1, 2005, a non-represented Participant is eligible for a termination benefit after earning five years of service. The Participant will be eligible to commence benefits at age 50.

PEPRA is silent on eligibility requirements for benefits other than service retirement. We assume that Tier 2 Participants will vest in their accrued benefit at five years of service and will be eligible to commence as early as age 52.

Prior to the above effective dates, a Participant is eligible for a termination benefit after earning 10 years of service. The Participant will be eligible to commence benefits at age 65.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

Benefit Amount

- ATU: Effective July 1, 1997, the benefit payable to a vested terminated ATU Participant is 2% times years of service times the Participant's Average Final Earnings, or 2.5% of Average Final Earnings multiplied by years of service if receipt of benefits is deferred to age 65.

  Effective June 30, 2008, ATU members who terminate with eight or more years of service and who are 60 or older when benefits commence will receive 2.25% times years of service multiplied by the Participant's Average Final Earnings.

- IBEW: Effective January 1, 1999, the benefit payable to a vested terminated IBEW Participant is 2% of final average earnings multiplied by years of service, or 2.5% of final average earnings multiplied by years of service if receipt of benefits is deferred to age 65.

- AFSCME: Effective July 1, 1998, the benefit payable to a vested terminated AFSCME Participant is 2% of final average earnings multiplied by years of service, or 2.5% of final average earnings multiplied by years of service if receipt of benefits is deferred to age 65.

  Effective July 1, 2001, the benefit payable to a vested terminated AFSCME member commencing at age 60 or later is 2.25% times years of service times the Participant's Average Final Earnings.

  Effective January 1, 2007 for individuals who were employed on or after June 21, 2006, the benefit for AFSCME members commencing at age 55 is 2% times years of service times the Participant's Average Final Earnings. The 2% multiplier will increase to 2.1% at age 56, 2.2% at age 57, 2.3% at age 58, 2.4% at age 59, and 2.5% at age 60 and after.

- Non-represented: Effective July 1, 1998, the benefit payable to a vested terminated non-represented Participant is 2% of final average earnings multiplied by years of service, or 2.5% of final average earnings multiplied by years of service if receipt of benefits is deferred to age 65.

  Effective July 1, 2001, the benefit for non-represented members commencing at age 60 or later is 2.25% times years of service times the Participant's Average Final Earnings.

  Effective July 1, 2005, the benefit for non-represented members commencing at age 50 is 2% times years of service times the Participant's Average Final Earnings. The 2% multiplier will increase to 2.1% at age 51, 2.2% at age 52, 2.3% at age 53, 2.4% at age 54, and 2.5% at age 55 and after.

  Effective January 1, 2007 for individuals who were employed on or after June 21, 2006, the benefit for non-represented members commencing at age 50 is 2% times years of service times the Participant's Average Final Earnings. The 2% multiplier will increase to 2.15% at age 51, 2.3% at age 52, 2.45% at age 53, 2.6% at age 54, and 2.75% at age 55 and after. The age 51-55 multiple will be applied to non-represented service after

July 1, 1994. For service prior to July 1, 1994 or for service that is not non-represented, the old table (2.0 % at 50, 2.1% at 51, 2.2% at 52, 2.3% at 53, 2.4% at 54, 2.5% at 55) will apply.

- Tier 2: Effective January 1, 2016 for new non-represented members and January 1, 2020 for new represented members, the benefit multiplier will be 1% at age 52, increasing by 0.1% for each year of age to 2.5% at 67. In between exact ages, the multiplier will increase by 0.025% for each quarter year increase in age. We assume a refund of contributions, with interest, if termination occurs before five years of service.

Prior to the above effective dates, the benefit payable to a vested terminated Participant is a percentage of final average earnings. The percentage is computed using age 65 and the total years of service the Participant would have had had he or she remained in service to age 65. This benefit is then prorated using the ratio of actual service to service at age 65, but no more than 40 years.

Form of Benefit

Prior to the above effective dates, the termination benefit is payable for the life of the Participant only beginning at age 65. Commencing on the above effective dates, the termination benefit is payable for the life of the Participant beginning at the ages indicated. No cost-of-living increases are payable.

If a Tier 2 Participant has less than five years of service, he or she will receive an immediate lump sum.

Changes Since Prior Valuation

PEPRA provisions were applied to new represented hires as of January 1, 2020.

Funding

The District pays the full cost of the Plan for members not covered by Tier 2, and the full cost less member contributions (based on the normal cost, rounded to the nearest 0.25%) for members covered by Tier 2.

Retiree vision, dental, and life insurance benefits are provided by the District separately and are not part of Plan benefits. Retiree medical benefits are provided separately and are paid for by participating employees and are not part of Plan benefits.

APPENDIX D – GLOSSARY

1. **Actuarial Assumptions**

   Assumptions as to the occurrence of future events affecting pension costs such as mortality, withdrawal, disability, retirement, changes in compensation, and rates of investment return.

2. **Actuarial Cost Method**

   A procedure for determining the actuarial present value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a normal cost and an Actuarial Liability.

3. **Actuarial Gain (Loss)**

   The difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

4. **Actuarial Liability**

   The portion of the actuarial present value of projected benefits, which will not be paid by future normal costs. It represents the value of the past normal costs with interest to the valuation date.

5. **Actuarial Present Value (Present Value)**

   The value as of a given date of a future amount or series of payments. The actuarial present value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made.

6. **Actuarial Valuation**

   The determination, as of a specified date, of the normal cost, Actuarial Liability, Actuarial Value of Assets, and related actuarial present values for a pension plan.

7. **Actuarial Value of Assets**

   The value of cash, investments, and other property belonging to a pension plan as used by the actuary for the purpose of an actuarial valuation. The purpose of an Actuarial Value of Assets is to smooth out fluctuations in market values.

8. **Actuarially Equivalent**

   Of equal actuarial present value, determined as of a given date, with each value based on the same set of actuarial assumptions.

APPENDIX D – GLOSSARY

9. Amortization Payment

The portion of the pension plan contribution that is designed to pay interest and principal on the Unfunded Actuarial Liability in order to pay for that liability in a given number of years.

10. Entry Age Normal Actuarial Cost Method

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages.

11. Funded Ratio

The ratio of the Actuarial Value of Assets to the Actuarial Liabilities. The funded ratio shown in this report is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, in the case of a plan termination or other similar action. However, it is an appropriate measure for assessing the need for or the amount of future contributions.

12. Normal Cost

That portion of the actuarial present value of pension plan benefits and expenses, which is allocated to a valuation year by the actuarial cost method.

13. Projected Benefits

Those pension plan benefit amounts which are expected to be paid in the future under a particular set of actuarial assumptions, taking into account such items as increases in future compensation and service credits.

14. Unfunded Actuarial Liability

The excess of the Actuarial Liability over the Actuarial Value of Assets.

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