



YOLO COUNTY

RETIREE HEALTHCARE PLAN

BARTEL
ASSOCIATES, LLC

June 30, 2014 GASB 45 Actuarial Valuation

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Bartel Associates, LLC

December 23, 2014

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BENEFIT SUMMARY

	General Correctional Officers Investigators Deputy Sheriff	Attorneys Supervising Attorneys Department Heads Management Unrepresented Supervisors Sheriff Management Probation	Elected Officials								
■ Eligibility	<ul style="list-style-type: none"> Service (50 & 5 years CalPERS service) or disability retirement directly from County 										
■ Medical Benefit	<ul style="list-style-type: none"> 90% of Kaiser Bay Area premium¹ <table border="1" style="margin-left: 20px;"> <thead> <tr> <th><u>Coverage</u></th> <th><u>2014 Cap</u></th> </tr> </thead> <tbody> <tr> <td>EE only</td> <td>\$ 668.45</td> </tr> <tr> <td>EE + 1</td> <td>1,055.60</td> </tr> <tr> <td>Family</td> <td>1,154.80</td> </tr> </tbody> </table>	<u>Coverage</u>	<u>2014 Cap</u>	EE only	\$ 668.45	EE + 1	1,055.60	Family	1,154.80	<ul style="list-style-type: none"> Fixed dollar² 	<ul style="list-style-type: none"> Average Bay Area family premium excluding highest and lowest cost plans (\$1,861.49 in 2014)
<u>Coverage</u>	<u>2014 Cap</u>										
EE only	\$ 668.45										
EE + 1	1,055.60										
Family	1,154.80										

¹ Pre-Medicare eligible amounts. General, Correctional Officers and Investigators retiree caps reduced based on Medicare premiums post-65. Deputy Sheriff caps \$668.45/\$991.12/\$998.21 for ee/ee+1/family pre and post Medicare.

² \$370.67 per month except for Department Heads (\$374.83), Sheriff Management (\$375), Supervisors (\$746), Attorneys (\$370), and Probation (\$220). Supervisor cap increases with medical trend in the future.



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BENEFIT SUMMARY

■ PEMHCA Unequal Method	<ul style="list-style-type: none"> County contribution increase limited to \$100/month annual increase. Impacts EE+1 and Family pre Medicare caps for General, Correctional Officers, Investigators, and Deputy Sheriffs. 			
■ Surviving Spouse Medical Benefit	<ul style="list-style-type: none"> Retirement plan election Contribution continues to surviving spouse 			
■ Dental	<ul style="list-style-type: none"> Self insured Spouse coverage available at retiree cost 			
■ Other	<ul style="list-style-type: none"> No vision, life, & Medicare Part B paid by County 			
■ Pay-As-You-Go (amounts in 000's)	<u>Fiscal Year</u>	<u>Medical</u>	<u>Dental</u> ³	<u>Total</u>
	2013/14	n/a	n/a	\$ 4,119
	2012/13	3,289	406	3,695
	2011/12	3,466	386	3,852
	2010/11	3,110	352	3,462
	2009/10	2,534	330	2,864

³ Retiree only costs.



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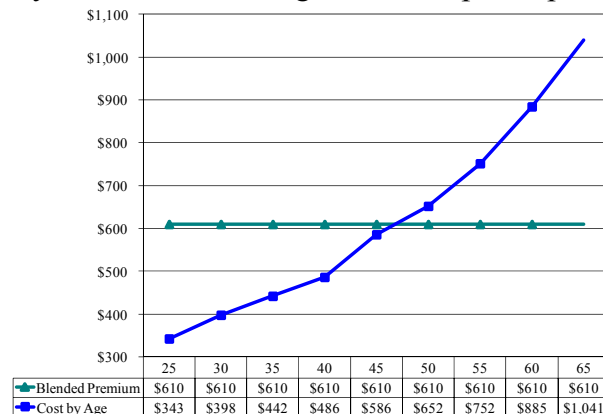


BENEFIT SUMMARY

Implied Subsidy

■ Background

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



- GASB 45 defers to actuarial standards of practice.
- Current Actuarial Standards of Practice No. 6⁴ (ASOP 6) allows community rated plans to value liability using premiums, resulting in no implied subsidy.
- Valuation includes an implied subsidy.

⁴ Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Plan Costs or Contributions.



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BENEFIT SUMMARY

Implied Subsidy

- Actuarial Standards Board has just released new version of ASOP 6:
 - Requires implied subsidy valued for community rated plans such as PEMHCA.
 - Mandatory for all valuations with measurement dates on or after March 31, 2015
- Claims data requested from CalPERS, but not yet available
- Bartel Associates developed estimated claims:
 - Public agency client data used, approx 110,000 total participants & spouses
 - 2014 PEMHCA premiums used to develop age/regional claims:
 - Relative age claims costs based on combination of 2013 SOA research paper “Health Care Costs-From Birth to Death” and GRS 2012 State of California GASB 45 actuarial report
 - Regional cost factors based on 2013 PEMHCA premiums
 - Plan risk based on participant demographics
 - 10% pre-65 disabilities assumed Medicare eligible
- Valuation includes an implied subsidy



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PARTICIPANT STATISTICS

Actives

	6/30/08	6/30/10	6/30/12	6/30/14
■ Count				
• Miscellaneous	1,324	978	963	1,033
• Safety	<u>317</u>	<u>291</u>	<u>292</u>	<u>281</u>
• Total	1,641	1,269	1,255	1,314
■ Averages				
• Age	43.7	43.5	43.9	43.5
• County Service	8.4	9.2	9.9	9.9
• Salary	\$ 55,100	\$ 62,300	\$ 64,000	\$ 63,700
■ Total Salary (000's) ⁵	90,478	79,070	80,292	83,753

⁵ Total and average salary are for 2007/08, 2010/11, 2011/12 and 2013/14.



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PARTICIPANT STATISTICS

Retirees

	6/30/08	6/30/10	6/30/12	6/30/14
■ Count				
• Miscellaneous	372	497	542	572
• Safety	<u>76</u>	<u>96</u>	<u>85</u>	<u>95</u>
• Total (w/Medical)	448	593	627	667
• Dental Only	<u>244</u>	<u>300</u>	<u>295</u>	<u>308</u>
• Total	692	893	922	975
■ Averages				
• Age (w/Medical)	69.9	68.4	69.0	69.5
• Retirement Age (service)				
➤ Miscellaneous	n/a	60.2	60.1	60.1
➤ Safety	n/a	57.4	57.5	57.7



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	June 30, 2012 Valuation	June 30, 2014 Valuation																
■ Valuation Date	<ul style="list-style-type: none"> • June 30, 2012 • 2011/12 & 2012/13 	<ul style="list-style-type: none"> • June 30, 2014 • 2013/14 & 2014/15 																
■ Funding Policy	<ul style="list-style-type: none"> • Partially pre-funded⁶ 	<ul style="list-style-type: none"> • \$800,000 to trust in 14/15 • 15-year phase-in to full ARC starting 2015/16 																
■ Discount Rate	<ul style="list-style-type: none"> • 4.25% - Not pre-funded; long-term return on County investments⁷ 	<ul style="list-style-type: none"> • Select and ultimate assumption (4.00% for portion not funded 6.50% for portion funded) <table style="margin-left: 40px; border: none;"> <tr><td>2014/15</td><td>4.17%</td></tr> <tr><td>2015/16</td><td>4.17%</td></tr> <tr><td>2016/17</td><td>4.33%</td></tr> <tr><td>2017/18</td><td>4.50%</td></tr> <tr><td>2018/19</td><td>4.67%</td></tr> <tr><td style="text-align: center;">⋮</td><td style="text-align: center;">⋮</td></tr> <tr><td>2028/29</td><td>6.33%</td></tr> <tr><td>2029/30+</td><td>6.50%</td></tr> </table> 	2014/15	4.17%	2015/16	4.17%	2016/17	4.33%	2017/18	4.50%	2018/19	4.67%	⋮	⋮	2028/29	6.33%	2029/30+	6.50%
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2029/30+	6.50%																	

⁶ \$500,000 June 2011 and \$300,000 May 2013 contributions to PARS Balanced trust. No additional contributions anticipated.



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	June 30, 2012 Valuation	June 30, 2014 Valuation																																																												
■ Medical Trend	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th colspan="2" style="text-align: center;"><u>Increase from Prior Year</u></th> </tr> <tr> <th></th> <th style="text-align: center;">Non-Medicare</th> <th style="text-align: center;">Medicare</th> </tr> </thead> <tbody> <tr><td>2012</td><td colspan="2" style="text-align: center;">Actual Premiums</td></tr> <tr><td>2013</td><td colspan="2" style="text-align: center;">Actual Premiums</td></tr> <tr><td>2014</td><td style="text-align: center;">8.5%</td><td style="text-align: center;">8.9%</td></tr> <tr><td>2015</td><td style="text-align: center;">8.0%</td><td style="text-align: center;">8.3%</td></tr> <tr><td>2016</td><td style="text-align: center;">7.5%</td><td style="text-align: center;">7.8%</td></tr> <tr><td>2017</td><td style="text-align: center;">7.0%</td><td style="text-align: center;">7.2%</td></tr> <tr><td style="text-align: center;">↓</td><td style="text-align: center;">↓</td><td style="text-align: center;">↓</td></tr> <tr><td>2021+</td><td style="text-align: center;">5.0%</td><td style="text-align: center;">5.0%</td></tr> </tbody> </table>	Year	<u>Increase from Prior Year</u>			Non-Medicare	Medicare	2012	Actual Premiums		2013	Actual Premiums		2014	8.5%	8.9%	2015	8.0%	8.3%	2016	7.5%	7.8%	2017	7.0%	7.2%	↓	↓	↓	2021+	5.0%	5.0%	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th colspan="2" style="text-align: center;"><u>Increase from Prior Year</u></th> </tr> <tr> <th></th> <th style="text-align: center;">Non-Medicare</th> <th style="text-align: center;">Medicare</th> </tr> </thead> <tbody> <tr><td>2012</td><td colspan="2" style="text-align: center;">n/a</td></tr> <tr><td>2013</td><td colspan="2" style="text-align: center;">n/a</td></tr> <tr><td>2014</td><td colspan="2" style="text-align: center;">Actual Premiums</td></tr> <tr><td>2015</td><td colspan="2" style="text-align: center;">Actual Premiums</td></tr> <tr><td>2016⁸</td><td style="text-align: center;">7.5%</td><td style="text-align: center;">7.8%</td></tr> <tr><td>2017</td><td style="text-align: center;">7.0%</td><td style="text-align: center;">7.2%</td></tr> <tr><td style="text-align: center;">↓</td><td style="text-align: center;">↓</td><td style="text-align: center;">↓</td></tr> <tr><td>2021+</td><td style="text-align: center;">5.0%</td><td style="text-align: center;">5.0%</td></tr> </tbody> </table>	Year	<u>Increase from Prior Year</u>			Non-Medicare	Medicare	2012	n/a		2013	n/a		2014	Actual Premiums		2015	Actual Premiums		2016 ⁸	7.5%	7.8%	2017	7.0%	7.2%	↓	↓	↓	2021+	5.0%	5.0%
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■ Active Cap Increases	<ul style="list-style-type: none"> • General, CO, Supervisors and Elected Officials: Medical trend • All other groups: None 	<ul style="list-style-type: none"> • Same, but with medical trend on Deputy Sheriffs cap 																																																												
■ Dental Claims	<ul style="list-style-type: none"> • \$37/month 	<ul style="list-style-type: none"> • \$33/month 																																																												

⁷ 50th percentile long term expected return on funds is 7%; 6.5% is 45th percentile.

⁸ 2015+ increases applied to Sacramento region 2014 premiums



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	June 30, 2012 Valuation	June 30, 2014 Valuation																																								
■ Dental Claim Increases	<ul style="list-style-type: none"> • 3.00% 	<ul style="list-style-type: none"> • Same 																																								
■ Mortality, Termination, Disability	<ul style="list-style-type: none"> • CalPERS 1997-2007 Experience Study • Post-retirement mortality projected with Scale AA 	<ul style="list-style-type: none"> • CalPERS 1997-2011 Experience Study • Post-retirement mortality projected with Scale AA 																																								
■ Service Retirement	<ul style="list-style-type: none"> • CalPERS 1997-2007 Experience Study <table border="0"> <tr> <td></td> <td align="center"><u>Safety</u></td> <td align="center"><u>Safety – Sheriffs</u></td> <td align="center"><u>Misc</u></td> <td></td> </tr> <tr> <td>Benefit</td> <td align="center">3%@55</td> <td align="center">3%@50</td> <td align="center">2.5%@55</td> <td></td> </tr> <tr> <td>ERA</td> <td align="center">≈ 56.9</td> <td align="center">≈ 55.4</td> <td align="center">≈ 58.0</td> <td></td> </tr> </table>		<u>Safety</u>	<u>Safety – Sheriffs</u>	<u>Misc</u>		Benefit	3%@55	3%@50	2.5%@55		ERA	≈ 56.9	≈ 55.4	≈ 58.0		<ul style="list-style-type: none"> • CalPERS 1997-2011 Experience Study <table border="0"> <tr> <td></td> <td align="center"><u>Safety</u></td> <td align="center"><u>Safety – Sheriffs</u></td> <td align="center"><u>Misc</u></td> <td></td> </tr> <tr> <td>Tier 1</td> <td align="center">3%@55</td> <td align="center">3%@50</td> <td align="center">2.5%@55</td> <td></td> </tr> <tr> <td>ERA</td> <td align="center">≈ 56.7</td> <td align="center">≈ 54.2</td> <td align="center">≈ 58.4</td> <td></td> </tr> <tr> <td>PEPRA</td> <td align="center">2.7%@57</td> <td align="center">2.7%@57</td> <td align="center">2%@62</td> <td></td> </tr> <tr> <td>ERA</td> <td align="center">≈ 56.8</td> <td align="center">≈ 56.8</td> <td align="center">≈ 60.6</td> <td></td> </tr> </table>		<u>Safety</u>	<u>Safety – Sheriffs</u>	<u>Misc</u>		Tier 1	3%@55	3%@50	2.5%@55		ERA	≈ 56.7	≈ 54.2	≈ 58.4		PEPRA	2.7%@57	2.7%@57	2%@62		ERA	≈ 56.8	≈ 56.8	≈ 60.6	
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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	June 30, 2012 Valuation	June 30, 2014 Valuation
■ Payroll Increases	<ul style="list-style-type: none"> • Aggregate Increases: 3.25% • Merit Increases: CalPERS 1997-2007 Experience Study 	<ul style="list-style-type: none"> • Aggregate Increases: 3.25% • Merit Increases: CalPERS 1997-2011 Experience Study
■ CalPERS Service	<ul style="list-style-type: none"> • County service plus ½ service between age 30 and County hire date 	<ul style="list-style-type: none"> • Same
■ CalPERS Premium Cap Calculations	<ul style="list-style-type: none"> • Assume correct caps apply. • No adjustment for retroactive refund. 	<ul style="list-style-type: none"> • Same



ASSETS

Market Value of Plan Assets

(Amounts in 000's)

	2010/11	2011/12	2012/13	2013/14
■ Market Value (Beginning of Year)	\$ -	\$ 500	\$ 515	\$ 864
• Contributions	500	-	300	4,119 ⁹
• Benefit Payments	-	-	-	(4,119) ¹⁰
• Administration Expenses	-	(6)	(6)	(7)
• Investment Earnings	-	21	55	131
■ Market Value (End of Year)	500	515	864	989
■ Approximate MVA Return	n/a	2.9%	8.8%	14.4%

⁹ Fiscal year 13/14 pay-go of \$4.119 million deposited at end of June 2014.

¹⁰ Reimbursement to County for fiscal year 13/14 pay-go paid from Trust in July 2014 and treated as accrued 6/30/14.



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ASSETS

Actuarial Value of Plan Assets

(Amounts in 000's)

	2010/11	2011/12	2012/13	2013/14
■ Actuarial Value (Beginning of Year)	\$ -	\$ 500	\$ 529	\$ 866
• Contributions	500	-	300	4,119
• Benefit Payments	-	-	-	(4,119)
• Credited Return	-	29	37	70
■ Actuarial Value (End of Year)	500	529	866	936
■ Approximate AVA Return	n/a	5.8%	6.4%	8.0%



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ASSETS

Asset Allocation

(Amounts in 000's)

	Actual Allocation		Target Allocation
	Value at 6/30/14	Actual %	
■ Total Fixed (fixed + inflation linked)	\$ 372	37.6%	30% - 50%
■ Cash	27	2.7%	0% - 20%
■ Global Equities	590	59.7%	50% - 70%
■ Total	989	100.0%	



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ASSETS

PARS Standard Investment Options

	Capital Appreciation	Balanced	Moderate	Moderately Conservative	Conservative
■ Target Allocation					
• Equity	75%	60%	50%	30%	15%
• Fixed Income	20%	35%	45%	65%	80%
• Cash	5%	5%	5%	5%	5%
• Total	100%	100%	100%	100%	100%
■ Median Return	7.39%	6.88%	6.48%	5.67%	5.00%
■ Discount Rate- Confidence Level					
• 50%	7.50%	7.00%	6.50%	5.75%	5.00%
• 55%	7.00%	6.50%	6.25%	5.50%	4.75%
• 60%	6.75%	6.25%	6.00%	5.25%	4.50%



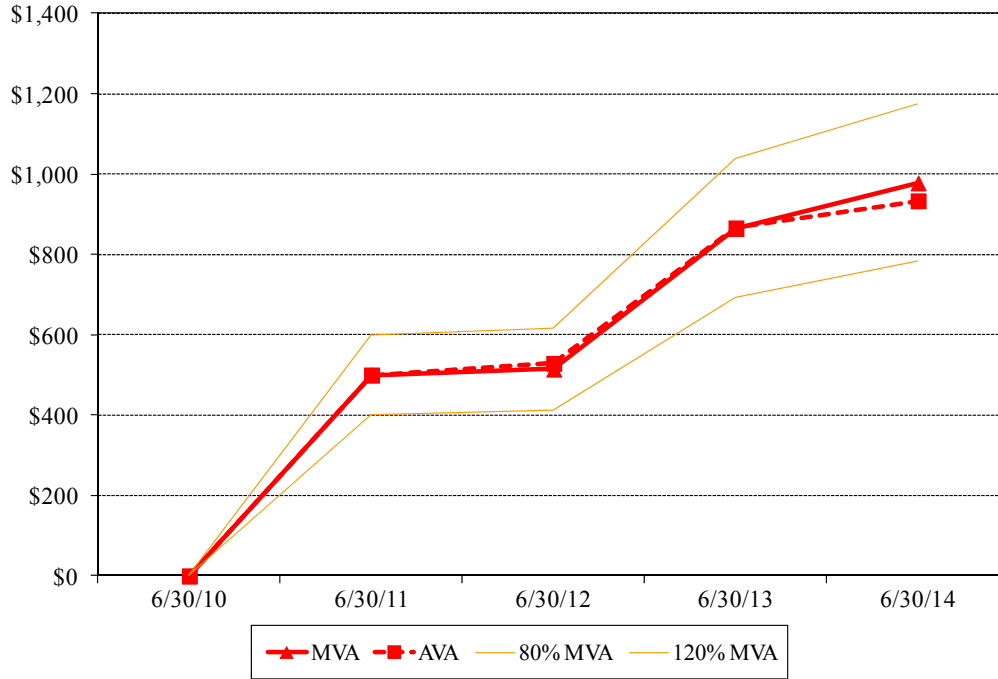
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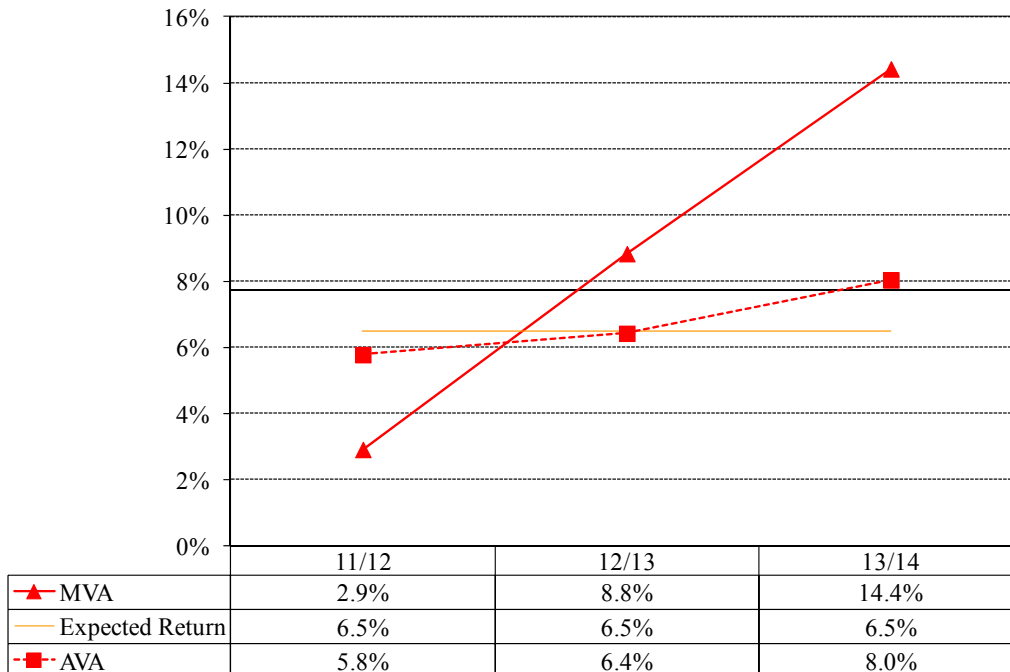
ASSETS

Historical Assets



ASSETS

Historical Returns



RESULTS

Funded Status (Amounts in 000's)

	6/30/08	6/30/10	6/30/12	6/30/14
■ Present Value of Benefits				
• Actives	\$ 169,853	\$ 177,841	\$ 167,781	\$ 162,514
• Retirees	<u>40,135</u>	<u>66,022</u>	<u>63,782</u>	<u>70,792</u>
• Total	209,988	243,863	231,563	233,306
■ Actuarial Accrued Liability				
• Actives	67,232	75,752	74,827	83,235
• Retirees	<u>40,135</u>	<u>66,022</u>	<u>63,782</u>	<u>70,792</u>
• Total	107,367	141,774	138,609	154,027
■ Actuarial Value of Assets	-	-	529	936
■ Unfunded AAL	107,367	141,774	138,080	153,091
■ Normal Cost	9,247	10,389	9,684	8,315
■ Pay-As-You-Go Cost	1,762	2,864	3,852	4,865



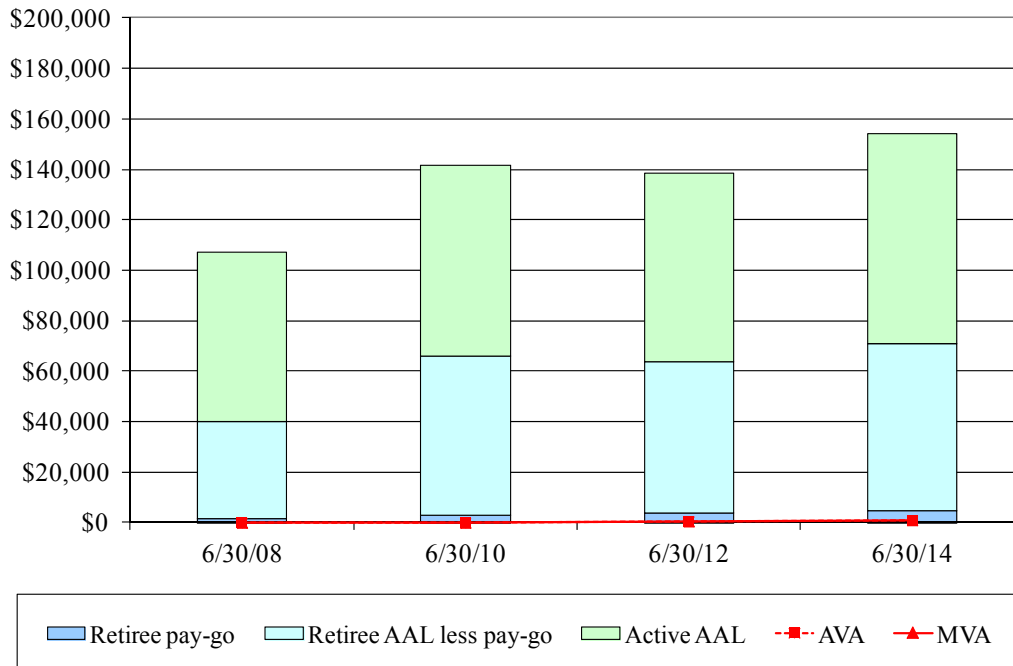
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RESULTS

Funded Status (Amounts in 000's)



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RESULTS

Actuarial Accrued Liability Gain/Loss

(Amounts in 000's)

	AAL
■ Actual 6/30/12	\$138,609
■ Expected 6/30/14	162,527
■ Changes	
• Premiums/Caps lower than expected	(7,137)
• Deputy Sheriff and Sheriff Mgmt. cap change	9,181
• CalPERS experience study demographic assumptions	2,054
• Discount rate	(29,019)
• Implied Subsidy	20,692
• Other	<u>(4,271)</u>
• Total	(8,500)
■ Actual 6/30/14	154,027



RESULTS

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RESULTS

Annual Required Contributions (ARC)

(Amounts in 000's)

	6/30/12 Valuation		6/30/14 Valuation	
	2011/12	2012/13	2013/14	2014/15
■ ARC - \$				
• Normal Cost	\$ 9,684	\$ 9,999	\$ 8,315	\$ 8,585
• UAAL Amortization	<u>6,652</u>	<u>7,743</u>	<u>8,667</u>	<u>9,718</u>
• Total	16,336	17,742	16,982	18,303
■ Projected Payroll	80,292	82,901	81,117	83,753
■ ARC - %				
• Normal Cost	12.1%	12.1%	10.3%	10.3%
• UAAL Amortization	<u>8.3%</u>	<u>9.3%</u>	<u>10.7%</u>	<u>11.6%</u>
• Total	20.3%	21.4%	20.9%	21.9%



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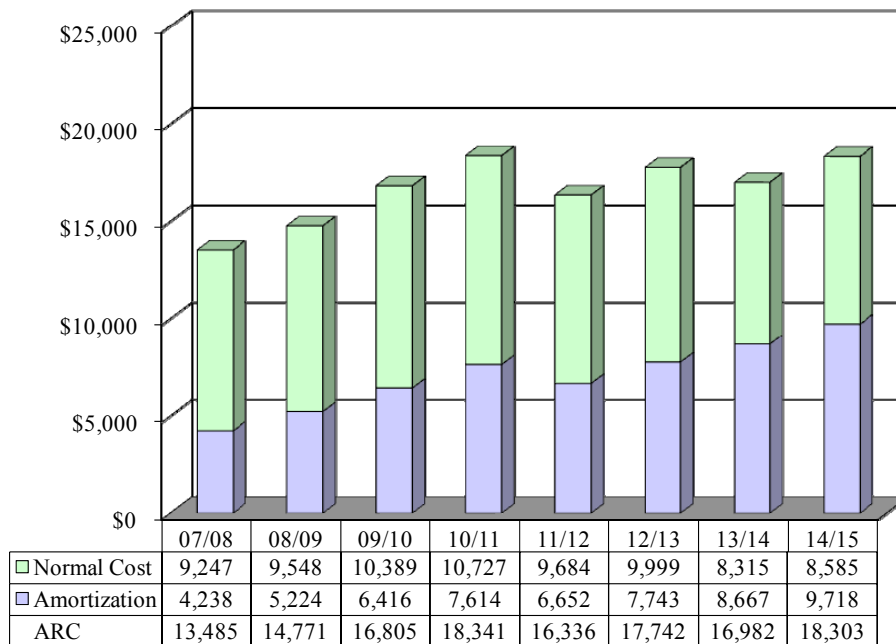
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RESULTS

Annual Required Contribution

(Amounts in 000's)



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RESULTS

Amortization Bases

(Amounts in 000's)

	6/30/2012 Valuation		6/30/2014 Valuation	
	6/30/2012	6/30/2013	6/30/2014	6/30/2015
■ Outstanding Balance				
• Initial UAAL	\$ 108,181	\$ 107,898	\$ 107,187	\$ 105,018
• (Gains)/Losses & Assumption Changes				
➤ 2010 Valuation	640	612	581	569
➤ 2012 Valuation	(29,065)	(28,141)	(27,042)	(26,538)
➤ 2014 Valuation	-	-	(6,146)	(6,022)
• Contributions < ARC	<u>52,492</u>	<u>63,494</u>	<u>75,062</u>	<u>86,185</u>
• Total	132,248	143,864	149,641	159,212



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RESULTS

Amortization Payments

(Amounts in 000's)

	6/30/2012 Valuation		6/30/2014 Valuation	
	2011/12	2012/13	2013/14 ¹¹	2014/15
■ Amortization Payment				
• Initial UAAL	\$ 4,681	\$ 4,833	\$ 6,208	\$ 6,410
• (Gains)/Losses & Assumption Changes				
➤ 2010 Valuation	52	54	34	35
➤ 2012 Valuation	(2,071)	(2,138)	(1,566)	(1,620)
➤ 2014 Valuation	-	-	(356)	(368)
• Contributions < ARC	<u>3,990</u>	<u>4,994</u>	<u>4,348</u>	<u>5,261</u>
• Total	6,652	7,743	8,667	9,718
■ Average Amort. Period	22.0	20.4	20.0	19.0

¹¹ Amortized over 20 years.



December 23, 2014

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RESULTS

Estimated Net OPEB Obligation (NOO) Projection

(Amounts in 000's)

	CAFR		2013/14	Estimate 2014/15
	2011/12	2012/13		
■ NOO at Beginning of Year	\$ 50,353	\$ 60,906	\$ 72,175	\$ 82,735
■ Annual OPEB Cost				
• Annual Required Contribution (ARC)	16,336	17,742	16,982	18,303
• Interest on NOO	2,059	2,507	2,791	3,343
• Adjustment to ARC	<u>(3,990)</u>	<u>(4,994)</u>	<u>(4,348)</u>	<u>(5,261)</u>
• Annual OPEB Cost	14,405	15,255	15,425	16,386
■ Contributions				
• Benefit Payments – Cash	3,852	3,686	-	4,363
• Benefit Payments – Implied Subsidy	n/a	n/a	746	806
• Trust	<u>-</u>	<u>300</u>	<u>4,119</u>	<u>800</u>
• Total Contribution	3,852	3,986	4,865	5,969
■ NOO at End of Year	60,906	72,175	82,735	93,152



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RESULTS

Projected Contributions and Estimated Net OPEB Obligation (NOO)

(Amounts in 000's)

Fiscal Year	Begin Year NOO	Benefit Payments			Full ARC	Phase-In Percent	Trust Contrib.
		Cash	Implied Subsidy	Total			
2015/16	\$ 93,152	\$ 4,769	\$ 955	\$ 5,724	\$ 18,675	7%	\$ 907
2016/17	103,822	5,313	1,052	6,365	20,218	13%	1,801
2017/18	113,861	5,804	1,083	6,887	21,856	20%	2,994
2018/19	123,104	6,356	1,163	7,519	23,592	27%	4,340
2019/20	131,293	6,934	1,290	8,224	25,421	33%	5,675
2020/21	138,366	7,436	1,285	8,721	27,355	40%	7,454
2021/22	144,070	7,976	1,387	9,363	29,393	47%	9,414
2022/23	148,041	8,539	1,531	10,070	31,520	53%	11,369
2023/24	150,169	9,013	1,562	10,575	33,752	60%	13,906
2024/25	149,999	9,635	1,762	11,397	36,066	67%	16,528



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RESULTS

Cash & Implied Subsidy

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ Present Value of Benefits	\$200,125	\$33,181	\$233,306
■ Funded Status			
• Actives	69,573	13,662	83,235
• Retirees	<u>63,762</u>	<u>7,030</u>	<u>70,792</u>
• Actuarial Accrued Liability	133,335	20,692	154,027
• Actuarial Value of Assets	<u>936</u>	<u>-</u>	<u>936</u>
• Unfunded Actuarial Accrued Liability	132,399	20,692	153,091



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RESULTS

Cash & Implied Subsidy

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ 2013/14 ARC - \$			
• Normal Cost	\$ 7,041	\$ 1,274	\$ 8,315
• UAAL Amortization	<u>7,499</u>	<u>1,168</u>	<u>8,667</u>
• Total	14,540	2,442	16,982



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RESULTS

Funded Status by Agency

(Amounts in 000's)

	County	Habitat	Children's Alliance	First 5	LAFCO	Total ¹²
■ PVB						
• Actives	\$ 162,132	\$ -	\$ 46	\$ 220	\$ 116	\$ 162,514
• Retirees	<u>70,698</u>	<u>86</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>70,792</u>
• Total	232,830	86	46	220	124	233,306
■ AAL						
• Actives	83,058	-	23	101	52	83,235
• Retirees	<u>70,698</u>	<u>86</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>70,792</u>
• Total	153,756	86	23	101	60	154,027
■ AVA	<u>934</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>936</u>
■ UAAL	152,822	85	23	100	60	153,091
■ 2013/14 Normal Cost	8,289	-	2	17	7	8,315
■ 2013/14 Pay-Go	4,858	7	-	1	1	4,865

¹² Includes 3 LAFCO actives, 1 LAFCO retiree, 1 Children's Alliance active, 5 First Five actives, and 1 Habitat retiree.



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RESULTS

Annual Required Contributions (ARC) by Agency

(Amounts in 000's)

	County	Habitat	Children's Alliance	First 5	LAFCO	Total ¹³
■ 2013/14 ARC - \$						
• Normal Cost	\$ 8,289	\$ -	\$ 2	\$ 17	\$ 7	\$ 8,315
• UAAL Amort ¹⁴	<u>8,653</u>	<u>5</u>	<u>1</u>	<u>5</u>	<u>3</u>	<u>8,667</u>
• Total	16,942	5	3	22	10	16,982
■ Projected Payroll	80,466	-	89	385	177	81,117
■ 2013/14 ARC - %						
• Normal Cost	10.3%	n/a	2.2%	4.4%	4.0%	10.3%
• UAAL Amort	<u>10.8%</u>	<u>n/a</u>	<u>1.1%</u>	<u>1.3%</u>	<u>1.7%</u>	<u>10.7%</u>
• Total	21.1%	n/a	3.4%	5.7%	5.6%	20.9%

¹³ Includes 3 LAFCO actives, 1 LAFCO retiree, 1 Children's Alliance active, 5 First Five actives, and 1 Habitat retiree.

¹⁴ Allocated between employee groups in proportion to the AAL.



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ACTUARIAL CERTIFICATION

This report presents the County of Yolo Retiree Healthcare Plan ("Plan") June 30, 2014 actuarial valuation. The purpose of this valuation is to:

- Determine the Governmental Accounting Standards Board Statement Nos. 43 and 45 June 30, 2014 Benefit Obligations,
- Determine the Plan's June 30, 2014 Funded Status, and
- Calculate the 2013/14 and 2014/15 Annual Required Contributions.

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

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

To the best of my knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. Additionally, in my opinion, actuarial methods and assumptions comply with GASB 43 and 45. As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the actuarial results and opinions herein.

Respectfully submitted,



Doug Pryor, ASA, EA, MAAA
Vice President
Bartel Associates, LLC
December 23, 2014



December 23, 2014

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ACTUARIAL CERTIFICATION

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PREMIUMS

2015 PEMHCA Monthly Premiums

Bay Area

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



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PREMIUMS

2015 PEMHCA Monthly Premiums

Sacramento

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 811.14	\$ 1,622.28	\$ 2,108.96	\$445.38	\$890.76	\$1,336.14
Anthem Traditional	940.16	1,880.32	2,444.42	445.38	890.76	1,336.14
Blue Shield Access+	809.22	1,618.44	2,103.97	352.63	705.26	1,057.89
Blue Shield NetValue	758.45	1,516.90	1,971.97	352.63	705.26	1,057.89
Kaiser	660.96	1,321.92	1,718.50	295.51	591.02	886.53
UnitedHealthcare	623.45	1,246.90	1,620.97	267.41	534.82	802.23
PERS Choice	679.26	1,358.52	1,766.08	339.47	678.94	1,018.41
PERS Select	669.16	1,338.32	1,739.82	339.47	678.94	1,018.41
PERSCare	751.21	1,502.42	1,953.15	368.76	737.52	1,106.28



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PREMIUMS

2014 PEMHCA Monthly Premiums

Bay Area

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 657.33	\$ 1,314.66	\$ 1,709.06	\$ 341.12	\$ 682.24	\$ 1,023.36
Anthem Traditional	728.41	1,456.82	1,893.87	341.12	682.24	1,023.36
Blue Shield Access+	836.59	1,673.18	2,175.13	298.21	596.42	894.63
Blue Shield NetValue	704.01	1,408.02	1,830.43	298.21	596.42	894.63
Kaiser	742.72	1,485.44	1,931.07	294.97	589.94	884.91
UnitedHealthcare	764.24	1,528.48	1,987.02	193.33	386.66	579.99
PERS Choice	690.77	1,381.54	1,796.00	307.23	614.46	921.69
PERS Select	661.52	1,323.04	1,719.95	307.23	614.46	921.69
PERSCare	720.04	1,440.08	1,872.10	327.36	654.72	982.08



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PREMIUMS

2014 PEMHCA Monthly Premiums

Sacramento

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 750.27	\$ 1,500.54	\$ 1,950.70	\$ 341.12	\$ 682.24	\$ 1,023.36
Anthem Traditional	840.43	1,680.86	2,185.12	341.12	682.24	1,023.36
Blue Shield Access+	734.87	1,469.74	1,910.66	298.21	596.42	894.63
Blue Shield NetValue	618.39	1,236.78	1,607.81	298.21	596.42	894.63
Kaiser	681.59	1,363.18	1,772.13	294.97	589.94	884.91
UnitedHealthcare	643.34	1,286.68	1,672.68	193.33	386.66	579.99
PERS Choice	665.99	1,331.98	1,731.57	307.23	614.46	921.69
PERS Select	637.85	1,275.70	1,658.41	307.23	614.46	921.69
PERSCare	694.26	1,388.52	1,805.08	327.36	654.72	982.08



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DATA SUMMARY

June 30, 2014

	Misc	Safety	Total
■ Actives			
• Count	1,033	281	1,314
• Average age	44.3	40.3	43.5
• Average County service	9.8	10.3	9.9
• Average pay	\$ 62,700	\$ 67,500	\$ 63,700
• Total payroll (000's)	64,795	18,958	83,753
■ Retirees			
• Counts			
➢ Medical Under 65	188	32	220
➢ Medical Over 65	<u>384</u>	<u>63</u>	<u>447</u>
➢ Total Medical	572	95	667
➢ Dental only	<u>n/a</u>	<u>n/a</u>	<u>308¹⁵</u>
➢ Total	n/a	n/a	975
• Average age (medical)	69.9	67.5	69.5
• Average ret age (service)	60.1	56.5	59.6

¹⁵ Includes 631 with dental.



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DATA SUMMARY

June 30, 2012

	Misc	Safety	Total
■ Actives			
• Count	963	292	1,255
• Average age	45.2	39.7	43.9
• Average County service	10.0	9.6	9.9
• Average pay	\$ 63,600	\$ 65,300	\$ 64,000
• Total payroll (000's)	61,237	19,055	80,292
■ Retirees			
• Counts			
➢ Medical Under 65	214	34	248
➢ Medical Over 65	<u>328</u>	<u>51</u>	<u>379</u>
➢ Total Medical	542	85	627
➢ Dental only	<u>n/a</u>	<u>n/a</u>	<u>295¹⁶</u>
➢ Total	n/a	n/a	922
• Average age (medical)	69.4	66.9	69.0
• Average ret age (service)	60.1	57.5	59.8

¹⁶ Includes 591 with dental.



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DATA SUMMARY

Medical Plan Participation
Non-Waived Participants

Medical Plan	Actives	Retirees	
		< 65	≥ 65
Anthem Select	9%	-	-
Anthem Traditional	3%	-	-
Blue Shield Access+	5%	15%	21%
Blue Shield NetValue	38%	40%	26%
Kaiser	35%	23%	27%
PERS Choice	7%	19%	17%
PERS Select	2%	-	-
PERSCare	-	3%	9%
UnitedHealthcare	1%	-	-
Total	100%	100%	100%



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DATA SUMMARY

Active Medical Coverage

Medical Plan	Single	2-Party	Family	Waived	Total
Anthem Select	27	16	54	-	97
Anthem Traditional	8	4	15	-	27
Blue Shield Access+	28	8	18	-	54
Blue Shield NetValue	113	97	190	-	400
Kaiser	123	82	168	-	373
PERS Choice	28	14	28	-	70
PERS Select	6	4	6	-	16
PERSCare	1	-	-	-	1
UnitedHealthcare	5	2	5	-	12
Waived	-	-	-	264	264
Total	339	227	484	264	1,314



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DATA SUMMARY

Retiree Medical Coverage
Under Age 65

Medical Plan	Single	2-Party	Family	Total
Anthem Traditional	1	-	-	1
Blue Shield Access+	20	8	4	32
Blue Shield NetValue	53	29	5	87
Kaiser	32	12	7	51
PERS Choice	25	13	4	42
PERS Select	-	-	1	1
PERSCare	5	1	-	6
Total	136	63	21	220



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DATA SUMMARY

Retiree Medical Coverage
Over Age 65

Medical Plan	Single	2-Party	Family	Total
Anthem Traditional	-	-	-	-
Blue Shield Access+	64	29	-	93
Blue Shield NetValue	67	44	3	114
Kaiser	82	37	2	121
PERS Choice	48	28	1	77
PERS Select	-	-	-	-
PERSCare	34	8	-	42
Total	295	146	6	447



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DATA SUMMARY

Actives by Age and County Service
Miscellaneous

Age	County Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	14	7	-	-	-	-	-	21
25-29	39	38	20	-	-	-	-	97
30-34	28	45	61	10	1	-	-	145
35-39	10	23	56	32	5	-	-	126
40-44	10	18	47	47	18	8	-	148
45-49	4	22	43	34	29	15	7	154
50-54	6	15	29	27	20	15	15	127
55-59	1	5	42	27	12	16	20	123
60-64	4	5	15	16	11	7	8	66
≥ 65	-	1	9	6	7	2	1	26
Total	116	179	322	199	103	63	51	1,033



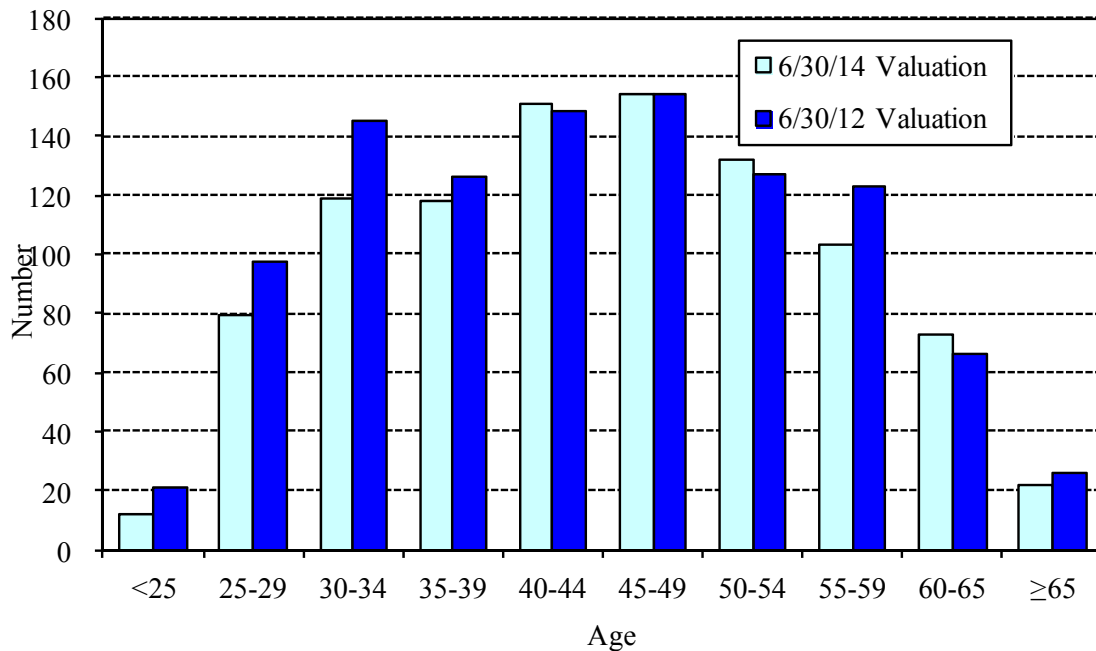
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DATA SUMMARY

Active Age Distribution - Miscellaneous



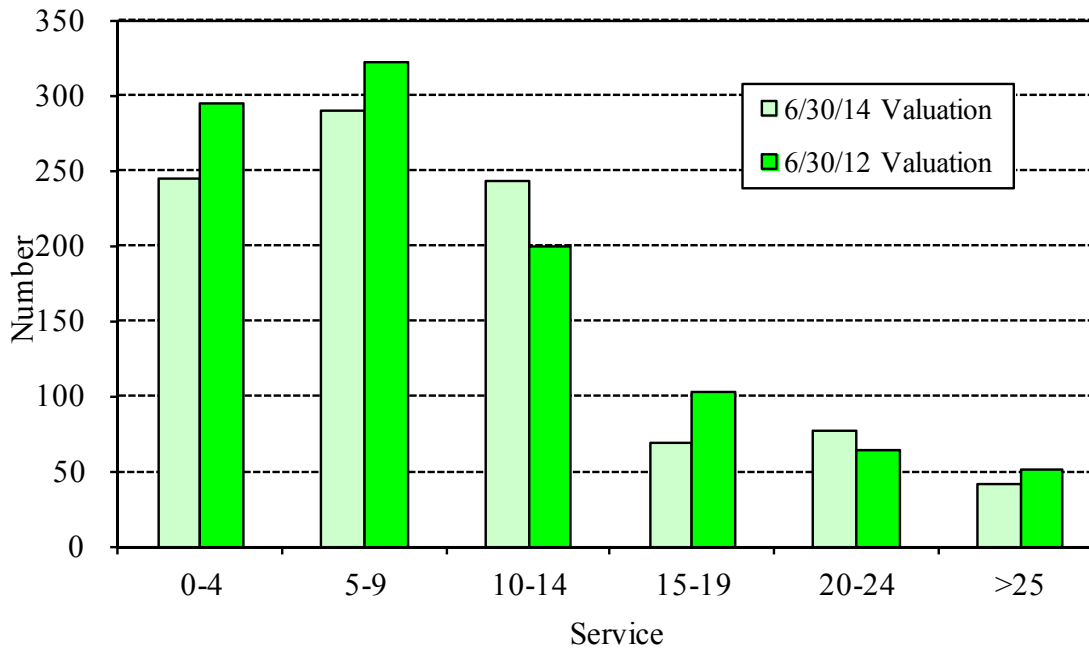
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DATA SUMMARY

Active Service Distribution - Miscellaneous



DATA SUMMARY

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DATA SUMMARY

Actives by Age and County Service
Safety

Age	County Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	1	-	-	-	-	-	-	1
25-29	9	8	10	-	-	-	-	27
30-34	4	8	42	5	-	-	-	59
35-39	5	3	33	20	7	-	-	68
40-44	1	3	17	14	11	1	-	47
45-49	1	1	8	9	13	7	2	41
50-54	1	-	5	2	2	5	6	21
55-59	1	-	2	6	-	1	1	11
60-64	-	-	1	-	1	1	1	4
≥ 65	-	-	1	-	-	-	1	2
Total	23	23	119	56	34	15	11	281



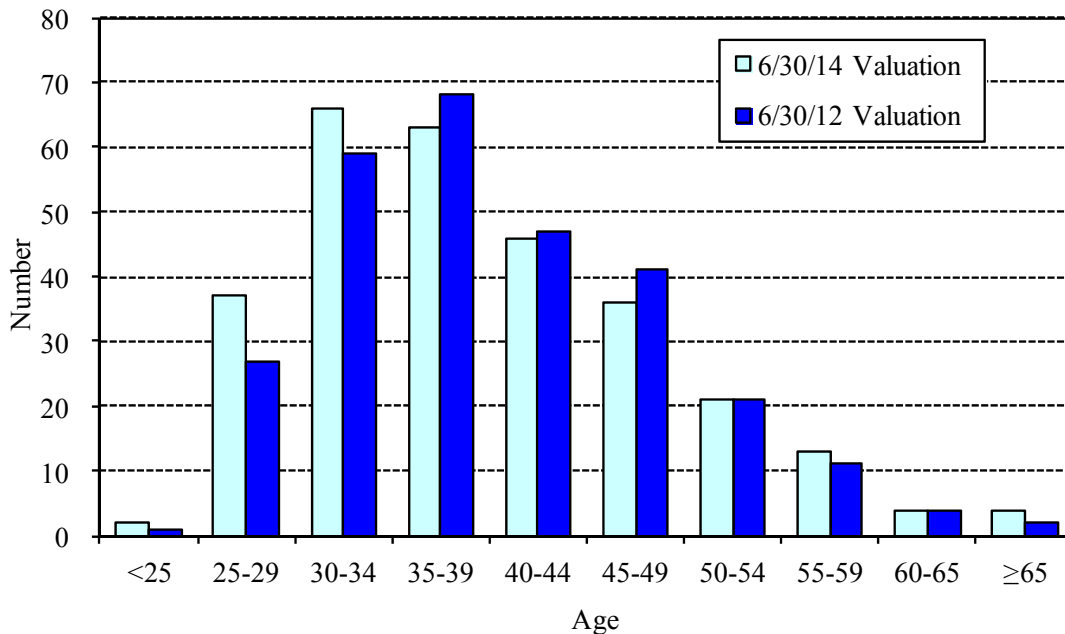
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DATA SUMMARY

Active Age Distribution - Safety



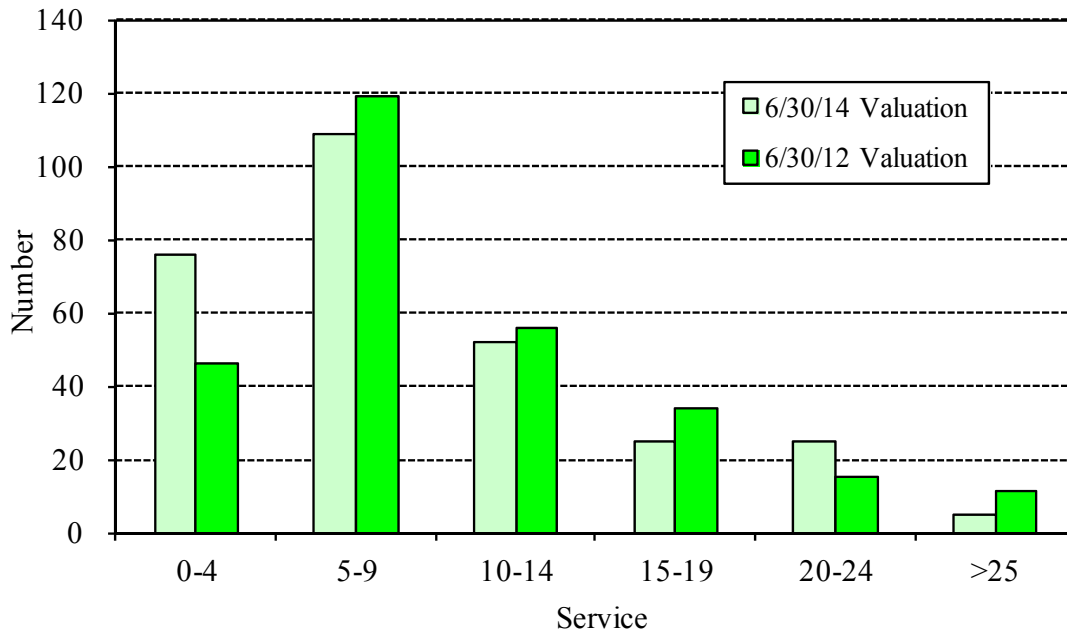
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DATA SUMMARY

Active Service Distribution - Safety



DATA SUMMARY

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DATA SUMMARY

Actives by Age and County Service
Total

Age	County Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	15	7	-	-	-	-	-	22
25-29	48	46	30	-	-	-	-	124
30-34	32	53	103	15	1	-	-	204
35-39	15	26	89	52	12	-	-	194
40-44	11	21	64	61	29	9	-	195
45-49	5	23	51	43	42	22	9	195
50-54	7	15	34	29	22	20	21	148
55-59	2	5	44	33	12	17	21	134
60-64	4	5	16	16	12	8	9	70
≥ 65	-	1	10	6	7	2	2	28
Total	139	202	441	255	137	78	62	1,314



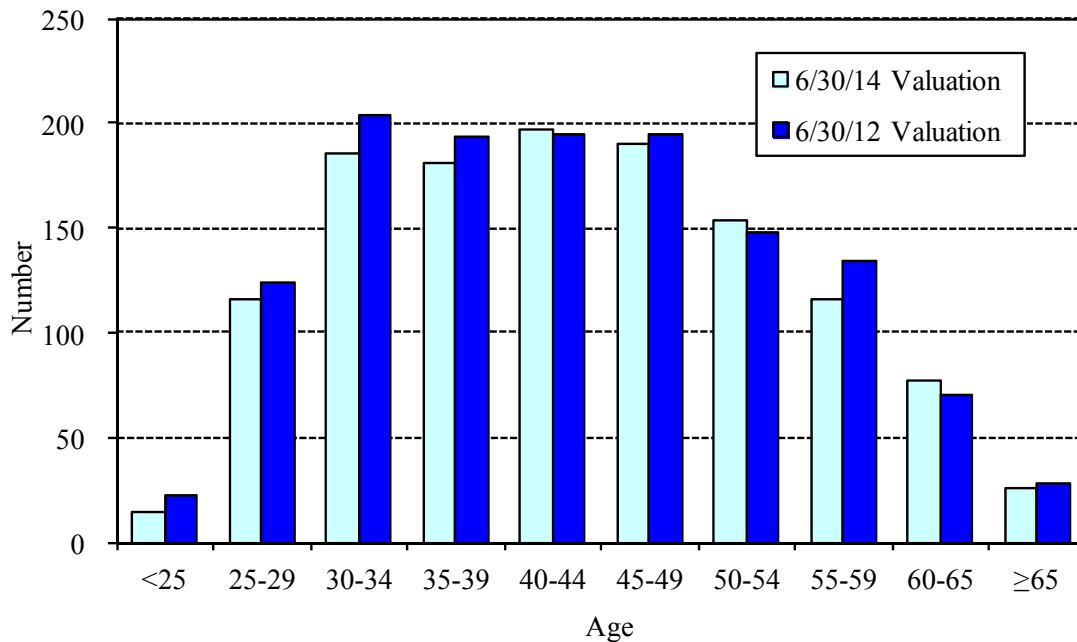
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DATA SUMMARY

Active Age Distribution - Total



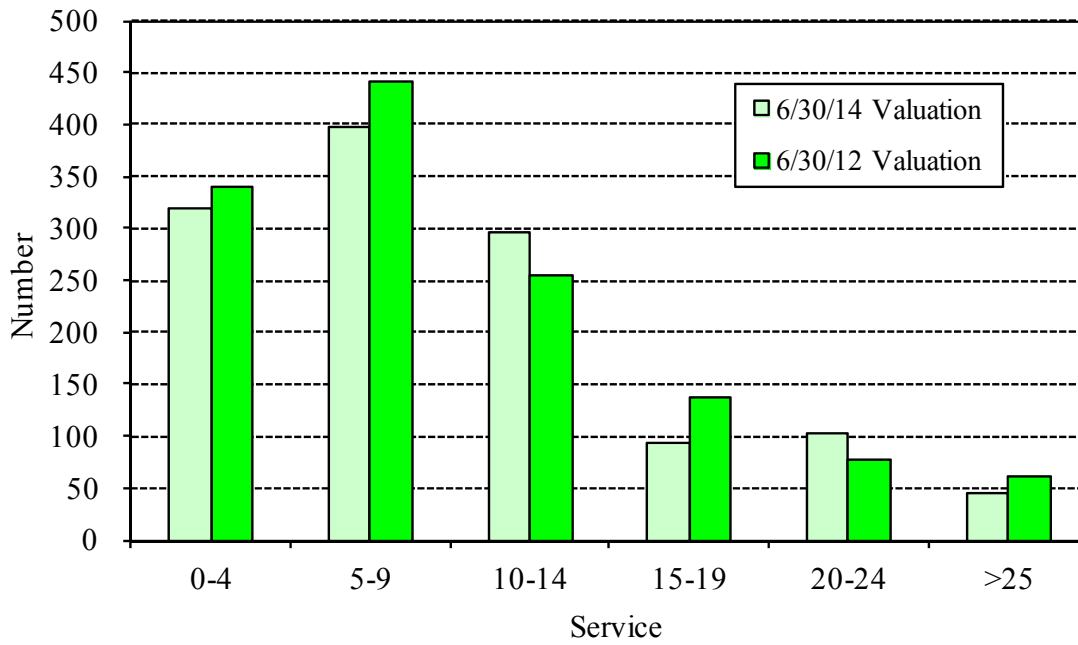
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DATA SUMMARY

Active Service Distribution - Total



DATA SUMMARY

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DATA SUMMARY

Retiree Medical Coverage by Age Group
Miscellaneous

Age	Single	2-Party	Family	Total
Under 50	5	1	-	6
50-54	2	2	2	6
55-59	30	18	10	58
60-64	77	35	6	118
65-69	88	55	2	145
70-74	58	32	3	93
75-79	41	12	-	53
80-84	36	6	-	42
Over 85	47	4	-	51
Total	384	165	23	572
Average Age	71.2	68.0	61.3	69.9



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DATA SUMMARY

Retiree Medical Coverage by Age Group
Safety

Age	Single	2-Party	Family	Total
Under 50	2	1	1	4
50-54	7	-	-	7
55-59	6	1	1	8
60-64	7	5	1	13
65-69	9	13	1	23
70-74	9	13	-	22
75-79	5	5	-	10
80-84	2	3	-	5
Over 85	-	3	-	3
Total	47	44	4	95
Average Age	64.9	71.3	56.5	67.5



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ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2012 Valuation	June 30, 2014 Valuation
■ General Inflation	<ul style="list-style-type: none"> • 3.00% 	<ul style="list-style-type: none"> • Same
■ Participation at Retirement	<ul style="list-style-type: none"> • Currently covered: 100% • Currently waived: 80% 	<ul style="list-style-type: none"> • Same
■ Dental Participation at Retirement	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • Same
■ Medical Plan at Retirement	<ul style="list-style-type: none"> • Currently covered: same as current election • Currently waived: weighted average based on current retiree distribution 	<ul style="list-style-type: none"> • Same



ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2012 Valuation	June 30, 2014 Valuation
■ Waived Retiree Re-election	<ul style="list-style-type: none"> • Waived retiree data not available • Retirees with dental but no medical coverage assumed waived with similar demographics • Pre-65: 20% re-elect at 65 • Post-65: 0% 	<ul style="list-style-type: none"> • Same
■ Marital Status	<ul style="list-style-type: none"> • Currently covered: same as current marital status • Currently waived: 80% married 	<ul style="list-style-type: none"> • Same
■ Spouse Age	<ul style="list-style-type: none"> • Males 3 years older than females if spouse birth date is unavailable 	<ul style="list-style-type: none"> • Same



ACTUARIAL ASSUMPTIONS

Assumption	June 30, 2012 Valuation	June 30, 2014 Valuation
■ Surviving Spouse Participation	<ul style="list-style-type: none"> • 100% participation 	<ul style="list-style-type: none"> • Same
■ Dependents	<ul style="list-style-type: none"> • Actives: <ul style="list-style-type: none"> ➢ Miscellaneous: 10% ➢ Safety: 20% ➢ Temporary until age 65 • Retirees: current coverage 	<ul style="list-style-type: none"> • Same
■ Medicare Eligible Rate	<ul style="list-style-type: none"> • 100% • Everyone eligible for Medicare will elect Part B coverage 	<ul style="list-style-type: none"> • Same
■ Future New Entrants	<ul style="list-style-type: none"> • None – closed group 	<ul style="list-style-type: none"> • Same



ACTUARIAL ASSUMPTIONS

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ACTUARIAL METHODS

Method	June 30, 2012 Valuation	June 30, 2014 Valuation
■ Cost Method	<ul style="list-style-type: none"> • Entry Age Normal 	<ul style="list-style-type: none"> • Same
■ Amortization Method	<ul style="list-style-type: none"> • Level percent of payroll 	<ul style="list-style-type: none"> • Same
■ Actuarial Value of Assets	<ul style="list-style-type: none"> • Investment gains and losses spread over a 5-yr open period • Not less than 80% nor more than 120% of market value 	<ul style="list-style-type: none"> • Same



ACTUARIAL METHODS

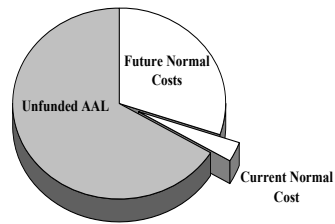
Method	June 30, 2012 Valuation	June 30, 2014 Valuation
■ Amortization Period	<ul style="list-style-type: none"> • 6/30/12 UAAL – 30-year fixed (closed) period (26 years remaining) • Assumption Changes, Experience Gains/Losses and Contribution Gains/Losses – 15-year fixed (closed) period • Maximum 30-year combined period 	<ul style="list-style-type: none"> • 6/30/14 UAAL – 20-year fixed (closed) period
■ Future New Entrants	<ul style="list-style-type: none"> • None – closed group 	<ul style="list-style-type: none"> • Same



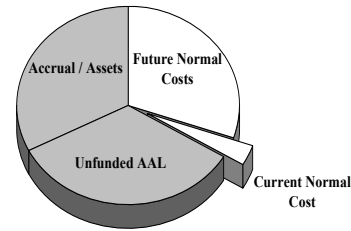
DEFINITIONS

Present Value of Projected Benefits (PVPB)

Without Assets



With Assets



■ PVPB – Present Value of all Projected Benefits

- Discounted value, at measurement date of all future expected benefit payments
- Expected benefit payments based on various actuarial assumptions



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DEFINITIONS

■ AAL – Actuarial Accrued Liability / Actuarial Obligation

- Discounted value at measurement date of benefits “earned” through measurement date based on actuarial cost method
- Portion of PVPB “earned” at measurement

■ NC – Normal Cost

- Value of benefits “earned” during current year
- Portion of PVPB allocated to current year

■ Actuarial Cost Method

- Determines how benefits are “earned” or allocated to each year of service
- Has no effect on PVPB
- Has significant effect on Actuarial Obligations and Normal Cost

■ Pay-As-You-Go Cost (PayGo)

- Cash Subsidy – Actual cash benefit payments to retirees
- Implied Subsidy – Difference between cost of retiree benefits and retiree premiums (not valued for PEMHCA)
- PayGo is the expected retiree benefit payments for the year while Normal Cost is the expense for benefits accrued by active employees during the year



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