

# Alameda County Employees' Retirement Association

## **Governmental Accounting Standards Board (GASB) Statement 75 Actuarial Valuation of the Benefits Provided by the Supplemental Retiree Benefits Reserve Other Postemployment Benefits (OPEB)**

Actuarial Valuation Based on December 31, 2020  
Measurement Date for Employer Reporting as of  
June 30, 2021



This report has been prepared at the request of the Board of Retirement to assist the sponsors of the Fund in preparing their financial report for their liabilities associated with the ACERA SRBR OPEB plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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June 4, 2021

Board of Trustees  
Alameda County Employees' Retirement Association  
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Oakland, CA 94612

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board Statement 75 (GASB) Actuarial Valuation of Other Postemployment Benefits (OPEB) based on a December 31, 2020 measurement date for employer reporting as of June 30, 2021. It contains various information that will need to be disclosed in order for ACERA employers to comply with GASB 75.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors of the Fund in preparing their financial report for their liabilities associated with the ACERA SRBR OPEB plan. The census and financial information on which our calculations were based was prepared by ACERA. That assistance is gratefully acknowledged.

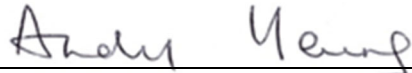
The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the health care cost; changes in health care trend, economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Thomas Bergman, ASA, MAAA, Enrolled Actuary and Andy Yeung ASA, MAAA, FCA, Enrolled Actuary. The health care trend and other related medical assumptions have been reviewed by Paul Sadro, ASA, MAAA. We are members of the American Academy of Actuaries and we collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the Association.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal



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



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Thomas Bergman, ASA, MAAA, EA  
Senior Actuary

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# Section 1: Actuarial Valuation Summary

## Purpose and basis

This report has been prepared by Segal to present certain disclosure information required for “Other Postemployment Benefits (OPEB)” plans by Governmental Accounting Standards Board Statement 75 (GASB 75) for employer reporting as of June 30, 2021. The results used in preparing this GASB 75 report are comparable to those used in preparing the Governmental Accounting Standard Board Statement 74 report for the plan based on a measurement date and a reporting date as of December 31, 2020. This valuation is based on:

- The benefit provisions of the OPEB Plan, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of November 30, 2019, provided by ACERA;
- The assets of the Plan as of December 31, 2020, provided by ACERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the December 31, 2020 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, and health care trends etc. adopted by the Board for the December 31, 2020 valuation.

## General observations on GASB 75 actuarial valuation

1. It is important to note that Governmental Accounting Standards Board (GASB) rules only define OPEB liability and expense for financial reporting purposes, and do not apply to contribution amounts for OPEB funding purposes. Employers and plans develop and adopt funding policies, if applicable, under current practices.
2. When measuring OPEB liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as ACERA uses for funding.<sup>1</sup> This means that the Total OPEB Liability (TOL) measure for financial reporting shown in this report is determined on generally the same basis as ACERA’s Actuarial Accrued Liability (AAL) measure for funding.

<sup>1</sup> See discussions on next page regarding source of funding for payment of OPEB SRBR benefits not covered by current OPEB Plan’s Fiduciary Net Position in the SRBR.

## Section 1: Actuarial Valuation Summary

3. The Net OPEB Liability (NOL) is equal to the difference between the TOL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the fair value of assets and therefore, the NOL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis.

### Highlights of the valuation

1. For this report, the reporting dates for the employers are June 30, 2021 and June 30, 2020. The NOLs measured as of December 31, 2020 and 2019 have been determined by rolling forward the TOL as of December 31, 2019 and 2018, respectively. The Plan's Fiduciary Net Positions were valued as of the measurement dates. In addition, any changes in actuarial assumptions or plan provisions that occurred between the valuation date and the measurement date have been reflected. Consistent with the provisions of GASB 75, the assets and liabilities measured as of December 31, 2020 and 2019 are not adjusted or rolled forward to the June 30, 2021 and June 30, 2020 reporting dates, respectively.
2. The NOL decreased from \$112.9 million as of December 31, 2019 to \$6.7 million as of December 31, 2020 primarily as a result of favorable investment return during calendar year 2020 of about \$193.5 million (for an actual market return of 27.7%<sup>1</sup> versus 7.25% assumed in the valuation), offset somewhat by lowering the discount rate<sup>2</sup> (which on a net basis increased the NOL by about \$33.2 million). Changes in these values during the last two fiscal years ending December 31, 2020 and 2019 can be found in *Section 2, Schedule of changes in Net OPEB Liability* on page 19.
3. The OPEB expense decreased from \$18.2 million as of December 31, 2019 to (negative) -\$15.3 million as of December 31, 2020 primarily due to the favorable return on the market value of assets for the year ended December 31, 2020 which lowered the OPEB expense by \$38.7 million. Components of the OPEB expense during the last two plan years ending December 31, 2020 and 2019 can be found in *Section 2, OPEB expense*.
4. As we disclosed in our December 31, 2020 pension funding valuation report, the 7.00% investment return assumption that the Board approved for determining the liabilities for funding purposes and used for establishing the employer and employee contribution rates has continued to be developed without considering the impact of any future 50/50 excess earnings allocation. This is based on our understanding that Article 5.5 of the Statute, which authorizes the allocation of 50% of excess earnings to the SRBR, does not allow for the use of a different investment return for funding than is used for interest crediting. This would

<sup>1</sup> Note that the 27.7% market value investment return mentioned above for the SRBR is higher than the 11.5% investment return included in the December 31, 2020 Pension Funding Valuation for the Association's entire portfolio. The higher return for the SRBR is primarily a result of including the 50% of future excess earnings allocated to the SRBR for the deferred investment gains as of December 31, 2020.

<sup>2</sup> The discount rate was lowered from 7.25% to 7.00% based on the 7.00% investment rate of return assumption that the Board approved based on the recommended assumption from the Actuarial Experience Study for the period December 1, 2016 through November 30, 2019, dated September 9, 2020.

## Section 1: Actuarial Valuation Summary

appear in effect to preclude the prefunding of the SRBR through the use of an assumption lower than the market earnings assumption of 7.00%.

As required by the Actuarial Standard of Practice (ASOP) No. 4 (“Measuring Pension Obligations and Determining Pension Plan Costs or Contributions”), we performed a stochastic model to estimate the impact of the 50% allocation of future excess earnings to the SRBR. The results of our model indicated that the 50/50 allocation of future excess earnings would have about the same impact as an “outflow” (i.e., assets not available to fund the benefits included in the determination of the Total Pension Liability) that would average approximately 0.65% of assets over time. This approximated outflow was incorporated into our GASB crossover test for the pension benefits (reference: *Section 2, Schedule of Changes in Net Pension Liability* of our GASB 67 report as of December 31, 2020), along with the additional future employer contributions that would result from those future allocations of excess earnings to the SRBR under ACERA’s funding policy.

Furthermore, note (6) provided in *Section 3, Appendix A* of the GASB 67 report indicates that the present value of outflows from the 0.65% of assets over time is expected to be higher than the present values of the remaining OPEB and non-OPEB SRBR benefits that could be paid after the exhaustion of assets currently available in the SRBR.

Therefore, in developing the crossover test for the OPEB SRBR in *Section 3, Appendix A on page 79* of this report, we have only included the projected benefits so that on a present value basis they are equal to the OPEB assets currently available in the SRBR as the remaining OPEB SRBR benefits would be paid from future excess earnings.

5. The NOLs for the employers in ACERA as of December 31, 2019 and December 31, 2020 are allocated based on the actual employer contributions made during 2019 and 2020, respectively<sup>1</sup>. The steps we used for the allocation are as follows:
  - First calculate the ratio of the employer’s contributions to the total contributions.
  - Then multiply this ratio by the NOL to determine the employer’s proportionate share of the NOL. The NOL allocation can be found in *Section 2, Determination of proportionate share*.
6. In 2019, the Alameda County Office of Education (ACOE) made a lump sum contribution to the Pension Plan of \$750,000 to partially pay off their UAAL. That lump sum is greater than the amount that ACOE would have to make on an installment basis over 20 years. Again, the OPEB SRBR NOL is allocated to the employers in proportion to the total employer contributions made by those employers to the Pension Plan. In order to have a more level allocation of the NOL to ACOE, ACERA approved an approach outlined in our March 2, 2020 letter to determine ACOE’s proportionate share of the OPEB SRBR NOL by using ACOE’s required contributions determined in our December 31, 2018 valuation in the amount of \$78,000 based on an April 1, 2020 payment date plus the amortization of the remaining balance of the original \$750,000 lump sum amount (an amount of \$60,832 which represents the additional UAAL contribution ACOE would have been required to pay if they did not

<sup>1</sup> The December 31, 2019 and December 31, 2020 NOL has been allocated to the different employers in proportion to the total employer contributions made by those employers to the pension plan during calendar years 2019 and 2020, respectively, based on discussions and approval provided by the Board.

## Section 1: Actuarial Valuation Summary

make the additional lump sum contribution in 2019). Note that in 2020, the actual contribution made by ACOE is \$72,051 which is \$5,949 less than the required contribution. Since \$5,949 is part of the required contributions, we included this amount for purposes of determining ACOE's proportionate share of the OPEB SRBR NOL.

7. The TOL as of December 31, 2020 was determined by rolling forward the liability results used in determining the sufficiency of the SRBR to provide medical and dental subsidy benefits as of December 31, 2019. That TOL has been adjusted to reflect the health care trend assumptions recommended for the upcoming sufficiency study for the SRBR as of December 31, 2020 (reference: our letter dated March 22, 2021) and the assumptions approved by the Board from the Actuarial Experience Study for the period December 1, 2016 through November 30, 2019, dated September 9, 2020.
8. We have also continued the practice of adjusting the Plan's Fiduciary Net Position as of December 31, 2020 to include the \$891.6 million set aside by the Retirement Board in the SRBR reserve to pay OPEB benefits as of December 31, 2020. This includes \$882.5 million in the OPEB-related SRBR reserve (after reducing the reserve by the \$7.5 million SRBR implicit subsidy transfer), and \$9.1 million in the 401(h) reserve. It should be noted that as of December 31, 2020, the deferred investment gain for the entire Plan was \$643.3 million. Consequently, after first replenishing the Contingency Reserve from \$69.0 million to \$98.7 million (1% of total assets), we have added to the Plan's Fiduciary Net Position the proportionate share of one-half of the net deferred investment gain that is commensurate with the size of the OPEB SRBR reserve to total SRBR and 401(h) reserve to valuation and 401(h) reserve, or \$293.3 million (which will cause the future interest crediting rate to the SRBR reserve to be raised above 7.00% per year).
9. The Coronavirus (COVID-19) pandemic is rapidly evolving and has had a significant impact on the US economy in 2020, including most retiree health plans, and will likely continue to have an impact in the future. Our results do not include the impact of the following:
  - Direct or indirect effects of COVID-19 on short-term health plan costs
  - Short-term or long-term impacts on mortality of the covered population
  - The potential for federal or state fiscal relief

Each of the above factors could significantly impact the results prepared using these assumptions. The net effect of the above factors generally have not affected our assumptions for the December 31, 2020 valuation. Given the high level of uncertainty and fluidity of the current events, we will monitor to assess any potential changes in the assumptions proposed here.

Due to the COVID-19 pandemic, market conditions have varied significantly during 2020. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the Plan Year. While it is impossible to determine how the pandemic will continue to affect market conditions, health care costs, and other demographic experience of the Plan prior to next year's valuation, Segal is available to prepare projections of potential outcomes upon request.



# Section 1: Actuarial Valuation Summary

## Summary of key valuation results

Reporting Date for Employer under GASB 75 <sup>1</sup>		June 30, 2021	June 30, 2020
Measurement Date for Employer under GASB 75		December 31, 2020	December 31, 2019
<b>Disclosure elements for fiscal year ending December 31:</b>	• Service cost <sup>2</sup>	\$31,510,436	\$27,678,194
	• Total OPEB Liability	1,191,570,896	1,083,114,679
	• Plan's Fiduciary Net Position <sup>3</sup>	1,184,882,854	970,180,405
	• Net OPEB Liability	6,688,042	112,934,274
	• OPEB expense	-15,301,333	18,191,319
<b>Schedule of contributions for fiscal year ending December 31:</b>	• Actuarially determined contributions	N/A	N/A
	• Actual contributions <sup>4</sup>	N/A	N/A
	• Contribution deficiency / (excess)	0	0
<b>Demographic data for plan year ending December 31:<sup>5</sup></b>	• Number of retired members receiving medical benefits <sup>6</sup>	6,664	6,575
	• Number of retired members receiving dental and vision benefits	7,906	7,741
	• Number of vested terminated members	451	430
	• Number of active members	11,322	11,336
<b>Key assumptions as of December 31:</b>	• Investment rate of return	7.00%	7.25%
	• Health care premium trend rates		
	Non-Medicare medical plan	Graded from 6.75% to ultimate 4.50% over 9 years	Graded from 6.75% to ultimate 4.50% over 9 years <sup>8</sup>
	Medicare medical plan	Graded from 6.25% to ultimate 4.50% over 7 years	Graded from 6.25% to ultimate 4.50% over 7 years <sup>8</sup>
	Dental/Vision	4.00% <sup>7</sup>	4.00%
	Medicare Part B	4.50%	4.50%

<sup>1</sup> The reporting date and measurement date for the plan are December 31, 2020 and December 31, 2019, respectively.

<sup>2</sup> The Service Cost is based on the previous year's valuation, meaning the December 31, 2020 and December 31, 2019 measurement date values are based on the valuations as of December 31, 2019 and December 31, 2018, respectively. The December 31, 2020 service cost has been calculated using the assumptions shown in the December 31, 2019 column, and the December 31, 2019 service cost has been calculated using the following assumptions:

**Key assumptions as of December 31, 2018:**

Investment rate of return	7.25%
Health care premium trend rates	
Non-Medicare medical plan <sup>8</sup>	Graded from 7.00% to ultimate 4.50% over 10 years
Medicare medical plan <sup>8</sup>	Graded from 6.50% to ultimate 4.50% over 8 years
Dental/Vision and Medicare Part B	4.00%

## Section 1: Actuarial Valuation Summary

- <sup>3</sup> For 2020, the Plan's Fiduciary Net Position shown (\$1,184,882,854) includes the OPEB-related SRBR reserve of \$882,528,291 (after reducing the reserve by the SRBR implicit subsidy transfer of \$7,548,683) and 401(h) reserve (\$9,051,620), plus the proportionate share of one-half of the net deferred investment gain that is commensurate with the size of the OPEB SRBR reserve to total SRBR and 401(h) reserve to valuation and 401(h) reserve (\$293,302,942), after first replenishing the Contingency Reserve from \$69.0 million to \$98.7 million (1% of total assets). For 2019, the Plan's Fiduciary Net Position shown (\$970,180,405) includes the OPEB-related SRBR reserve of \$877,769,175 (after reducing the reserve by the SRBR implicit subsidy transfer of \$6,510,876) and 401(h) reserve (\$10,415,538), plus the proportionate share of one-half of the net deferred investment gain that is commensurate with the size of the OPEB SRBR reserve to total SRBR and 401(h) reserve to valuation and 401(h) reserve (\$81,995,692), after first replenishing the Contingency Reserve from \$0 to \$89.4 million (1% of total assets). Note that amounts may not total exactly due to rounding.
- <sup>4</sup> Employer contributions are on a net basis. Benefits are funded by employer contributions to the 401(h) account and similar amounts are transferred from the SRBR to the Employers Advance Reserve to backfill the employer contributions that would have otherwise been made to the Retirement Plan.
- <sup>5</sup> The December 31, 2019 data is used in the measurement of the TOL as of December 31, 2020. The following data as of December 31, 2018 was used in the measurement of the TOL as of December 31, 2019:
- |  |        |
|--|--------|
| Number of retired members receiving medical benefits           | 6,385  |
| Number of retired members receiving dental and vision benefits | 7,519  |
| Number of vested terminated members                            | 410    |
| Number of active members                                       | 11,349 |
- The demographic data as of December 31, 2020 will be used in the sufficiency study for the SRBR as of December 31, 2020 as well as in the next year's GASB 74 valuation when we roll forward the liability from December 31, 2020 to December 31, 2021.
- <sup>6</sup> The retiree count excludes beneficiaries under 65 receiving an implicit subsidy.
- <sup>7</sup> The first two years of trend for dental were updated to reflect the three-year rate guarantee (premiums would be fixed at the 2021 levels for 2022 and 2023). The first four years of trend for vision were updated to reflect the five-year rate guarantee (premiums would be fixed at 2021 levels for 2022, 2023, 2024 and 2025).
- <sup>8</sup> The trend rates for 2020 as of the December 31, 2019 measurement are before reflecting the repeal of the Health Insurance Tax (HIT) taking effect in 2021 that would further reduce 1.20% from non-Medicare plan trend of 6.75% and 0.90% from Medicare plan trend of 6.25%. The trends for 2019 as of the December 31, 2018 measurement are before reflecting a one-time adjustment to reflect the estimated impact of the reinstatement of the HIT. The weighted average increase amongst all carriers is approximately 1.20% for Non-Medicare plans and 0.90% for Medicare plans.

# Section 1: Actuarial Valuation Summary

## Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to defining future projected obligations of an OPEB plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

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

<b>Plan of benefits</b>	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
<b>Participant data</b>	An actuarial valuation for a plan is based on data provided to the actuary by ACERA. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
<b>Assets</b>	This valuation is based on the fair value of assets as of the valuation date, as provided by ACERA. The Association uses an actuarial value of assets that differs from fair value of assets to gradually reflect six-month changes in the fair value of assets in the SRBR sufficiency valuation.
<b>Actuarial assumptions</b>	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to health care trends. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.
<b>Models</b>	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

## Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

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The valuation is prepared at the request of the Board to assist ACERA in preparing items related to the SRBR OPEB plan in their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.

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An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

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If ACERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

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Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

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As Segal has no discretionary authority with respect to the management or assets of ACERA, it is not a fiduciary in its capacity as actuaries and consultants with respect to ACERA.

# Section 2: GASB 75 Information

## General information about the OPEB plan

### Plan Description

*Plan administration.* The Alameda County Employees' Retirement Association (ACERA) was established by the Alameda County Board of Supervisors in 1947. ACERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.). ACERA is a cost-sharing, multiple employer, defined benefit, public employee retirement system whose main function is to provide service retirement, disability, death, and survivor benefits to the General and Safety members employed by the County of Alameda. ACERA also provides retirement benefits to the employee members of First 5 Alameda County, Housing Authority of the County of Alameda, Alameda Health System, Livermore Area Recreation and Park District (LARP), Superior Court of California—County of Alameda, and Alameda County Office of Education (ACOE).

The management of ACERA is vested with the ACERA Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law and is elected by the general public. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the General members; one active member and one alternate are elected by the Safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

*Plan membership.* At December 31, 2020, OPEB plan membership consisted of the following:

<b>Retired members currently receiving medical benefits</b>	6,664
<b>Retired members currently receiving dental and vision benefits</b>	7,906
<b>Vested terminated members entitled to, but not yet receiving benefits</b>	451
<b>Active members</b>	<u>11,322</u>
<b>Total</b>	<b>26,343</b>

*Note:* Data as of December 31, 2020 is not used in the measurement of the TOL as of December 31, 2020. It will be used for the sufficiency study for the SRBR as of December 31, 2020 as well as in next year's GASB 74 and 75 valuations.

*The retiree count excludes beneficiaries under 65 receiving an implicit subsidy.*

## Section 2: GASB 75 Information

*Benefits provided.* ACERA provides benefits to eligible employees under the following terms and conditions.

<b>Eligibility:</b>									
<i>Service Retirees:</i>	Retired with at least 10 years of service (including deferred vested members who terminate employment and receive a retirement benefit from ACERA)								
<i>Disabled Retirees:</i>	A minimum of 10 <sup>1</sup> years of service is required for non-duty disability. There is no minimum service requirement for duty disability.								
<b>Other Postemployment Benefits (OPEB):</b>									
<i>Monthly Medical Allowance</i>									
<i>Service Retirees:</i>	<p>For retirees not purchasing individual insurance through the Medicare Insurance Exchange, a Maximum Monthly Medical Allowance of \$578.65 per month is provided, effective January 1, 2020. For the period January 1, 2021 through December 31, 2021, the maximum allowance will remain at \$578.65 per month.</p> <p>For those purchasing individual insurance through the Individual Medicare Insurance Exchange, the Maximum Monthly Medical Allowance is \$443.28 per month for 2020 and 2021. These Allowances are subject to the following subsidy schedule:</p> <table border="1"> <thead> <tr> <th>Completed Years of Service</th> <th>Percentage Subsidized</th> </tr> </thead> <tbody> <tr> <td>10-14</td> <td>50%</td> </tr> <tr> <td>15-19</td> <td>75%</td> </tr> <tr> <td>20+</td> <td>100%</td> </tr> </tbody> </table>	Completed Years of Service	Percentage Subsidized	10-14	50%	15-19	75%	20+	100%
Completed Years of Service	Percentage Subsidized								
10-14	50%								
15-19	75%								
20+	100%								
<i>Disabled Retirees:</i>	<p>Non-duty disabled retirees receive the same Monthly Medical Allowance as service retirees.</p> <p>Duty disabled retirees receive the same Monthly Medical Allowance as those service retirees with 20 or more years of service.</p>								
<i>Medicare Benefit Reimbursement Plan:</i>	<p>The SRBR reimburses the full Medicare Part B premium to qualified retired members.</p> <p>To qualify for reimbursement, a retiree must:</p> <ul style="list-style-type: none"> <li>• Have at least 10 years of ACERA service,</li> <li>• Be eligible for Monthly Medical Allowance,</li> <li>• Provide proof of enrollment in Medicare Part B.</li> </ul>								

<sup>1</sup> The 10 years of service requirement is only used for determining eligibility for health benefits. For pension benefits, the eligibility requirements is 5 years of service.

## Section 2: GASB 75 Information

<i>Dental and Vision Plans:</i>	The SRBR provides dental and vision benefits for retirees only. The maximum combined monthly dental and vision premium was \$46.28 in 2020 and is \$48.12 in 2021. The eligibility for these premiums is as follows.
Service Retirees:	Retired with at least 10 years of service.
Disabled Retirees:	For non-duty disabled retirees, 10 years of service is required. For grandfathered non-duty disabled retirees (with effective retirement dates on or before January 31, 2014), there is no minimum service requirement. For duty disabled retirees, there is no minimum service requirement.
<i>Note about Monthly Medical Allowance:</i>	The maximum levels of subsidy are reviewed by the Board annually and are not indexed to increase automatically. In addition, the Monthly Medical Allowance can only be used to pay for retiree medical benefits. There is no benefit payable to beneficiaries, current spouses, former spouses or dependents. If the actual cost of coverage is less than the Monthly Medical Allowance, the difference is not paid in cash or applied towards the coverage for beneficiaries, current spouses, former spouses or dependents.
<b>Deferred Benefit:</b>	Members who terminate employment with 10 or more years of service before reaching Pension eligibility commencement age may elect deferred MMA and/or dental/vision benefits.
<b>Death Benefit:</b>	Surviving spouses/domestic partners of members who die before the member commences retiree health benefits may enroll in an ACERA group medical plan on the date that the member would have been eligible to commence benefits. The surviving spouse/domestic partner must pay 100% of the premium. Because premiums for surviving spouses/domestic partners under age 65 include active participants for purposes of underwriting, the surviving spouses/domestic partners receive an implicit subsidy from the actives, which creates a liability for the SRBR.

## Section 2: GASB 75 Information

### Net OPEB Liability

Reporting Date for Employer under GASB 75	June 30, 2021	June 30, 2020
Measurement Date for Employer under GASB 75	December 31, 2020	December 31, 2019
<b>Components of the Net OPEB Liability</b>		
Total OPEB Liability	\$1,191,570,896	\$1,083,114,679
Plan's Fiduciary Net Position	<u>-1,184,882,854</u>	<u>-970,180,405</u>
Net OPEB Liability	\$6,688,042	\$112,934,274
Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability	99.44%	89.57%

The Net OPEB Liability (NOL) was measured as of December 31, 2020 and 2019. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date, while the Total OPEB Liability (TOL) was determined by rolling forward the TOL from actuarial valuations as of December 31, 2019 and 2018, respectively.

*Plan provisions.* The plan provisions used in the measurement of the NOL as of December 31, 2020 and 2019 are the same as those used in ACERA's SRBR sufficiency valuation as of December 31, 2019 and 2018, respectively.



## Section 2: GASB 75 Information

*Actuarial assumptions.* The TOL as of December 31, 2020 that was determined by an actuarial valuation as of December 31, 2019, was re-valued as of December 31, 2019 (before roll forward) using the following actuarial assumptions, which were based on the results of the experience study for the period from December 1, 2016 through November 30, 2019 that were approved by the Board effective with the December 31, 2020 valuation and the health care trend assumptions recommended for the sufficiency study for the SRBR as of December 31, 2020 (reference: our letter dated March 22, 2021). This revalued TOL was then rolled forward to December 31, 2020 to determine the final TOL as of December 31, 2020. The actuarial assumptions are the same assumptions used in the December 31, 2020 SRBR OPEB actuarial valuation for ACERA and they are applied to all periods included in the measurement.

<b>Investment rate of return</b>	7.00%, net of OPEB plan investment expense, including inflation
<b>Inflation</b>	2.75%
<b>Health care premium trend rates (used to project health care costs after calendar year 2021):</b>	
Non-Medicare medical plan	Graded from 6.75% in 2021 to ultimate 4.50% over 9 years
Medicare medical plan	Graded from 6.25% in 2021 to ultimate 4.50% over 7 years
Dental	0.00% for the first two years to reflect a three-year rate guarantee (premiums fixed at 2021 level for 2022 and 2023) and 4.00% thereafter.
Vision	0.00% for the first four years to reflect a five-year rate guarantee (premiums fixed at 2021 level for 2022, 2023, 2024 and 2025) and 4.00% thereafter.
Medicare Part B <sup>1</sup>	4.50%
<b>Other assumptions:</b>	Same as those proposed in the experience study for the period December 1, 2016 through November 30, 2019.

<sup>1</sup> The actual calendar year 2020 trend of 2.70% reflecting the standard 2021 calendar year premium of \$148.50 per month, consistent with Segal's Medicare Part B memo dated November 12, 2020 was reflected in the current year GAS 74 valuation with December 31, 2020 measurement date.

## Section 2: GASB 75 Information

The TOL as of December 31, 2019 that was determined by an actuarial valuation as of December 31, 2018, used the following actuarial assumptions, which were based on the results of the experience study for the period from December 1, 2013 through November 30, 2016 that were approved by the Board effective with the December 31, 2017 valuation and the health care trend assumptions recommended for the sufficiency study for the SRBR as of December 31, 2019 (reference: our letter dated May 6, 2020). They are the same assumptions used in the December 31, 2019 SRBR OPEB actuarial valuation for ACERA and they were applied to all periods included in the measurement.

<b>Investment rate of return</b>	7.25%, net of OPEB plan investment expense, including inflation
<b>Inflation</b>	3.00%
<b>Health care premium trend rates (used to project health care costs after calendar year 2020):</b>	
Non-Medicare medical plan <sup>1</sup>	Graded from 6.75% in 2020 to ultimate 4.50% over 9 years
Medicare medical plan <sup>1</sup>	Graded from 6.25% in 2020 to ultimate 4.50% over 7 years
Dental/Vision	4.00%
Medicare Part B	4.50%
<b>Other assumptions:</b>	Same as those proposed in the experience study for the period December 1, 2013 through November 30, 2016.

<sup>1</sup> The trend rates shown above for 2020 as of the December 31, 2019 measurement do not include a one-time reduction of 1.20% to the first year non-Medicare trend of 6.75% and 0.90% to the first year Medicare trend of 6.25% to reflect the recent repeal of the Health Insurance Tax (HIT) taking effect in 2021.

## Section 2: GASB 75 Information

### Determination of discount rate and investment rates of return

The long-term expected rate of return on OPEB plan investments<sup>1</sup> was determined in 2020 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2020 actuarial valuation. This information will be subject to change every three years based on the results of an actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
US large Cap Equity	22.40%	5.43%
US Small Cap Equity	2.50%	6.21%
International Developed Equity	17.00%	6.67%
International Small Cap Equity	3.00%	7.36%
Emerging Markets Equity	5.00%	8.58%
Core Plus Fixed Income	11.50%	1.10%
High Yield Bonds	1.60%	2.91%
Global Fixed Income	3.00%	-0.63%
Private Equity	10.50%	10.00%
Core Real Estate	8.00%	4.58%
Commodities	0.75%	3.46%
Infrastructure	1.75%	7.80%
Private Credit	4.00%	8.50%
Absolute Return	9.00%	3.70%
<b>Total</b>	<b>100.00%</b>	<b>5.56%</b>

<sup>1</sup> Note that the investment return assumption for SRBR sufficiency (and pension funding) purposes was developed net of both investment and administrative expenses; however, the same investment return assumption was used for financial reporting purposes, and it was considered gross of administrative expenses for financial reporting purposes. (This resulted in an increase in the margin for adverse deviation when using that investment return assumption for financial reporting.)

## Section 2: GASB 75 Information

*Discount rate.* The discount rates used to measure the Total OPEB Liability (TOL) were 7.00% and 7.25% as of December 31, 2020 and December 31, 2019, respectively. The projection of cash flows used to determine the discount rate assumed benefits are paid out of current SRBR OPEB assets. Based on those assumptions, the SRBR OPEB Plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments for current plan members.<sup>1</sup> Therefore the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability as of December 31, 2020 and December 31, 2019.

<sup>1</sup> See discussions in Section 1 regarding source of funding for payment of SRBR OPEB benefits not covered by current SRBR OPEB Plan's Fiduciary Net Position.

## Section 2: GASB 75 Information

### Discount rate and trend sensitivity

*Sensitivity of the Net OPEB Liability to changes in the discount rate.* The following presents the Net OPEB Liability of ACERA as of December 31, 2020, calculated using the discount rate of 7.00%, as well as what ACERA's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Alameda County	\$124,702,723	\$5,156,701	-\$93,908,562
Health System	28,337,647	1,171,817	-21,339,932
Superior Court	6,458,728	267,081	-4,863,806
First 5	693,849	28,692	-522,509
Housing Authority	690,898	28,570	-520,288
LARPD	778,295	32,184	-586,102
ACOE	<u>72,475</u>	<u>2,997</u>	<u>-54,578</u>
<b>Total for all Employers</b>	<b>\$161,734,615</b>	<b>\$6,688,042</b>	<b>-\$121,795,777</b>

## Section 2: GASB 75 Information

*Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rate.* The following presents the Net OPEB Liability of ACERA as of December 31, 2020, calculated using the current trend rate as well as what ACERA's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rates*	1% Increase
Alameda County	-\$113,044,465	\$5,156,701	\$151,573,704
Health System	-25,688,406	1,171,817	34,443,851
Superior Court	-5,854,912	267,081	7,850,456
First 5	-628,982	28,692	843,359
Housing Authority	-626,307	28,570	839,773
LARPD	-705,533	32,184	946,002
ACOE	<u>-65,700</u>	<u>2,997</u>	<u>88,092</u>
<b>Total for all Employers</b>	<b>-\$146,614,305</b>	<b>\$6,688,042</b>	<b>\$196,585,237</b>

\* *Current trend rates: 6.75% graded down to 4.50% over 9 years for Non-Medicare medical plan costs; 6.25% graded down to 4.50% over 7 years for Medicare medical plan costs, 4.00% for all years after the first two years and four years for Dental and Vision costs, respectively; and 4.50% for all years for Medicare Part B costs. The first two years of trend for dental were 0.00% to reflect three-year rate guarantee (premiums fixed at 2021 levels for 2022 and 2023). The first four years of trend for vision were 0.00% to reflect five-year rate guarantee (premiums fixed at 2021 levels for 2022, 2023, 2024 and 2025).*

## Section 2: GASB 75 Information

### Schedule of changes in Net OPEB Liability – Last two fiscal years

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
<b>Total OPEB Liability</b>		
• Service cost <sup>1</sup>	\$31,510,436	\$27,678,194
• Interest	79,142,070	73,843,280
• Change of benefit terms	0	0
• Differences between expected and actual experience	-13,871,821	-41,706,128
• Changes of assumptions	57,696,237	12,524,469
• Benefit payments	<u>-46,020,705</u>	<u>-43,562,150</u>
<b>Net change in Total OPEB Liability</b>	<b>\$108,456,217</b>	<b>\$28,777,665</b>
<b>Total OPEB Liability – beginning</b>	<b><u>1,083,114,679</u></b>	<b><u>1,054,337,014</u></b>
<b>Total OPEB Liability – ending</b>	<b><u>\$1,191,570,896</u></b>	<b><u>\$1,083,114,679</u></b>
<b>Plan's Fiduciary Net Position</b>		
• Contributions – employer <sup>2</sup>	N/A	N/A
• Contributions – member	N/A	N/A
• Net investment income	\$262,139,154	\$193,656,620
• Benefit payments	-46,020,705	-43,562,150
• Administrative expense	-1,416,000	-1,354,500
• Other	<u>0</u>	<u>0</u>
<b>Net change in Plan's Fiduciary Net Position</b>	<b>\$214,702,449</b>	<b>\$148,739,970</b>
<b>Plan's Fiduciary Net Position<sup>3</sup> – beginning</b>	<b><u>970,180,405</u></b>	<b><u>821,440,435</u></b>
<b>Plan's Fiduciary Net Position<sup>3</sup> – ending</b>	<b><u>\$1,184,882,854</u></b>	<b><u>\$970,180,405</u></b>
<b>Net OPEB Liability – ending</b>	<b><u>\$6,688,042</u></b>	<b><u>\$112,934,274</u></b>
<b>Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability</b>	<b>99.44%</b>	<b>89.57%</b>
<b>Covered employee payroll<sup>4</sup></b>	N/A	N/A
<b>Plan Net OPEB Liability as percentage of covered employee payroll</b>	N/A	N/A

- 1 The Service Cost is based on the previous year's valuation, meaning the December 31, 2020 and December 31, 2019 measurement date values are based on the valuations as of December 31, 2019 and December 31, 2018, respectively.
- 2 Employer contributions are on a net basis. Benefits are funded by employer contributions to the 401(h) account and similar amounts are transferred from the SRBR to the Employers Advance Reserve to backfill the employer contributions that would have otherwise been made to the Retirement Plan.
- 3 See footnote (3) on page 6 for a discussion on the development of the 2020 "Plan's Fiduciary Net Position – beginning" amount of \$970,180,405 and the 2020 "Plan's Fiduciary Net Position – ending" amount of \$1,184,882,854.
- 4 Covered-employee payroll is not shown as contributions to the OPEB plan are not based on a measure of pay. Covered-employee payroll represents Compensation Earnable and Pensionable Compensation. Only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits would otherwise be included.

## Section 2: GASB 75 Information

### Schedule of employer contributions – Last ten fiscal years

Year Ended December 31	Actuarially Determined Contributions <sup>1</sup>	Contributions in Relation to the Actuarially Determined Contributions <sup>1</sup>	Contribution Deficiency / (Excess)	Covered Employee Payroll <sup>2</sup>	Contributions as a Percentage of Covered Employee Payroll
2011	N/A	N/A	0	N/A	N/A
2012	N/A	N/A	0	N/A	N/A
2013	N/A	N/A	0	N/A	N/A
2014	N/A	N/A	0	N/A	N/A
2015	N/A	N/A	0	N/A	N/A
2016	N/A	N/A	0	N/A	N/A
2017	N/A	N/A	0	N/A	N/A
2018	N/A	N/A	0	N/A	N/A
2019	N/A	N/A	0	N/A	N/A
2020	N/A	N/A	0	N/A	N/A

<sup>1</sup> Benefits are funded by employer contributions to the 401(h) account and similar amounts are transferred from the SRBR to the Employers Advance Reserve to backfill the employer contributions that would have otherwise been made to the Retirement Plan.

<sup>2</sup> Covered-employee payroll is not shown as contributions to the OPEB plan are not based on a measure of pay. Covered-employee payroll represents Compensation Earnable and Pensionable Compensation. Only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits would otherwise be included.



## Section 2: GASB 75 Information

### Determination of proportionate share

#### Schedule of Employer Allocations as of December 31, 2019

Employer	Actual Employer Contributions by Employer January 1, 2019 to December 31, 2019	
	Contributions	Percentage*
Alameda County	\$228,319,939	76.639%
Health System	54,239,577	18.207%
Superior Court	11,501,609	3.861%
First 5	1,200,993	0.403%
Housing Authority	1,208,258	0.406%
LARPD	1,306,574	0.439%
ACOE	132,883	0.045%
<b>Total for all Employers</b>	<b>\$297,909,833</b>	<b>100.000%</b>

\* The unrounded percentages are used in the allocation of the NOL amongst employers.

Employer	Allocation of December 31, 2019 Net OPEB Liability	
	NOL	Percentage
Alameda County	\$86,553,526	76.639%
Health System	20,561,615	18.207%
Superior Court	4,360,131	3.861%
First 5	455,283	0.403%
Housing Authority	458,037	0.406%
LARPD	495,308	0.439%
ACOE	50,374	0.045%
<b>Total for all Employers</b>	<b>\$112,934,274</b>	<b>100.000%</b>

#### Notes:

1. With the exception of an adjustment for the lump sum contribution made by ACOE (see item 4), the above is based on the January 1, 2019 through December 31, 2019 employer contributions in total as provided by ACERA.
2. The Net OPEB Liability (NOL) is the Total OPEB Liability (TOL) minus the OPEB SRBR Plan's Fiduciary Net Position (plan assets).
3. The employer's share of the total plan NOL is the ratio of the employer's total contributions to the total contributions for all employers.
4. ACOE made a lump sum contribution of \$750,000 in 2019 to partially pay off their liability to the pension plan. That lump sum is greater than the amount that ACOE would have had to make on an installment basis over 20 years. In order to have a more level allocation of the NPL and NOL to ACOE, ACERA approved an approach outlined in our letter dated March 2, 2020 to determine ACOE's proportionate share of OPEB SRBR NOL by using the total annual UAAL contribution ACOE would have made of \$132,883 in 2019 if they did not make the additional contribution to partially pay off their UAAL.

## Section 2: GASB 75 Information

### Schedule of Employer Allocations as of December 31, 2020

Employer	Actual Employer Contributions by Employer January 1, 2020 to December 31, 2020	
	Contributions	Percentage*
Alameda County	\$238,881,264	77.104%
Health System	54,283,769	17.521%
Superior Court	12,372,365	3.993%
First 5	1,329,139	0.429%
Housing Authority	1,323,493	0.427%
LARPD	1,490,917	0.481%
ACOE	<u>138,832</u>	<u>0.045%</u>
<b>Total for all Employers</b>	<b>\$309,819,779</b>	<b>100.000%</b>

\* The unrounded percentages are used in the allocation of the NOL amongst employers.

Employer	Allocation of December 31, 2020 Net OPEB Liability	
	NOL	Percentage
Alameda County	\$5,156,701	77.104%
Health System	1,171,817	17.521%
Superior Court	267,081	3.993%
First 5	28,692	0.429%
Housing Authority	28,570	0.427%
LARPD	32,184	0.481%
ACOE	<u>2,997</u>	<u>0.045%</u>
<b>Total for all Employers</b>	<b>\$6,688,042</b>	<b>100.000%</b>

#### Notes:

1. With the exception of an adjustment for the lump sum contribution made by ACOE (see item 4), the above is based on the January 1, 2020 through December 31, 2020 employer contributions in total as provided by ACERA.
2. The Net OPEB Liability (NOL) is the Total OPEB Liability (TOL) minus the OPEB SRBR Plan's Fiduciary Net Position (plan assets).
3. The employer's share of the total plan NOL is the ratio of the employer's total contributions to the total contributions for all employers.
4. ACOE made a lump sum contribution of \$750,000 in 2019 to partially pay off their UAAL to the pension plan. That lump sum is greater than the amount that ACOE would have to make on an installment basis over 20 years. In order to have a more level allocation of the NPL and NOL to ACOE, ACERA approved an approach outlined in our March 2, 2020 letter to determine ACOE's proportionate share of the OPEB SRBR NOL by using ACOE's required contributions determined in our December 31, 2018 valuation in the amount of \$78,000 based on an April 1, 2020 payment date plus the amortization of the remaining balance of the original \$750,000 lump sum amount (an amount of \$60,832 which represents the additional UAAL contribution ACOE would have been required to pay if they did not make the additional lump sum contribution in 2019). Note that in 2020, the actual contribution made by ACOE is \$72,051 which is \$5,949 less than the required contribution. Since \$5,949 is part of the required contributions, we included this amount for purposes of determining ACOE's proportionate share of the OPEB SRBR NOL.

## Section 2: GASB 75 Information

### Notes regarding determination of proportionate share as of December 31, 2020 measurement date

The reporting date for the employer under GASB 75 is June 30, 2021. The reporting date and measurement date for the plan under GASB 74 are December 31, 2020. Consistent with the provisions of GASB 75, the assets and liabilities measured as of December 31, 2020 are not adjusted or rolled forward to the June 30, 2021 reporting date. Other results, such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

The following items are allocated based on the corresponding proportionate share:

- a. Net OPEB Liability
- b. Service Cost
- c. Interest on the Total OPEB Liability
- d. Current-period benefit changes
- e. Expensed portion of current-period difference between actual and expected experience in the Total OPEB Liability
- f. Expensed portion of current-period changes of assumptions or other inputs
- g. Member contributions
- h. Projected earnings on plan investments
- i. Expensed portion of current-period differences between actual and projected earnings on plan investments
- j. Administrative expense
- k. Recognition of beginning of year deferred outflows of resources as OPEB expense
- l. Recognition of beginning of year deferred inflows of resources as OPEB expense

## Section 2: GASB 75 Information

### OPEB expense

#### Total for All Employers

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Components of OPEB Expense	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Service cost	\$31,510,436	\$27,678,194
Interest on the Total OPEB Liability	79,142,070	73,843,280
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	-2,124,322	-6,309,550
Expensed portion of current-period changes of assumptions or other inputs	8,835,565	1,894,776
Member contributions	0	0
Projected earnings on plan investments	-68,618,499	-57,926,203
Expensed portion of current-period differences between actual and projected earnings on plan investments	-38,704,131	-27,146,083
Administrative expense	1,416,000	1,354,500
Other	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	52,611,600	50,716,824
Recognition of beginning of year deferred inflows of resources as OPEB expense	-79,370,052	-45,914,419
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
<b>OPEB Expense</b>	<b>-\$15,301,333</b>	<b>\$18,191,319</b>

## Section 2: GASB 75 Information

### OPEB expense (continued)

#### Alameda County

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Components of OPEB Expense	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Service cost	\$24,295,588	\$21,212,740
Interest on the Total OPEB Liability	61,021,145	56,593,947
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	142,466	80,275
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	-1,637,922	-4,835,680
Expensed portion of current-period changes of assumptions or other inputs	6,812,512	1,452,168
Member contributions	0	0
Projected earnings on plan investments	-52,907,125	-44,395,000
Expensed portion of current-period differences between actual and projected earnings on plan investments	-29,842,161	-20,804,926
Administrative expense	1,091,782	1,038,096
Other	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	40,565,278	38,869,688
Recognition of beginning of year deferred inflows of resources as OPEB expense	-61,196,927	-35,189,095
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>-7,019</u>	<u>-87,294</u>
<b>OPEB Expense</b>	<b>-\$11,662,383</b>	<b>\$13,934,919</b>

## Section 2: GASB 75 Information

### OPEB expense (continued)

#### Health System

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Components of OPEB Expense	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Service cost	\$5,520,969	\$5,039,288
Interest on the Total OPEB Liability	13,866,545	13,444,431
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	-211,116	-159,239
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	-372,204	-1,148,761
Expensed portion of current-period changes of assumptions or other inputs	1,548,086	344,976
Member contributions	0	0
Projected earnings on plan investments	-12,022,702	-10,546,455
Expensed portion of current-period differences between actual and projected earnings on plan investments	-6,781,381	-4,942,408
Administrative expense	248,098	246,610
Other	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	9,218,120	9,233,865
Recognition of beginning of year deferred inflows of resources as OPEB expense	-13,906,490	-8,359,505
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>16,308</u>	<u>175,547</u>
<b>OPEB Expense</b>	<b>-\$2,875,767</b>	<b>\$3,328,349</b>

## Section 2: GASB 75 Information

### OPEB expense (continued)

#### Superior Court

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Components of OPEB Expense	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Service cost	\$1,258,340	\$1,068,590
Interest on the Total OPEB Liability	3,160,465	2,850,918
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	40,841	63,818
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	-84,833	-243,597
Expensed portion of current-period changes of assumptions or other inputs	352,840	73,153
Member contributions	0	0
Projected earnings on plan investments	-2,740,216	-2,236,397
Expensed portion of current-period differences between actual and projected earnings on plan investments	-1,545,614	-1,048,047
Administrative expense	56,547	52,294
Other	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	2,100,995	1,958,059
Recognition of beginning of year deferred inflows of resources as OPEB expense	-3,169,569	-1,772,649
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>-1,649</u>	<u>-65,467</u>
<b>OPEB Expense</b>	<b>-\$571,853</b>	<b>\$700,675</b>

## Section 2: GASB 75 Information

### OPEB expense (continued)

First 5

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Components of OPEB Expense	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Service cost	\$135,181	\$111,581
Interest on the Total OPEB Liability	339,523	297,692
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	7,964	6,598
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	-9,113	-25,436
Expensed portion of current-period changes of assumptions or other inputs	37,905	7,639
Member contributions	0	0
Projected earnings on plan investments	-294,376	-233,524
Expensed portion of current-period differences between actual and projected earnings on plan investments	-166,042	-109,437
Administrative expense	6,075	5,461
Other	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	225,706	204,460
Recognition of beginning of year deferred inflows of resources as OPEB expense	-340,501	-185,099
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>8,325</u>	<u>1,727</u>
<b>OPEB Expense</b>	<b>-\$49,353</b>	<b>\$81,662</b>



## Section 2: GASB 75 Information

### OPEB expense (continued)

#### Housing Authority

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Components of OPEB Expense	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Service cost	\$134,607	\$112,257
Interest on the Total OPEB Liability	338,080	299,492
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	6,652	-12,262
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	-9,075	-25,590
Expensed portion of current-period changes of assumptions or other inputs	37,744	7,685
Member contributions	0	0
Projected earnings on plan investments	-293,126	-234,936
Expensed portion of current-period differences between actual and projected earnings on plan investments	-165,337	-110,099
Administrative expense	6,049	5,494
Other	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	224,747	205,696
Recognition of beginning of year deferred inflows of resources as OPEB expense	-339,054	-186,219
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>-17,713</u>	<u>-5,451</u>
<b>OPEB Expense</b>	<b>-\$76,426</b>	<b>\$56,067</b>

## Section 2: GASB 75 Information

### OPEB expense (continued)

#### LARPD

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Components of OPEB Expense	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Service cost	\$151,632	\$121,392
Interest on the Total OPEB Liability	380,848	323,862
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	13,130	8,469
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	-10,223	-27,672
Expensed portion of current-period changes of assumptions or other inputs	42,519	8,310
Member contributions	0	0
Projected earnings on plan investments	-330,206	-254,053
Expensed portion of current-period differences between actual and projected earnings on plan investments	-186,252	-119,057
Administrative expense	6,814	5,941
Other	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	253,178	222,434
Recognition of beginning of year deferred inflows of resources as OPEB expense	-381,945	-201,372
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	-8,773	-17,242
<b>OPEB Expense</b>	<b>-\$69,278</b>	<b>\$71,012</b>

## Section 2: GASB 75 Information

### OPEB expense (continued)

#### ACOE

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Components of OPEB Expense	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Service cost	\$14,119	\$12,346
Interest on the Total OPEB Liability	35,464	32,938
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	63	12,341
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	-952	-2,814
Expensed portion of current-period changes of assumptions or other inputs	3,959	845
Member contributions	0	0
Projected earnings on plan investments	-30,748	-25,838
Expensed portion of current-period differences between actual and projected earnings on plan investments	-17,344	-12,109
Administrative expense	635	604
Other	0	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	23,576	22,622
Recognition of beginning of year deferred inflows of resources as OPEB expense	-35,566	-20,480
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>10,521</u>	<u>-1,820</u>
<b>OPEB Expense</b>	<b>\$3,727</b>	<b>\$18,635</b>

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources

#### Total For All Employers

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Deferred Outflows of Resources	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$2,502,135	\$1,697,144
Changes of assumptions or other inputs	81,255,541	43,117,986
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	0	0
<b>Total Deferred Outflows of Resources</b>	<b>\$83,757,676</b>	<b>\$44,815,130</b>
<b>Deferred Inflows of Resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$2,502,135	\$1,697,144
Changes of assumptions or other inputs	6,289,027	8,002,659
Net difference between projected and actual earnings on OPEB plan investments	189,286,095	56,535,454
Difference between expected and actual experience in the Total OPEB Liability	64,759,701	66,714,256
<b>Total Deferred Inflows of Resources</b>	<b>\$262,836,958</b>	<b>\$132,949,513</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 75 Year Ended June 30:</b>		
2021	N/A	-\$26,758,452
2022	-\$58,751,342	-26,758,454
2023	-21,943,058	10,049,830
2024	-65,620,549	-33,627,661
2025	-40,339,519	-8,346,631
2026	4,018,228	-2,693,015
2027	3,556,958	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### Alameda County

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Deferred Outflows of Resources	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$1,206,194	\$511,790
Changes of assumptions or other inputs	62,650,700	33,045,891
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	0	0
<b>Total Deferred Outflows of Resources</b>	<b>\$63,856,894</b>	<b>\$33,557,681</b>
<b>Deferred Inflows of Resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$269,207	\$369,658
Changes of assumptions or other inputs	4,849,048	6,133,287
Net difference between projected and actual earnings on OPEB plan investments	145,945,820	43,329,122
Difference between expected and actual experience in the Total OPEB Liability	49,931,864	51,130,217
<b>Total Deferred Inflows of Resources</b>	<b>\$200,995,939</b>	<b>\$100,962,284</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 75 Year Ended June 30:</b>		
2021	N/A	-\$20,514,861
2022	-\$45,163,774	-20,514,863
2023	-16,783,372	7,695,232
2024	-50,428,013	-25,747,321
2025	-30,871,538	-6,307,813
2026	3,289,618	-2,014,977
2027	2,818,034	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### Health System

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Deferred Outflows of Resources	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$487,409	\$662,956
Changes of assumptions or other inputs	14,236,848	7,850,366
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	0	0
<b>Total Deferred Outflows of Resources</b>	<b>\$14,724,257</b>	<b>\$8,513,322</b>
<b>Deferred Inflows of Resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$1,901,560	\$893,328
Changes of assumptions or other inputs	1,101,905	1,457,021
Net difference between projected and actual earnings on OPEB plan investments	33,164,967	10,293,245
Difference between expected and actual experience in the Total OPEB Liability	11,346,599	12,146,471
<b>Total Deferred Inflows of Resources</b>	<b>\$47,515,031</b>	<b>\$24,790,065</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 75 Year Ended June 30:</b>		
2021	N/A	-\$4,855,526
2022	-\$10,488,677	-4,855,526
2023	-4,039,469	1,846,051
2024	-11,742,934	-6,156,880
2025	-7,426,808	-1,667,420
2026	395,788	-587,442
2027	511,326	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### Superior Court

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Deferred Outflows of Resources	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$520,054	\$358,019
Changes of assumptions or other inputs	3,244,865	1,664,686
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	<u>0</u>	<u>0</u>
<b>Total Deferred Outflows of Resources</b>	<b>\$3,764,919</b>	<b>\$2,022,705</b>
<b>Deferred Inflows of Resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$203,737	\$269,204
Changes of assumptions or other inputs	251,146	308,964
Net difference between projected and actual earnings on OPEB plan investments	7,558,964	2,182,703
Difference between expected and actual experience in the Total OPEB Liability	<u>2,586,118</u>	<u>2,575,683</u>
<b>Total Deferred Inflows of Resources</b>	<b>\$10,599,965</b>	<b>\$5,336,554</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 75 Year Ended June 30:</b>		
2021	N/A	-\$1,034,731
2022	-\$2,306,988	-1,034,731
2023	-837,084	386,352
2024	-2,569,499	-1,288,130
2025	-1,525,403	-277,567
2026	240,234	-65,042
2027	163,694	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

First 5

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Deferred Outflows of Resources	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$82,806	\$47,639
Changes of assumptions or other inputs	348,589	173,826
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	<u>0</u>	<u>0</u>
<b>Total Deferred Outflows of Resources</b>	<b>\$431,395</b>	<b>\$221,465</b>
<b>Deferred Inflows of Resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$1,470	\$2,018
Changes of assumptions or other inputs	26,980	32,262
Net difference between projected and actual earnings on OPEB plan investments	812,045	227,917
Difference between expected and actual experience in the Total OPEB Liability	<u>277,822</u>	<u>268,952</u>
<b>Total Deferred Inflows of Resources</b>	<b>\$1,118,317</b>	<b>\$531,149</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 75 Year Ended June 30:</b>		
2021	N/A	-\$99,549
2022	-\$235,757	-99,549
2023	-77,848	48,840
2024	-265,052	-127,067
2025	-156,974	-25,529
2026	29,229	-6,830
2027	19,480	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75



## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### Housing Authority

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Deferred Outflows of Resources	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$36,785	\$0
Changes of assumptions or other inputs	347,109	174,877
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	<u>0</u>	<u>0</u>
<b>Total Deferred Outflows of Resources</b>	<b>\$383,894</b>	<b>\$174,877</b>
<b>Deferred Inflows of Resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$71,474	\$89,187
Changes of assumptions or other inputs	26,866	32,457
Net difference between projected and actual earnings on OPEB plan investments	808,595	229,296
Difference between expected and actual experience in the Total OPEB Liability	<u>276,642</u>	<u>270,579</u>
<b>Total Deferred Inflows of Resources</b>	<b>\$1,183,577</b>	<b>\$621,519</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 75 Year Ended June 30:</b>		
2021	N/A	-\$126,240
2022	-\$262,036	-126,240
2023	-104,798	23,047
2024	-289,744	-152,464
2025	-178,163	-46,344
2026	16,338	-18,401
2027	18,720	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### LARPD

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Deferred Outflows of Resources	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019	
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$111,646	\$47,508	
Changes of assumptions or other inputs	391,019	189,107	
Net difference between projected and actual earnings on OPEB plan investments	0	0	
Difference between expected and actual experience in the Total OPEB Liability	<u>0</u>	<u>0</u>	
<b>Total Deferred Outflows of Resources</b>	<b>\$502,665</b>	<b>\$236,615</b>	
<b>Deferred Inflows of Resources</b>			
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$49,812	\$67,054	
Changes of assumptions or other inputs	30,264	35,098	
Net difference between projected and actual earnings on OPEB plan investments	910,884	247,953	
Difference between expected and actual experience in the Total OPEB Liability	<u>311,637</u>	<u>292,596</u>	
<b>Total Deferred Inflows of Resources</b>	<b>\$1,302,597</b>	<b>\$642,701</b>	
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>			
<b>Reporting Date for Employer under GASB 75 Year Ended June 30:</b>			
	2021	N/A	-\$126,130
	2022	-\$278,367	-126,130
	2023	-101,238	35,304
	2024	-307,071	-151,905
	2025	-174,961	-30,576
	2026	37,630	-6,649
	2027	24,075	0
	Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

#### ACOE

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Deferred Outflows of Resources	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$57,241	\$69,232
Changes of assumptions or other inputs	36,411	19,233
Net difference between projected and actual earnings on OPEB plan investments	0	0
Difference between expected and actual experience in the Total OPEB Liability	<u>0</u>	<u>0</u>
<b>Total Deferred Outflows of Resources</b>	<b>\$93,652</b>	<b>\$88,465</b>
<b>Deferred Inflows of Resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$4,875	\$6,695
Changes of assumptions or other inputs	2,818	3,570
Net difference between projected and actual earnings on OPEB plan investments	84,820	25,218
Difference between expected and actual experience in the Total OPEB Liability	<u>29,019</u>	<u>29,758</u>
<b>Total Deferred Inflows of Resources</b>	<b>\$121,532</b>	<b>\$65,241</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 75 Year Ended June 30:</b>		
2021	N/A	-\$1,415
2022	-\$15,743	-1,415
2023	751	15,004
2024	-18,236	-3,894
2025	-5,672	8,618
2026	9,391	6,326
2027	1,629	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources (continued)

There are changes in each employer's proportionate share of the total Net OPEB Liability (NOL) during the measurement period ended December 31, 2020. The net effect of the change on the employer's proportionate share of the collective NOL and collective deferred outflows of resources and deferred inflows of resources is recognized over the average of the expected remaining service lives of all employees that are provided with OPEB benefits through ACERA which is 6.53<sup>1</sup> years determined as of December 31, 2019 (the beginning of the measurement period ended December 31, 2020). This is described in Paragraph 64 of GASB 75.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

<sup>1</sup> The remaining service lives of all employees of 6.53 years used here for GASB 75 is different from the 5.26 years used for GASB 68 because the number of payees and nonactive members (with 0 years of expected remaining service lives) receiving health benefits under the SRBR Plan is less than the number of payees and nonactive members receiving pension benefits.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability

Total for All Employers

Reporting Date for Employer under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate share of Net OPEB Liability	Covered employee payroll <sup>1</sup>	Proportionate share of the Net OPEB Liability as a percentage of its covered employee payroll	Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability
2017	100.000%	\$135,247,221	\$947,567,631	14.27%	85.50%
2018	100.000%	27,478,286	995,178,209	2.76%	97.33%
2019	100.000%	232,896,579	1,046,033,851	22.26%	77.91%
2020	100.000%	112,934,274	1,081,586,887	10.44%	89.57%
2021	100.000%	6,688,042	1,111,848,569	0.60%	99.44%

<sup>1</sup> Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability (continued)

#### Alameda County

Reporting Date for Employer under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate share of Net OPEB Liability	Covered employee payroll <sup>1</sup>	Proportionate share of the Net OPEB Liability as a percentage of its covered employee payroll	Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability
2017	76.785%	\$103,849,869	\$670,675,915	15.48%	85.50%
2018	76.289%	20,962,931	696,359,743	3.01%	97.33%
2019	76.351%	177,817,632	728,698,264	24.40%	77.91%
2020	76.639% <sup>2</sup>	86,553,526	757,563,567	11.43%	89.57%
2021	77.104%	5,156,701	784,654,614	0.66%	99.44%

<sup>1</sup> Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.

<sup>2</sup> Revised to match percentage as shown in *Determination of proportionate share* on page 21.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability (continued)

#### Health System

Reporting Date for Employer under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate share of Net OPEB Liability	Covered employee payroll <sup>1</sup>	Proportionate share of the Net OPEB Liability as a percentage of its covered employee payroll	Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability
2017	17.920%	\$24,236,173	\$216,685,931	11.18%	85.50%
2018	18.702%	5,139,101	239,207,087	2.15%	97.33%
2019	18.782%	43,743,260	255,247,270	17.14%	77.91%
2020	18.207%	20,561,615	257,591,438	7.98%	89.57%
2021	17.521%	1,171,817	257,126,856	0.46%	99.44%

<sup>1</sup> Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability (continued)

#### Superior Court

Reporting Date for Employer under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate share of Net OPEB Liability	Covered employee payroll <sup>1</sup>	Proportionate share of the Net OPEB Liability as a percentage of its covered employee payroll	Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability
2017	3.946%	\$5,336,372	\$46,866,752	11.39%	85.50%
2018	3.763%	1,034,117	46,437,348	2.23%	97.33%
2019	3.630%	8,454,384	48,293,563	17.51%	77.91%
2020	3.861%	4,360,131	52,163,782	8.36%	89.57%
2021	3.993%	267,081	55,376,411	0.48%	99.44%

<sup>1</sup> Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.



## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability (continued)

First 5

Reporting Date for Employer under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate share of Net OPEB Liability	Covered employee payroll <sup>1</sup>	Proportionate share of the Net OPEB Liability as a percentage of its covered employee payroll	Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability
2017	0.371%	\$502,287	\$4,416,769	11.37%	85.50%
2018	0.369%	101,306	4,562,701	2.22%	97.33%
2019	0.379%	883,354	4,952,333	17.84%	77.91%
2020	0.403%	455,283	5,423,220	8.40%	89.57%
2021	0.429%	28,692	5,953,576	0.48%	99.44%

<sup>1</sup> Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability (continued)

#### Housing Authority

Reporting Date for Employer under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate share of Net OPEB Liability	Covered employee payroll <sup>1</sup>	Proportionate share of the Net OPEB Liability as a percentage of its covered employee payroll	Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability
2017	0.477%	\$644,757	\$4,354,275	14.81%	85.50%
2018	0.452%	124,068	4,299,288	2.89%	97.33%
2019	0.450%	1,047,799	4,512,036	23.22%	77.91%
2020	0.406%	458,037	4,347,895	10.53%	89.57%
2021	0.427%	28,570	4,675,355	0.61%	99.44%

<sup>1</sup> Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability (continued)

#### LARPD

Reporting Date for Employer under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate share of Net OPEB Liability	Covered employee payroll <sup>1</sup>	Proportionate share of the Net OPEB Liability as a percentage of its covered employee payroll	Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability
2017	0.492%	\$665,608	\$4,487,952	14.83%	85.50%
2018	0.425%	116,763	4,312,042	2.71%	97.33%
2019	0.408%	950,150	4,330,385	21.94%	77.91%
2020	0.439%	495,308	4,496,985	11.01%	89.57%
2021	0.481%	32,184	4,061,757	0.79%	99.44%

<sup>1</sup> Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability (continued)

ACOE

Reporting Date for Employer under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate share of Net OPEB Liability	Covered employee payroll <sup>1</sup>	Proportionate share of the Net OPEB Liability as a percentage of its covered employee payroll	Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability
2017	0.009%	\$12,155	\$80,037	15.19%	85.50%
2018	0.000%	0	0	N/A	N/A
2019	0.000%	0	0	N/A	N/A
2020	0.045%	50,374	0	N/A	N/A
2021	0.045%	2,997	0	N/A	N/A

<sup>1</sup> Covered-employee payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll of employees that are provided with OPEB through the OPEB plan.

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability

Total for All Employers

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Reconciliation of Net OPEB liability	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
<b>Beginning Net OPEB Liability</b>	<b>\$112,934,274</b>	<b>\$232,896,579</b>
OPEB Expense	-15,301,333	18,191,319
Employer contributions	0	0
New net deferred inflows/outflows	-117,703,351	-133,351,219
Change in allocation of prior deferred inflows/outflows	0	0
New net deferred inflows/outflows due to change in proportion	0	0
Recognition of prior deferred inflows/outflows	26,758,452	-4,802,405
Recognition of prior deferred inflows/outflows due to change in proportion	<u>0</u>	<u>0</u>
<b>Ending Net OPEB Liability</b>	<b>\$6,688,042</b>	<b>\$112,934,274</b>

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability (continued)

#### Alameda County

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Reconciliation of Net OPEB liability	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
<b>Beginning Net OPEB Liability</b>	<b>\$86,553,526</b>	<b>\$177,817,632</b>
OPEB Expense	-11,662,383	13,934,919
Employer contributions	0	0
New net deferred inflows/outflows	-90,753,167	-102,201,198
Change in allocation of prior deferred inflows/outflows	-407,779	145,131
New net deferred inflows/outflows due to change in proportion	787,836	450,341
Recognition of prior deferred inflows/outflows	20,631,649	-3,680,593
Recognition of prior deferred inflows/outflows due to change in proportion	<u>7,019</u>	<u>87,294</u>
<b>Ending Net OPEB Liability</b>	<b>\$5,156,701</b>	<b>\$86,553,526</b>

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability (continued)

#### Health System

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Reconciliation of Net OPEB liability	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
<b>Beginning Net OPEB Liability</b>	<b>\$20,561,615</b>	<b>\$43,743,260</b>
OPEB Expense	-2,875,767	3,328,349
Employer contributions	0	0
New net deferred inflows/outflows	-20,622,898	-24,278,869
Change in allocation of prior deferred inflows/outflows	604,276	-287,890
New net deferred inflows/outflows due to change in proportion	-1,167,471	-893,328
Recognition of prior deferred inflows/outflows	4,688,370	-874,360
Recognition of prior deferred inflows/outflows due to change in proportion	<u>-16,308</u>	<u>-175,547</u>
<b>Ending Net OPEB Liability</b>	<b>\$1,171,817</b>	<b>\$20,561,615</b>

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability (continued)

#### Superior Court

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Reconciliation of Net OPEB liability	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
<b>Beginning Net OPEB Liability</b>	<b>\$4,360,131</b>	<b>\$8,454,384</b>
OPEB Expense	-571,853	700,675
Employer contributions	0	0
New net deferred inflows/outflows	-4,700,373	-5,148,381
Change in allocation of prior deferred inflows/outflows	-116,900	115,377
New net deferred inflows/outflows due to change in proportion	225,853	358,019
Recognition of prior deferred inflows/outflows	1,068,574	-185,410
Recognition of prior deferred inflows/outflows due to change in proportion	<u>1,649</u>	<u>65,467</u>
<b>Ending Net OPEB Liability</b>	<b>\$267,081</b>	<b>\$4,360,131</b>



## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability (continued)

First 5

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Reconciliation of Net OPEB liability	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
<b>Beginning Net OPEB Liability</b>	<b>\$455,283</b>	<b>\$883,354</b>
OPEB Expense	-49,353	81,662
Employer contributions	0	0
New net deferred inflows/outflows	-504,953	-537,591
Change in allocation of prior deferred inflows/outflows	-22,795	11,929
New net deferred inflows/outflows due to change in proportion	44,040	37,017
Recognition of prior deferred inflows/outflows	114,795	-19,361
Recognition of prior deferred inflows/outflows due to change in proportion	<u>-8,325</u>	<u>-1,727</u>
<b>Ending Net OPEB Liability</b>	<b>\$28,692</b>	<b>\$455,283</b>

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability (continued)

#### Housing Authority

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Reconciliation of Net OPEB liability	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
<b>Beginning Net OPEB Liability</b>	<b>\$458,037</b>	<b>\$1,047,799</b>
OPEB Expense	-76,426	56,067
Employer contributions	0	0
New net deferred inflows/outflows	-502,806	-540,845
Change in allocation of prior deferred inflows/outflows	-19,040	-22,169
New net deferred inflows/outflows due to change in proportion	36,785	-68,789
Recognition of prior deferred inflows/outflows	114,307	-19,477
Recognition of prior deferred inflows/outflows due to change in proportion	<u>17,713</u>	<u>5,451</u>
<b>Ending Net OPEB Liability</b>	<b>\$28,570</b>	<b>\$458,037</b>

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability (continued)

#### LARPD

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Reconciliation of Net OPEB liability	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
<b>Beginning Net OPEB Liability</b>	<b>\$495,308</b>	<b>\$950,150</b>
OPEB Expense	-69,278	71,012
Employer contributions	0	0
New net deferred inflows/outflows	-566,412	-584,853
Change in allocation of prior deferred inflows/outflows	-37,581	15,311
New net deferred inflows/outflows due to change in proportion	72,607	47,508
Recognition of prior deferred inflows/outflows	128,767	-21,062
Recognition of prior deferred inflows/outflows due to change in proportion	<u>8,773</u>	<u>17,242</u>
<b>Ending Net OPEB Liability</b>	<b>\$32,184</b>	<b>\$495,308</b>

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability (continued)

ACOE

Reporting Date for Employer under GASB 75 Measurement Date for Employer under GASB 75 Reconciliation of Net OPEB liability	June 30, 2021 December 31, 2020	June 30, 2020 December 31, 2019
<b>Beginning Net OPEB Liability</b>	<b>\$50,374</b>	<b>\$0</b>
OPEB Expense	3,727	18,635
Employer contributions	0	0
New net deferred inflows/outflows	-52,742	-59,482
Change in allocation of prior deferred inflows/outflows	-181	22,311
New net deferred inflows/outflows due to change in proportion	350	69,232
Recognition of prior deferred inflows/outflows	11,990	-2,142
Recognition of prior deferred inflows/outflows due to change in proportion	<u>-10,521</u>	<u>1,820</u>
<b>Ending Net OPEB Liability</b>	<b>\$2,997</b>	<b>\$50,374</b>

## Section 2: GASB 75 Information

### Schedule of recognition of change in total Net OPEB Liability

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total OPEB Liability

Reporting Date for Employer Under GASB 75 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	Reporting Date for Employer under GASB 75 Year Ended June 30:							
			2018	2019	2020	2021	2022	2023	2024	2025
2018	-\$21,627,766	6.68	-\$3,237,690	-\$3,237,690	-\$3,237,690	-\$3,237,690	-\$3,237,690	-\$3,237,690	-\$2,201,626	\$0
2019	-27,712,610	6.67	N/A	-4,154,814	-4,154,814	-4,154,814	-4,154,814	-4,154,814	-4,154,814	-2,783,726
2020	-41,706,128	6.61	N/A	N/A	-6,309,550	-6,309,550	-6,309,550	-6,309,550	-6,309,550	-6,309,550
2021	-13,871,821	6.53	N/A	N/A	N/A	<u>-2,124,322</u>	<u>-2,124,322</u>	<u>-2,124,322</u>	<u>-2,124,322</u>	<u>-2,124,322</u>
<b>Net increase (decrease) in OPEB expense</b>			<b>-\$3,237,690</b>	<b>-\$7,392,504</b>	<b>-\$13,702,054</b>	<b>-\$15,826,376</b>	<b>-\$15,826,376</b>	<b>-\$15,826,376</b>	<b>-\$14,790,312</b>	<b>-\$11,217,598</b>

Reporting Date for Employer Under GASB 75 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	Reporting Date for Employer under GASB 75 Year Ended June 30:							
			2026	2027	2028	2029	2030	2031	2032	2033
2018	-\$21,627,766	6.68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	-27,712,610	6.67	0	0	0	0	0	0	0	0
2020	-41,706,128	6.61	-3,848,828	0	0	0	0	0	0	0
2021	-13,871,821	6.53	<u>-2,124,322</u>	<u>-1,125,889</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net increase (decrease) in OPEB expense</b>			<b>-\$5,973,150</b>	<b>-\$1,125,889</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

As described in the Schedule of Deferred Outflows of Resources and Deferred Inflows of Resources, for the current period, the average of the expected remaining service lives of all employees that are provided with OPEB through ACERA (active and inactive employees) determined as of December 31, 2019 (the beginning of the measurement period ending December 31, 2020) is 6.53 years.

## Section 2: GASB 75 Information

### Schedule of recognition of changes in total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer Under GASB 75 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GASB 75 Year Ended June 30:							
			2018	2019	2020	2021	2022	2023	2024	2025
2018	\$58,973,316	6.68	\$8,828,341	\$8,828,341	\$8,828,341	\$8,828,341	\$8,828,341	\$8,828,341	\$6,003,270	\$0
2019	-11,429,923	6.67	N/A	-1,713,632	-1,713,632	-1,713,632	-1,713,632	-1,713,632	-1,713,632	-1,148,131
2020	12,524,469	6.61	N/A	N/A	1,894,776	1,894,776	1,894,776	1,894,776	1,894,776	1,894,776
2021	57,696,237	6.53	N/A	N/A	N/A	8,835,565	8,835,565	8,835,565	8,835,565	8,835,565
<b>Net increase (decrease) in OPEB expense</b>			<b>\$8,828,341</b>	<b>\$7,114,709</b>	<b>\$9,009,485</b>	<b>\$17,845,050</b>	<b>\$17,845,050</b>	<b>\$17,845,050</b>	<b>\$15,019,979</b>	<b>\$9,582,210</b>

Reporting Date for Employer Under GASB 75 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GASB 75 Year Ended June 30:							
			2026	2027	2028	2029	2030	2031	2032	2033
2018	\$58,973,316	6.68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	-11,429,923	6.67	0	\$0	0	0	0	0	0	0
2020	12,524,469	6.61	1,155,813	\$0	0	0	0	0	0	0
2021	57,696,237	6.53	8,835,565	4,682,847	0	0	0	0	0	0
<b>Net increase (decrease) in OPEB expense</b>			<b>\$9,991,378</b>	<b>\$4,682,847</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

As described in the Schedule of Deferred Outflows of Resources and Deferred Inflows of Resources, for the current period, the average of the expected remaining service lives of all employees that are provided with OPEB through ACERA (active and inactive employees) determined as of December 31, 2019 (the beginning of the measurement period ending December 31, 2020) is 6.53 years.

## Section 2: GASB 75 Information

### Schedule of recognition of changes in total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Projected and Actual Earnings on OPEB Plan Investments

Reporting Date for Employer Under GASB 75 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GASB 75 Year Ended June 30:							
			2018	2019	2020	2021	2022	2023	2024	2025
2018	-\$184,041,417	5.00	-\$36,808,283	-\$36,808,283	-\$36,808,283	-\$36,808,283	-\$36,808,285	\$0	\$0	\$0
2019	209,442,414	5.00	N/A	41,888,483	41,888,483	41,888,483	41,888,483	41,888,482	0	0
2020	-135,730,417	5.00	N/A	N/A	-27,146,083	-27,146,083	-27,146,083	-27,146,083	-27,146,085	0
2021	-193,520,655	5.00	N/A	N/A	N/A	-38,704,131	-38,704,131	-38,704,131	-38,704,131	-38,704,131
<b>Net increase (decrease) in OPEB expense</b>			<b>-\$36,808,283</b>	<b>\$5,080,200</b>	<b>-\$22,065,883</b>	<b>-\$60,770,014</b>	<b>-\$60,770,016</b>	<b>-\$23,961,732</b>	<b>-\$65,850,216</b>	<b>-\$38,704,131</b>

Reporting Date for Employer Under GASB 75 Year Ended June 30	Difference between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GASB 75 Year Ended June 30:							
			2026	2027	2028	2029	2030	2031	2032	2033
2018	-\$184,041,417	5.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	209,442,414	5.00	0	0	0	0	0	0	0	0
2020	-135,730,417	5.00	0	0	0	0	0	0	0	0
2021	-193,520,655	5.00	0	0	0	0	0	0	0	0
<b>Net increase (decrease) in OPEB expense</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The differences between projected and actual earnings on OPEB plan investments are recognized over a five-year period per Paragraph 43b. of GASB 75.

## Section 2: GASB 75 Information

### Schedule of recognition of changes in total Net OPEB Liability (continued)

#### Total Increase (Decrease) in OPEB Expense

Reporting Date for Employer Under GASB 75 Year Ended June 30	Total Differences and Changes	Reporting Date for Employer under GASB 75 Year Ended June 30:							
		2018	2019	2020	2021	2022	2023	2024	2025
2018	-\$146,695,867	-\$31,217,632	-\$31,217,632	-\$31,217,632	-\$31,217,632	-\$31,217,634	\$5,590,651	\$3,801,644	\$0
2019	170,299,881	N/A	36,020,037	36,020,037	36,020,037	36,020,037	36,020,036	-5,868,446	-3,931,857
2020	-164,912,076	N/A	N/A	-31,560,857	-31,560,857	-31,560,857	-31,560,857	-31,560,859	-4,414,774
2021	-149,696,239	N/A	N/A	N/A	-31,992,888	-31,992,888	-31,992,888	-31,992,888	-31,992,888
<b>Net increase (decrease) in OPEB expense</b>		<b>-\$31,217,632</b>	<b>\$4,802,405</b>	<b>-\$26,758,452</b>	<b>-\$58,751,340</b>	<b>-\$58,751,342</b>	<b>-\$21,943,058</b>	<b>-\$65,620,549</b>	<b>-\$40,339,519</b>

Reporting Date for Employer Under GASB 75 Year Ended June 30	Total Differences and Changes	Reporting Date for Employer under GASB 75 Year Ended June 30:							
		2026	2027	2028	2029	2030	2031	2032	2033
2018	-\$146,695,867	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	170,299,881	0	0	0	0	0	0	0	0
2020	-164,912,076	-2,693,015	0	0	0	0	0	0	0
2021	-149,696,239	<u>6,711,243</u>	<u>3,556,958</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net increase (decrease) in OPEB expense</b>		<b>\$4,018,228</b>	<b>\$3,556,958</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## Section 2: GASB 75 Information

### Allocation of changes in total Net OPEB Liability

In addition to the amounts shown in the Schedule of Recognition of Changes in Total Net OPEB Liability, there are changes in each employer's proportionate share of the total Net OPEB Liability (NOL) during the measurement period ending on December 31, 2020. The net effect of the change on the employer's proportionate share of the collective NOL and collective deferred outflows of resources and deferred inflows of resources is also recognized over the average of the expected remaining service lives of all employees shown previously. These amounts are shown in the following table, with the corresponding amounts for the measurement periods ending on December 31 beginning in 2017 shown on the following pages. While these amounts are different for each employer, they sum to zero for ACERA.

## Section 2: GASB 75 Information

### Allocation of changes of total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2020

	Total Change to be Recognized	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	Thereafter
Alameda County	\$930,302	6.53	\$142,466	\$142,466	\$142,466	\$142,466	\$142,466	\$142,466	\$75,506	\$0
Health System	-1,378,587	6.53	-211,116	-211,116	-211,116	-211,116	-211,116	-211,116	-111,891	0
Superior Court	266,694	6.53	40,841	40,841	40,841	40,841	40,841	40,841	21,648	0
First 5	52,004	6.53	7,964	7,964	7,964	7,964	7,964	7,964	4,220	0
Housing Authority	43,437	6.53	6,652	6,652	6,652	6,652	6,652	6,652	3,525	0
LARPD	85,737	6.53	13,130	13,130	13,130	13,130	13,130	13,130	6,957	0
ACOE	413	6.53	63	63	63	63	63	63	35	0
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GASB 75 Information

### Allocation of changes of total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2019

	Total Change to be Recognized	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026	Thereafter
Alameda County	\$530,616	6.61	\$80,275	\$80,275	\$80,275	\$80,275	\$80,275	\$80,275	\$48,966	\$0
Health System	-1,052,567	6.61	-159,239	-159,239	-159,239	-159,239	-159,239	-159,239	-97,133	0
Superior Court	421,837	6.61	63,818	63,818	63,818	63,818	63,818	63,818	38,929	0
First 5	43,615	6.61	6,598	6,598	6,598	6,598	6,598	6,598	4,027	0
Housing Authority	-81,051	6.61	-12,262	-12,262	-12,262	-12,262	-12,262	-12,262	-7,479	0
LARPD	55,977	6.61	8,469	8,469	8,469	8,469	8,469	8,469	5,163	0
ACOE	81,573	6.61	<u>12,341</u>	<u>12,341</u>	<u>12,341</u>	<u>12,341</u>	<u>12,341</u>	<u>12,341</u>	<u>7,527</u>	<u>0</u>
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GASB 75 Information

### Allocation of changes of total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2018

	Total Change to be Recognized	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025	Thereafter
Alameda County	\$87,763	6.67	\$13,157	\$13,157	\$13,157	\$13,157	\$13,157	\$13,157	\$8,821	\$0
Health System	114,168	6.67	17,117	17,117	17,117	17,117	17,117	17,117	11,466	0
Superior Court	-190,555	6.67	-28,569	-28,569	-28,569	-28,569	-28,569	-28,569	-19,141	0
First 5	15,172	6.67	2,275	2,275	2,275	2,275	2,275	2,275	1,522	0
Housing Authority	-2,306	6.67	-346	-346	-346	-346	-346	-346	-230	0
LARPD	-24,242	6.67	-3,634	-3,634	-3,634	-3,634	-3,634	-3,634	-2,438	0
ACOE	0	6.67	0	0	0	0	0	0	0	0
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GASB 75 Information

### Allocation of changes of total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2017

	Total Change to be Recognized	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	Thereafter
Alameda County	-\$671,011	6.68	-\$100,451	-\$100,451	-\$100,451	-\$100,451	-\$100,451	-\$100,451	-\$68,305	\$0
Health System	1,058,312	6.68	158,430	158,430	158,430	158,430	158,430	158,430	107,732	0
Superior Court	-246,481	6.68	-36,898	-36,898	-36,898	-36,898	-36,898	-36,898	-25,093	0
First 5	-3,662	6.68	-548	-548	-548	-548	-548	-548	-374	0
Housing Authority	-34,099	6.68	-5,105	-5,105	-5,105	-5,105	-5,105	-5,105	-3,469	0
LARPD	-90,904	6.68	-13,608	-13,608	-13,608	-13,608	-13,608	-13,608	-9,256	0
ACOE	-12,155	6.68	-1,820	-1,820	-1,820	-1,820	-1,820	-1,820	-1,235	0
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# Section 3: Actuarial Assumptions and Methods and Appendices

## Actuarial assumptions and methods

For December 31, 2020 Measurement Date and Employer Reporting as of June 30, 2021

### Demographic Assumptions

#### **Rationale for Assumptions:**

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the December 1, 2016 through November 30, 2019 Actuarial Experience Study report dated September 9, 2020 and in our letter dated March 22, 2021 regarding the health trend assumptions for the December 31, 2020 SRBR retiree health actuarial valuation, and in our letter dated May 6, 2020 regarding recommended parameters to reflect the demographic driven changes for the December 31, 2019 SRBR retiree health actuarial valuation. Unless otherwise noted, all actuarial assumptions and methods shown below apply to all tiers. These assumptions were adopted by the Board.

#### **Post-Retirement Mortality Rates – Healthy:**

##### *Healthy*

- **General Members:** Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.
- **Safety Members:** Pub-2010 Safety Healthy Retiree Headcount-Weighted Above-Median Mortality Tables (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.

##### *Disabled*

- **General Members:** Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables (separate tables for males and females) with rates decreased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.
- **Safety Members:** Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Tables (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.

##### *Beneficiaries*

- **All Beneficiaries:** Pub-2010 General Contingent Survivor Headcount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.

The Pub-2010 mortality tables and adjustments as shown above reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Pre-Retirement Mortality Rates:

- **General Members:** Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Tables (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.
- **Safety Members:** Pub-2010 Safety Employee Headcount-Weighted Above-Median Mortality Tables (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.

Age	Rate (%)			
	General <sup>1</sup>		Safety <sup>1</sup>	
	Male	Female	Male	Female
20	0.04	0.01	0.04	0.02
25	0.03	0.01	0.03	0.02
30	0.04	0.02	0.04	0.02
35	0.05	0.02	0.04	0.03
40	0.06	0.04	0.05	0.04
45	0.09	0.05	0.07	0.06
50	0.14	0.08	0.11	0.08
55	0.20	0.12	0.15	0.11
60	0.29	0.18	0.24	0.16
65	0.42	0.28	0.38	0.22

All pre-retirement deaths are assumed to be non-service connected.

<sup>1</sup> Generational projections beyond the base year (2010) are not reflected in the above mortality rates.

### Disability Incidence:

Age	Rate (%)	
	General	Safety
20	0.00	0.00
25	0.01	0.03
30	0.03	0.26
35	0.07	0.64
40	0.09	1.22
45	0.16	1.50
50	0.26	2.10
55	0.33	2.65
60	0.38	3.80

65% of General disabilities are assumed to be service connected disabilities. The other 35% are assumed to be non-service connected disabilities.

100% of Safety disabilities are assumed to be service connected disabilities.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Termination:

Years of Service	Rate (%)	
	General	Safety
0-1	12.00	4.00
1-2	9.00	4.00
2-3	8.00	4.00
3-4	6.00	3.50
4-5	6.00	3.00
5-6	6.00	2.00
6-7	5.25	1.80
7-8	4.25	1.70
8-9	3.75	1.60
9-16	3.50	1.50
16-17	3.40	1.40
17-18	3.30	1.30
18-19	3.20	1.20
19-20	3.10	1.10
20 or more	3.00	1.00

For members with less than five years of service, 55% of all terminated members are assumed to choose a refund of contributions and the other 45% are assumed to choose a deferred vested benefit. For members with five or more years of service, 30% of all terminated members are assumed to choose a refund of contributions and the other 70% are assumed to choose a deferred vested benefit.

No termination is assumed after a member is eligible for retirement.



## Section 3: Actuarial Assumptions and Methods and Appendices

### Retirement Rates:

Age	Rate (%) <sup>1</sup>									
	General					Safety				
	Tier 1	Tier 2 <sup>2</sup>		Tier 3	Tier 4	Tier 1 <sup>3</sup>	Tier 2, 2D <sup>2</sup>		Tier 2C <sup>3</sup>	Tier 4
		< 30	30+				< 30	30+		
49	0.0	0.0	0.0	0.0	0.0	0.0	12.0	18.0	0.0	0.0
50	2.0	2.0	4.0	10.0	0.0	35.0	12.0	18.0	4.0	4.0
51	4.0	2.0	4.0	10.0	0.0	30.0	10.0	24.0	2.0	2.0
52	4.0	2.0	4.0	10.0	4.0	25.0	10.0	24.0	2.0	2.0
53	5.0	2.0	4.0	10.0	2.0	35.0	10.0	25.0	3.0	3.0
54	5.0	2.0	4.0	10.0	2.0	45.0	12.0	27.0	6.0	6.0
55	6.0	2.0	4.0	12.0	5.0	45.0	12.0	29.0	10.0	10.0
56	10.0	2.5	4.5	14.0	2.5	45.0	14.0	32.0	12.0	12.0
57	12.0	4.0	5.0	16.0	3.5	45.0	16.0	32.0	20.0	20.0
58	12.0	4.0	5.0	18.0	3.5	45.0	18.0	30.0	10.0	10.0
59	14.0	4.5	8.0	20.0	4.5	45.0	18.0	30.0	15.0	15.0
60	20.0	8.0	8.5	20.0	5.0	45.0	25.0	30.0	60.0	60.0
61	20.0	9.0	13.5	20.0	5.0	45.0	25.0	30.0	60.0	60.0
62	35.0	15.0	22.5	30.0	18.0	45.0	25.0	30.0	60.0	60.0
63	30.0	15.0	22.5	25.0	15.0	45.0	25.0	30.0	60.0	60.0
64	30.0	18.0	27.0	25.0	17.0	45.0	30.0	30.0	60.0	60.0
65	30.0	25.0	27.5	50.0	25.0	100.0	100.0	100.0	100.0	100.0
66	30.0	30.0	33.0	50.0	30.0	100.0	100.0	100.0	100.0	100.0
67	30.0	30.0	33.0	50.0	30.0	100.0	100.0	100.0	100.0	100.0
68	30.0	30.0	33.0	50.0	30.0	100.0	100.0	100.0	100.0	100.0
69	35.0	35.0	38.5	50.0	35.0	100.0	100.0	100.0	100.0	100.0
70	40.0	40.0	40.0	65.0	25.0	100.0	100.0	100.0	100.0	100.0
71	40.0	40.0	40.0	65.0	25.0	100.0	100.0	100.0	100.0	100.0
72	40.0	40.0	40.0	65.0	25.0	100.0	100.0	100.0	100.0	100.0
73	40.0	40.0	40.0	65.0	25.0	100.0	100.0	100.0	100.0	100.0
74	40.0	40.0	40.0	65.0	25.0	100.0	100.0	100.0	100.0	100.0
75 & Over	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

<sup>1</sup> The retirement rates only apply to members that are eligible to retire at the age shown.

<sup>2</sup> Different retirement rates are assumed for General Tier 2 and Safety Tier 2 & 2D members who have accrued less than 30 years of service and those who have accrued at least 30 years of service.

<sup>3</sup> Retirement rate is 100% after a member accrues a benefit of 100% of final average earnings.

## Section 3: Actuarial Assumptions and Methods and Appendices

<b>Retirement Age and Benefit for Deferred Vested Members:</b>	<p>General Retirement Age: 61            Safety Retirement Age: 55</p> <p>Future deferred vested members who terminate with less than five years of service and are not vested are assumed to retire at age 70 for both General and Safety if they decide to leave their contributions on deposit. 25% of future General and 50% of future Safety deferred vested members are assumed to continue to work for a reciprocal employer. For reciprocals, 3.65% and 4.05% compensation increases are assumed per annum for General and Safety, respectively.</p>
<b>Future Benefit Accruals:</b>	1.0 year of service per year of employment, plus 0.003 years of additional service for General members and 0.007 years of additional service for Safety members, to anticipate conversion of unused sick leave for each year of employment.
<b>Unknown Data for Members:</b>	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.
<b>Inclusion of Deferred Vested Members:</b>	All deferred vested members are included in the valuation.
<b>Data Adjustments:</b>	Data as of November 30 has been adjusted to December 31 by adding one month of age and, for active members, one month of service.
<b><u>Economic Assumptions</u></b>	
<b>Net Investment Return:</b>	7.00%
<b>Consumer Price Index:</b>	Increase of 2.75% per year.
<b>Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:</b>	Increase of 2.75% per year from the valuation date.
<b>Increase in Section 7522.10 Compensation Limit:</b>	Increase of 2.75% per year from the valuation date.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Salary Increases:

The annual rate of compensation increase includes:

- Inflation at 2.75%, plus
- “Across the board” salary increases of 0.50% per year, plus
- The following merit and promotion increases:

Years of Service	Rate (%)	
	General	Safety
0-1	5.10	8.00
1-2	5.10	8.00
2-3	4.50	8.00
3-4	2.90	4.90
4-5	2.10	3.70
5-6	1.60	2.10
6-7	1.50	1.30
7-8	1.50	1.20
8-9	1.00	0.90
9-10	0.90	0.90
10-11	0.70	0.80
11 & Over	0.40	0.80

### Additional Cashout Assumptions:

Additional pay elements are expected to be received during a member’s final average earnings period. The percentages, added to the final year salary, used in this valuation are:

	Service Retirement	Disability Retirement
General Tier 1	7.5%	6.5%
General Tier 2	3.0%	1.4%
General Tier 3	7.5%	6.5%
General Tier 4	N/A	N/A
Safety Tier 1	7.5%	6.4%
Safety Tier 2	2.5%	1.9%
Safety Tier 2C	2.5%	1.9%
Safety Tier 2D	2.5%	1.9%
Safety Tier 4	N/A	N/A

## Section 3: Actuarial Assumptions and Methods and Appendices

### Retiree Health Assumptions

#### Per Capita Health Costs:

The combined monthly per capita dental and vision claims cost for plan year 2020 was assumed to be \$46.28. The monthly Medicare Part B premium reimbursement for 2020 is \$144.60. For calendar year 2020, medical costs for a retiree were assumed to be as follows:

Medical Plan <sup>(1)</sup>	Election Assumption	Monthly Premium	Maximum Monthly Medical Allowance <sup>(2)</sup>
<b>Under Age 65<sup>(3)</sup></b>			
Kaiser HMO	80%	\$785.44	\$578.65
United Healthcare HMO Current Network	10%	\$1,087.80	\$578.65
Via Benefits Individual Insurance Exchange <sup>(4)</sup>	10%	N/A <sup>(4)</sup>	\$578.65
United Healthcare HMO SVA Network	0%	\$831.92	\$578.65
<b>Age 65 and Older</b>			
Kaiser Senior Advantage	75%	\$411.54	\$578.65
Via Benefits Individual Insurance Exchange	25%	\$326.61 <sup>(5)</sup>	\$443.28

(1) There are other plans available to retirees under age 65, and age 65 and older, that have a range of premiums. We have assumed the same costs as Kaiser HMO and Kaiser Senior Advantage for current non-Medicare and Medicare retirees, respectively.

(2) The Maximum Monthly Medical Allowance of \$578.65 (\$443.28 for retirees purchasing individual insurance from the Medicare exchange) is subject to the following subsidy schedule:

Completed Years of Service	Percentage Subsidized
10-14	50%
15-19	75%
20+	100%

(3) Current retirees under age 65 are assumed to elect medical plans in the same proportion as future retirees upon age 65.

(4) Via Benefits individual insurance coverage is available to retirees under age 65 residing outside of ACERA medical plans' coverage area. We have assumed that these current retirees under age 65 will draw the Maximum Monthly Subsidy (\$578.65).

(5) The derivation of amount expected to be paid in 2020 from the Health Reimbursement Account for members with 20 plus years of service is shown in the table on the following page. We have also derived the amount expected to be paid for members with 10-14 and 15-19 years of service.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Per Capita Health Costs (continued):

(Years of Service Category)	Derivation of Via Benefits Monthly Per Capita Costs		
	10-14	15-19	20+
1. Maximum MMA for 2019	\$213.73	\$320.59	\$427.46
2. Total of Maximum MMA (From Jan. 2019 to Dec. 2019)	\$479,281	\$784,907	\$4,958,001
3. Total of Actual Reimbursement (From Jan. 2019 to Dec. 2019)	\$368,871	\$573,300	\$3,092,110
4. Ratio of Actual Reimbursement to Maximum 2019 MMA [(3) / (2)]	76.96%	73.04%	62.37%
5. Average Monthly Per Capita Cost for 2019 [(1) x (4)]	\$164.49	\$234.16	\$266.59
6. Maximum MMA for 2020	\$221.64	\$332.46	\$443.28
7. Increase in Average Monthly per Capita Cost due to the Change in Maximum MMA from 2019 to 2020 [(6) / (1)] x (5)	\$170.58	\$242.83	\$276.46
8. Increase for Expected Medical Trend (7.40% <sup>(1)</sup> ) from 2019 to 2020 [(7) x 1.074]	\$183.20	\$260.80	\$296.91
9. Increase for Additional 10% Margin for 2019 Expenses Incurred in 2019 but Reimbursed after December 2019 [(8) x 1.10]	<b>\$201.52</b>	<b>\$286.88</b>	<b>\$326.61</b>

<sup>(1)</sup> 6.50% medical trend for Medicare Plans plus 0.90% for the Health Insurance Tax (HIT).

## Section 3: Actuarial Assumptions and Methods and Appendices

### Per Capita Health Costs (continued):

#### Implicit Subsidy

We have estimated the average per capita premium for retirees under age 65 to be \$9,828 per year. Because premiums for retirees under age 65 include active participants for purposes of underwriting, the retirees receive an implicit subsidy from the actives. Had the retirees under age 65 been underwritten as a separate group, their age-based premiums would be higher for most individuals. The excess of the age-based premium over the per capita premium charged makes up the subsidy. Below is a sample of the age-based costs for the retirees under age 65.

Age	Average Medical			
	Retirees		Spouse	
	Male	Female	Male	Female
50	\$11,635	\$13,252	\$8,127	\$10,641
55	13,817	14,265	10,874	12,317
60	16,409	15,376	14,558	14,285
64	18,826	16,312	18,377	16,078

Not all ACERA employers are receiving an implicit subsidy reimbursement from the Association. For SRBR sufficiency purposes, we have adjusted (by about a 17% reduction of the costs shown above) our projected implicit subsidy payments to account for this fact, based on data provided by the County of Alameda's health consultant.

For calculating the Actuarial Present Value of Projected Benefits and Actuarial Accrued Liability, we have not applied the adjustment.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Participation and Coverage Election – Retired Members & Beneficiaries:

#### MMA

<b>MMA on Record</b>		<b>Under Age 65</b>	<b>Upon Attaining Age 65</b>
Current Retirees Under 65 on Valuation Date		100%	100% and assumed to choose carrier in same proportion as future retirees
Current Retirees 65 & Over on Valuation Date		N/A	100%
<b>No MMA on Record</b>		<b>Under Age 65</b>	<b>Upon Attaining Age 65</b>
Less than 10 Years of Service		0%	0%
10+ Years of Service			
•	Current Retirees Under 65 on Valuation Date	0%	50%
•	Current Retirees 65 & Over on Valuation Date	N/A	0%

#### Medicare Part B Premium Subsidy

<b>MMA on Record</b>		<b>Under Age 65</b>	<b>Upon Attaining Age 65</b>
Current Retirees Under 65 on Valuation Date		N/A	100%
Current Retirees 65 & Over on Valuation Date		N/A	100% if Part B reimbursement on record or purchasing individual insurance from the Medicare exchange
<b>No MMA on Record</b>		<b>Under Age 65</b>	<b>Upon Attaining Age 65</b>
Less than 10 Years of Service		N/A	0%
10+ Years of Service			
•	Current Retirees Under 65 on Valuation Date	N/A	50%
•	Current Retirees 65 & Over on Valuation Date	N/A	0%

## Section 3: Actuarial Assumptions and Methods and Appendices

<i>Implicit Subsidy</i>	Current retirees, married dependents and surviving beneficiaries under age 65 and enrolled in an ACERA non-Medicare plan are assumed to have an implicit subsidy liability.	
<i>Dental and Vision Subsidy</i>	Current retirees not self-paying ("Voluntary" or "Under 10 YOS" dental or vision code).	
<b>Participation and Coverage Election – Active &amp; Inactive Vested Members:</b>		
<i>Medical Plan Subsidy (i.e., MMA)</i>	<b>Under Age 65</b>	<b>Upon Attaining Age 65</b>
	80% of eligible members	90% of eligible members
<i>Part B Subsidy</i>	<b>Under Age 65</b>	<b>Upon Attaining Age 65</b>
	80% of eligible members (disabled only)	90% of eligible members
<i>Implicit Subsidy</i>	80% of eligible members under age 65 are assumed to have an implicit subsidy liability.	
<i>Dental and Vision Subsidy</i>	100% of eligible members.	



## Section 3: Actuarial Assumptions and Methods and Appendices

### Health Care Cost Trend Rates:

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are “net” and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that is to be applied to the premium for the shown calendar year to calculate the next calendar year’s projected premium. For example, the projected 2021 calendar year premium for Kaiser (under age 65) is \$810.72 per month (\$785.44 increased by 3.22%).

Calendar Year	United Healthcare HMO & Kaiser HMO Early Retiree <sup>(3)</sup>	Via Benefits & Kaiser Senior Advantage <sup>(4)</sup>	Dental <sup>(5)</sup>	Vision <sup>(6)</sup>	Medicare Part B <sup>(7)</sup>
2020	6.75% <sup>(1),(2)</sup>	6.25% <sup>(1),(2)</sup>	4.00% <sup>(1)</sup>	4.00% <sup>(1)</sup>	2.70% <sup>(7)</sup>
2021	6.75	6.25	0.00	0.00	4.50
2022	6.50	6.00	0.00	0.00	4.50
2023	6.25	5.75	4.00	0.00	4.50
2024	6.00	5.50	4.00	0.00	4.50
2025	5.75	5.25	4.00	4.00	4.50
2026	5.50	5.00	4.00	4.00	4.50
2027	5.25	4.75	4.00	4.00	4.50
2028	5.00	4.50	4.00	4.00	4.50
2029	4.75	4.50	4.00	4.00	4.50
2030 & Later	4.50	4.50	4.00	4.00	4.50

<sup>(1)</sup> The actual trends are shown below, based on premium renewals for 2021 as reported by ACERA.

Kaiser HMO Early Retiree	United Healthcare HMO Early Retiree	Kaiser Senior Advantage	Dental and Vision
3.22%	5.77%	-7.13%	3.98%

<sup>(2)</sup> Before reducing the first-year non-Medicare trend by 1.20% and the first-year Medicare trend by 0.90% to reflect the repeal of the Health Insurance Tax (HIT).

<sup>(3)</sup> Non-Medicare plans.

<sup>(4)</sup> Medicare plans.

<sup>(5)</sup> First two years reflect three-year rate guarantee, premiums fixed at 2021 level.

<sup>(6)</sup> First four years reflect five-year rate guarantee, premiums fixed at 2021 level.

<sup>(7)</sup> The actual calendar year 2020 trend of 2.70% reflecting the standard 2021 calendar year premium of \$148.50 per month, consistent with Segal's Medicare Part B memo dated November 12, 2020.

## Section 3: Actuarial Assumptions and Methods and Appendices

<b>Assumed Increase in Annual Maximum Benefits:</b>	<p>For the “substantive plan design” shown in this report, we have assumed:</p> <ol style="list-style-type: none"> <li>1. Maximum medical allowance for 2021 will remain unchanged from \$578.65 per month, then increase with 50% of trend for medical plans, or 3.00%, graded down to the ultimate rate of 2.25% over 6 years.</li> <li>2. Dental and vision premium reimbursement will increase with full trend.</li> <li>3. Medicare B premium reimbursement will increase with full trend.</li> </ol>
<b>Dependents:</b>	<p>Demographic data was available for spouses of current retirees. For future retirees, male members were assumed to be three years older than their wives, and female members were assumed to be two years younger than their husbands. Of the future retirees who elect to continue their medical coverage at retirement, 40% males and 20% females were assumed to have an eligible spouse who also opts for health coverage at that time.</p> <p>Please note that these assumptions are only used to determine the cost of the implicit subsidy.</p>
<b>Administrative Expenses:</b>	<p>An administrative expense load was not added to projected incurred claim costs in developing per capita health costs.</p>
<b>Missing Participant Data:</b>	<p>Any missing census items for a given participant was set to equal to the average value of that item over all other participants of the same membership status for whom the item is known.</p>
<u><b>Actuarial Funding Policy</b></u>	
<b>Actuarial Cost Method:</b>	<p>Entry Age Actuarial Cost Method. Entry Age is the age on the valuation date minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation.</p>
<b>Expected Remaining Service Lives:</b>	<p>The average of the expected service lives of all employees is determined by:</p> <ul style="list-style-type: none"> <li>• Calculating each active employee’s expected remaining service life as the present value of \$1 per year of future service at zero percent interest.</li> <li>• Setting the remaining service life to zero for each nonactive or retired member.</li> </ul> <p>Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.</p>

## Section 3: Actuarial Assumptions and Methods and Appendices

### Appendix A: Projection of OPEB Plan's Fiduciary Net Position (\$ in millions) for use in the Calculation of Discount Rate as of December 31, 2020

Year Beginning January 1,	Projected Beginning OPEB Plan's Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected ending OPEB Plan's Fiduciary Net Positions (f) = (a)+(b)-(c)-(d)+(e)
2020	\$970	\$0	\$46	\$1	\$262	\$1,185
2021	1,185	0	57	2	81	1,207
2022	1,207	0	61	2	82	1,226
2023	1,226	0	65	2	84	1,242
2024	1,242	0	70	2	84	1,255
2025	1,255	0	74	2	85	1,264
2026	1,264	0	79	2	86	1,270
2027	1,270	0	83	2	86	1,271
2028	1,271	0	87	2	86	1,267
2029	1,267	0	91	2	86	1,260
2030	1,260	0	96	2	85	1,247
2031	1,247	0	100	2	84	1,229
2032	1,229	0	104	2	82	1,206
2033	1,206	0	108	2	81	1,176
2034	1,176	0	112	2	78	1,141
2035	1,141	0	116	2	76	1,099
2036	1,099	0	119	2	73	1,051
2037	1,051	0	122	2	69	997
2038	997	0	126	1	65	935
2039	935	0	128	1	61	866
2040	866	0	131	1	56	790
2041	790	0	134	1	51	706
2042	706	0	136	1	45	613
2043	613	0	138	1	38	512
2044	512	0	140	1	31	402
2045	402	0	142	1	23	283
2046	283	0	143	0*	15	154
2047	154	0	144	0*	6	16
2048	16	0	17	0*	1	0
2134	0	0	0	0	0	0
2135	0	0	0	0	0	0
2135	Discounted value: 0					

\* Less than \$1 million, when rounded

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### Notes

1. Amounts may not total exactly due to rounding.
2. Amounts shown in the year beginning January 1, 2020 row are actual amounts, based on the financial statements provided by ACERA.
3. Years 2049 – 2133 have been omitted from this table.
4. Column (a): Except for the "discounted value" shown for 2135, all of the projected beginning Plan's Fiduciary Net Position amounts shown have not been adjusted for the time value of money.
5. Column (b): \$0. Benefits are funded by employer contributions to the 401(h) account and similar amounts are transferred from the SRBR to the Employers Advance Reserve to backfill the employer contributions that would have otherwise been made to the Retirement Plan.
6. Column (c): Projected benefit payments have been determined in accordance with paragraph 43-47 of GASB Statement No. 74, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of November 30, 2019. The projected benefit payments reflect future health care trends. The projected benefit payments include the OPEB SRBR benefits to the extent the current OPEB SRBR (including the portion of deferred investment gain as of December 31, 2020 that is expected to be allocated to the SRBR) supports those benefits\*. Benefit payments are assumed to occur halfway through the year, on average. In accordance with paragraph 35 b.(2)(e) of GASB Statement No. 74, the long-term expected rate of return on Plan investments of 7.00% per annum was applied to all periods of projected benefit payments to determine the discount rate.
7. Column (d): Projected administrative expenses are calculated as approximately 0.15% of the beginning OPEB SRBR Plan's Fiduciary Net Position amount. The 0.15% portion was based on the actual fiscal year 2020 administrative expenses as a percentage of the beginning OPEB SRBR Plan's Fiduciary Net Position amount as of January 1, 2020. Administrative expenses are assumed to occur halfway through the year, on average.
8. Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.00% per annum.
9. As illustrated in this Appendix, the OPEB SRBR Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.00% per annum was applied to all periods of projected benefit payments to determine the total OPEB liability as of December 31, 2020 shown earlier in this report, pursuant to paragraph 48 of GASB Statement No. 74.

\* See discussion on page 2-3 regarding source of funding for payment of OPEB SRBR benefits not covered by current OPEB Plan's Fiduciary Net Position in the SRBR.

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### Appendix B: Definition of Terms

Definitions of certain terms as they are used in Statement 75. The terms may have different meanings in other contexts.

<b>Actuarially Determined Contribution:</b>	A target or recommended contribution to an OPEB plan for the reporting period based on the most recent measurement available.
<b>Assumptions or Actuarial Assumptions:</b>	The estimates on which the cost of the Plan is calculated including: <ol style="list-style-type: none"><li>Investment return — the rate of investment yield that the Plan will earn over the long-term future;</li><li>Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;</li><li>Retirement rates — the rate or probability of retirement at a given age;</li><li>Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.</li></ol>
<b>Covered Employee Payroll:</b>	The payroll of the employees that are provided OPEB benefits
<b>Discount Rate:</b>	The single rate of return, that when applied to all projected benefit payments results in an actuarial present value that is the sum of the following: <ol style="list-style-type: none"><li>the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and</li><li>the actuarial present value of projected benefit payments that are not included in (1) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher</li></ol>
<b>Entry Age Actuarial Cost Method:</b>	An actuarial cost method where the present value of the projected benefits for an individual is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age
<b>Healthcare Cost Trend Rates:</b>	The rate of change in per capita health costs over time
<b>Net OPEB Liability:</b>	The Total OPEB Liability less the Plan Fiduciary Net Position
<b>Plan Fiduciary Net Position:</b>	Market Value of Assets
<b>Real Rate of Return:</b>	The rate of return on an investment after removing inflation
<b>Service Cost:</b>	The amount of contributions required to fund the benefit allocated to the current year of service.

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<b>Total OPEB Liability:</b>	Present value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.
<b>Valuation Date:</b>	The date at which the actuarial valuation is performed

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