

# Alameda County Employees' Retirement Association (ACERA)

## **Governmental Accounting Standards Board Statement 68 (GASB 68) Actuarial Valuation**

Actuarial Valuation Based on December 31, 2019  
Measurement Date for Employer Reporting  
as of June 30, 2020



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 pension 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, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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June 9, 2020

Board of Retirement  
Alameda County Employees' Retirement Association  
475 14th Street, Suite 1000  
Oakland, CA 94612

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board Statement 68 (GASB 68) Actuarial Valuation based on December 31, 2019 measurement date for employer reporting as of June 30, 2020. It contains various information that will need to be disclosed in order for ACERA employers to comply with GASB 68.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors in preparing their financial report for their liabilities associated with the ACERA pension plan. The census and financial information on which our calculations were based were provided 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 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 Eva Yum, FSA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we 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 Retirement Association.

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

Sincerely,

Segal

A handwritten signature in black ink that reads "Andy Yeung".

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

A handwritten signature in black ink that reads "Eva Yum".

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Eva Yum, FSA, MAAA, EA  
Senior Actuary

JB/jl

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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 by Governmental Accounting Standards Board Statement 68 (GASB 68) for employer reporting as of June 30, 2020. The results used in preparing this GASB 68 report are comparable to those used in preparing the Governmental Accounting Standards Board (GASB) Statement 67 report for the plan based on a reporting date and a measurement date as of December 31, 2019. This valuation is based on:

- The benefit provisions of ACERA, 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, 2018, provided by ACERA;
- The assets of the Plan as of December 31, 2019, provided by ACERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the December 31, 2019 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board for the December 31, 2019 valuation.

## General observations on GASB 68 actuarial valuation

1. It is important to note that Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for pension funding purposes. Employers and plans develop and adopt funding policies under current practices.
2. When measuring pension 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. This means that the Total Pension Liability (TPL) 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. We note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the fair value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis.

## Section 1: Actuarial Valuation Summary

4. For this report, the reporting dates for the employers are June 30, 2020 and June 30, 2019. The NPL's measured as of December 31, 2019 and 2018 have been determined by rolling forward the TPL as of December 31, 2018 and 2017, respectively. The Plan's Fiduciary Net Positions were valued as of the measurement dates. Consistent with the provisions of GASB 68, the assets and liabilities measured as of December 31, 2019 and 2018 are not adjusted or rolled forward to the June 30, 2020 and June 30, 2019 reporting dates, respectively.

### Highlights of the valuation

1. As we disclosed in our December 31, 2019 funding valuation report, the 7.25% investment return assumption that the Board approved on December 21, 2017 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 appear in effect to preclude the prefunding of the SRBR through the use of an assumption lower than the market earnings assumption of 7.25%.

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 TPL) that would average approximately 0.60% of assets over time. This approximated outflow was incorporated into our GASB crossover test<sup>1</sup> (Appendix A), 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.

2. The NPL measured as of December 31, 2019 was determined by rolling forward the TPL for the funded benefits as of December 31, 2018. Similar to last year, we have included in the TPL as of December 31, 2019 the non-OPEB unlimited Actuarial Accrued Liability (AAL) of \$198.5 million, which was calculated by rolling forward the total unlimited non-OPEB AAL as of December 31, 2018.
3. We have also continued the practice of adjusting the Plan's Fiduciary Net Position as of December 31, 2019 to include the \$40.4 million set aside by the Retirement Board in the SRBR reserve to pay non-vested Supplemental COLA and retired member

<sup>1</sup> The purpose of the GASB crossover test is to determine if the full expected return (or 7.25% in this case) can be used as the discount rate to determine the TPL and the NPL. That is, if there is no crossover point where the projected benefit payments would exceed the Plan's Fiduciary Net Position, then the full expected return assumption can be used. As detailed later in this report, ACERA does pass the crossover test, which means that the full 7.25% investment rate of return assumption can be used as the discount rate to determine the TPL and the resulting NPL.

## Section 1: Actuarial Valuation Summary

death benefits<sup>1</sup> as of December 31, 2019. It should be noted that as of December 31, 2019, the deferred investment gain for the entire Plan was \$260.7 million. Consequently, after first replenishing the Contingency Reserve from \$0 to \$89.4 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 non-OPEB SRBR reserve, or \$3.8 million. The net effect of the adjustments to the Plan's Fiduciary Net Position as of December 31, 2019 for non-OPEB SRBR benefits was an addition of \$44.2 million.

Note that the proportionate share of one-half of the net deferred market gain as of December 31, 2019 for the Pension Plan was equal to \$85.5 million, and in calculating the Plan's Fiduciary Net Position we have adjusted the Pension Plan's valuation value of assets in the funding valuation to reflect that amount.

4. The \$154.3 million difference between the \$198.5 million added to the TPL and the net \$44.2 million added to the Plan's Fiduciary Net Position as of December 31, 2019 represents the NPL attributable to non-OPEB SRBR benefits.
5. In 2019, the Alameda County Office of Education (ACOE) made a lump sum contribution 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. The non-OPEB SRBR NPL 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 NPL to ACOE, ACERA approved an approach outlined in our March 2, 2020 letter to determine ACOE's proportionate share of the non-OPEB SRBR NPL 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.
6. The NPL decreased from \$2,764 million as of December 31, 2018 to \$2,141 million as of December 31, 2019 primarily as a result of the favorable investment return during calendar year 2019 of about \$679 million. Changes in these values during the last two fiscal years ending December 31, 2018 and December 31, 2019 can be found in *Section 2, Schedule of Changes in Net Pension Liability* on page 20.
7. There was a decrease in the total employer pension expense from \$544.8 million calculated last year to \$420.5 million calculated this year. The primary cause of the decrease was due to an investment gain of \$679.1 million with \$135.8 million being recognized in this year's expense.
8. The discount rate used to measure the TPL and NPL as of December 31, 2019 and December 31, 2018 was 7.25%, following the same assumptions used by ACERA in the pension funding valuations as of December 31, 2019 and December 31, 2018, respectively. The detailed calculations used in this derivation can be found in *Section 3, Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.

<sup>1</sup> We have excluded the liability and the assets associated with the OPEB component of the SRBR reserve account because it is our understanding that those amounts are reportable under GASB 74/75.

## Section 1: Actuarial Valuation Summary

9. The Coronavirus (COVID-19) pandemic is rapidly evolving and is having a significant impact on the US economy in 2020, including most retirement plans, and will likely continue to have an impact in the future. Our results do not include the impact of the following:
- Changes in the market value of plan assets since December 31, 2019
  - Changes in interest rates since December 31, 2019
  - 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 these results. The above factors generally will not have an impact on the December 31, 2019 valuation, since that is based on a snapshot of assets and liabilities prior to recent events. Given the high level of uncertainty and fluidity of the current events, you may wish to consider updated estimates to monitor the plan's financial status. We will keep you updated on emerging developments.

# Section 1: Actuarial Valuation Summary

## Summary of key valuation results

Reporting Date for Employer under GASB 68 <sup>1</sup>		June 30, 2020	June 30, 2019
Measurement Date for Employer under GASB 68		December 31, 2019	December 31, 2018
<b>Disclosure elements for fiscal year ending December 31:</b>	• Service cost <sup>2</sup>	\$215,625,191	\$209,890,150
	• Total Pension Liability	9,959,791,606	9,535,148,109
	• Plan's Fiduciary Net Position <sup>3</sup>	7,819,098,646	6,771,146,134
	• Net Pension Liability	2,140,692,960	2,764,001,975
<b>Schedule of contributions For plan year ending December 31:</b>	• Pension expense	420,460,898	544,785,350
	• Actuarially determined contributions	\$298,526,950	\$269,684,809
	• Actual contributions <sup>4</sup>	298,526,950	269,684,809
<b>Demographic data for plan year ending December 31:</b> <sup>5</sup>	• Contribution deficiency / (excess)	0	0
<b>Key assumptions as of December 31:</b>	• Number of retired members and beneficiaries	10,078	9,783
	• Number of inactive vested members <sup>6</sup>	2,821	2,568
	• Number of active members	11,336	11,349
<b>Key assumptions as of December 31:</b>	• Investment rate of return	7.25%	7.25%
	• Inflation rate	3.00%	3.00%
	• Projected salary increases <sup>7</sup>	General: 8.30% to 3.90% and Safety: 11.30% to 4.30%	General: 8.30% to 3.90% and Safety: 11.30% to 4.30%

<sup>1</sup> The reporting date and measurement date for the plan are December 31, 2019 and December 31, 2018, respectively.

<sup>2</sup> The Service Cost is based on the previous year's valuation, meaning the December 31, 2019 and December 31, 2018 measurement date values are based on the valuations as of December 31, 2018 and December 31, 2017, respectively. Both service costs have been calculated using the assumptions shown in the December 31, 2018 measurement date column, as there had been no changes in the actuarial assumptions between the December 31, 2017 and December 31, 2018 valuations.

<sup>3</sup> For the December 31, 2019 measurement date, the Plan's Fiduciary Net Position amount shown (\$7,819,098,646) includes the net fair value of assets (\$8,789,279,051) less OPEB-related SRBR assets (\$970,180,405). The OPEB-related SRBR assets include \$877,769,175 in the SRBR-OPEB reserve (after reducing the reserve by the \$6,510,876 SRBR implicit subsidy transfer), and \$10,415,538 in the 401(h) reserve, plus a proportionate share of one half of the deferred market gains (after adjustment to replenish the balance in the Contingency Reserve) commensurate with the size of the OPEB to total SRBR and 401(h) reserve to valuation and 401(h) reserves (\$81,995,692). For the December 31, 2018 measurement date, the Plan's Fiduciary Net Position amount shown (\$6,771,146,134) includes the net fair value of assets (\$7,592,586,569) less OPEB-related SRBR assets (\$821,440,435). The OPEB-related SRBR assets include \$873,183,258 in the SRBR-OPEB reserve (after reducing the reserve by the \$6,939,808 SRBR implicit subsidy transfer), and \$9,830,102 in the 401(h) reserve, less a proportionate share of the deferred market losses (after adjustment to include the balance in the Contingency Reserve) commensurate with the size of the OPEB and 401(h) reserves (\$61,572,926). Note that amounts may not total properly due to rounding.

<sup>4</sup> Employer contributions are on a net basis after (i) considering the total cash contributions made by the employers, (ii) reducing by the employer contributions made to the 401(h) account, and (iii) increasing by the amount of transfer from the SRBR to the Employers Advance Reserve for employer contributions made to the 401(h) account in (ii).

<sup>5</sup> Data as of December 31, 2018 is used in the measurement of the TPL as of December 31, 2019.

<sup>6</sup> Includes members who left their contributions on deposit even though they have less than five years of service.

<sup>7</sup> For measurement dates December 31, 2019 and December 31, 2018, includes inflation at 3.00% plus real across-the-board salary increase of 0.50% plus merit and promotional increases.

## Section 1: Actuarial Valuation Summary

### Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension 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 measurement date, as provided by ACERA.
<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 salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on a yield or index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). 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.

## 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 the sponsors of the Fund in preparing items related to the pension 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 68 Information

## General information about the pension 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 (LARPD), and 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, 2019, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	10,078
Inactive vested members entitled to but not yet receiving benefits <sup>1</sup>	2,821
Active members	<u>11,336</u>
<b>Total</b>	<b>24,235</b>

Note: Data as of December 31, 2019 is not used in the measurement of the TPL as of December 31, 2019.

<sup>1</sup> Includes terminated members due a refund of member contributions.

## Section 2: GASB 68 Information

*Benefits provided.* ACERA provides service retirement, disability, death, and survivor benefits to eligible employees. The first date of ACERA membership varies by employer, as follows:

- Alameda County, Alameda Health System and Alameda Superior Court Employees: Membership for these employees is effective on the first day of the second pay period following the employee's hire date in an ACERA covered position. This is the date of entry into ACERA membership. As of the date of entry, payroll deductions for retirement contributions begin and service credit for each hour worked is earned. During the short period between the beginning of employment and the ACERA plan date of entry, the employee does not pay contributions or earn service credit. A member may purchase this service credit (referred to as "days prior to entry") any time before retirement without changing the membership, but date of entry does not change.
- Housing Authority and Livermore Area Recreation and Park District Employees: Membership for these employees is effective on the first day of employee's hire in an ACERA covered position. The first date of employment is the date of entry into ACERA membership. As of this date of entry, payroll deductions for retirement contributions begin and service credit for each hour work is earned.
- First 5 Employees: Membership for these employees is effective on the first day of the second pay period following the employee's hire date.
- Office of Education Employees: This is a closed plan with no more active employees (i.e., there is no new ACERA membership. However, the employer does retain retired members and beneficiaries in the Retirement Association as of the December 31, 2019 valuation date).

There are separate retirement benefits for General and Safety members. Safety membership is extended to those involved in active law enforcement, deferred firefighters, or positions that have been designated as Safety by the Board of Retirement (e.g. Juvenile Hall Group Counselor, Probation Officer, etc.). All other employees are classified as General members.

Any new member who becomes a member on or after January 1, 2013 is placed into Tier 4 and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197.

General members enrolled in Tiers 1, 2, or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement service credit, or at age 70 regardless of service.

Safety members enrolled in Tiers 1, 2, 2C, or 2D are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 Safety member with 20 years of service is eligible to retire regardless of age. Safety members enrolled in Tier 4 are eligible to retire once they have attained the age of 50 and have acquired five years of retirement service credit, or at age 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

The tiers and their basic provisions are listed below:

## Section 2: GASB 68 Information

Tier Name	Service Retirement Governing Code Section	Effective Date	Basic Provisions	Final Average Salary Period	Plan Sponsors
General Tier 1	§31676.12	Various	2.0% at 57; maximum 3% COLA	Highest 1-year	All
General Tier 2	§31676.1	June 30, 1983*	2.0% at 61; maximum 2% COLA	Highest 3-years	All except LARPD
General Tier 3	§31676.18	October 1, 2008	2.5% at 55; maximum 3% COLA	Highest 1-year	LARPD
General Tier 4	§7522.20(a)	January 1, 2013	2.5% at 67; maximum 2% COLA	Highest 3-years	All
Safety Tier 1	§31664.1	Various	3.0% at 50; maximum 3% COLA	Highest 1-year	County
Safety Tier 2	§31664.1	June 30, 1983	3.0% at 50; maximum 2% COLA	Highest 3-years	County
Safety Tier 2C	§31664	October 17, 2010	2.6% at 55; maximum 2% COLA	Highest 3-years	County
Safety Tier 2D	§31664.2	October 17, 2010	3.0% at 55; maximum 2% COLA	Highest 3-years	County
Safety Tier 4	§7522.25(d)	January 1, 2013	2.7% at 57; maximum 2% COLA	Highest 3-years	County

\* For Housing Authority members, the effective date is September 30, 2011.

For members enrolled in Tiers 1, 2, 2C, 2D, or 3, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members enrolled in Tier 4.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

## Section 2: GASB 68 Information

ACERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the San Francisco-Oakland-Hayward Area (with 1982-84 as the base period), is capped at 3.0% for General Tiers 1 and 3 and Safety Tier 1, and at 2.0% for General Tiers 2 and 4 and Safety Tiers 2, 2C, 2D, and 4.

The County of Alameda and the other participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ACERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2019 for 2019 (based on the December 31, 2017 valuation for the second half of 2018/2019 and on the December 31, 2018 valuation for the first half of 2019/2020) was 27.60% of compensation.

Members are required to make contributions to ACERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2019 for 2019 (based on the December 31, 2017 valuation for the second half of 2018/2019 and on the December 31, 2018 valuation for the first half of 2019/2020) was 9.53% of compensation.

## Section 2: GASB 68 Information

### Net Pension Liability

Reporting Date for Employer under GASB 68	June 30, 2020	June 30, 2019
Measurement Date for Employer under GASB 68	December 31, 2019	December 31, 2018
<b>Components of the Net Pension Liability</b>		
Total Pension Liability	\$9,959,791,606	\$9,535,148,109
Plan's Fiduciary Net Position	<u>(7,819,098,646)</u>	<u>(6,771,146,134)</u>
Net Pension Liability	\$2,140,692,960	\$2,764,001,975
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	78.51%	71.01%

The Net Pension Liability (NPL) was measured as of December 31, 2019 and 2018. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of December 31, 2018 and 2017, respectively.

*Plan provisions.* The plan provisions used in the measurement of the NPL as of December 31, 2019 and 2018 are the same as those used in the ACERA actuarial valuations as of December 31, 2018 and 2017, respectively.

*Actuarial assumptions.* The TPL as of December 31, 2019 that was measured by an actuarial valuation as of December 31, 2018 used the following actuarial assumptions, which were based on the results of an experience study for the period December 1, 2013 through November 30, 2016, applied to all periods included in the measurement. They are the same assumptions used in the December 31, 2019 funding valuation for ACERA.

<b>Inflation</b>	3.00%
<b>Salary Increases</b>	General: 8.30% to 3.90% and Safety: 11.30% to 4.30%, vary by service, including inflation
<b>Investment Rate of Return</b>	7.25%, net of pension plan investment expense, including inflation
<b>Other Assumptions</b>	See analysis of actuarial experience during the period December 1, 2013 through November 30, 2016

## Section 2: GASB 68 Information

The TPL as of December 31, 2018, that was measured by an actuarial valuation as of December 31, 2017, used the following actuarial assumptions, which were based on the results of an experience study for the period December 1, 2013 through November 30, 2016, applied to all periods included in the measurement. They are the same assumptions used in the December 31, 2018 funding valuation for ACERA.

<b>Inflation</b>	3.00%
<b>Salary Increases</b>	General: 8.30% to 3.90% and Safety: 11.30% to 4.30%, vary by service, including inflation
<b>Investment Rate of Return</b>	7.25%, net of pension plan investment expense, including inflation
<b>Other Assumptions</b>	See analysis of actuarial experience during the period December 1, 2013 through November 30, 2016

## Section 2: GASB 68 Information

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

The long-term expected rate of return on pension plan investments<sup>1</sup> was determined in 2017 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, 2019 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
Domestic Large Cap Equity	22.40%	5.75%
Domestic Small Cap Equity	5.60%	6.37%
Developed International Equity	19.50%	6.89%
Emerging Markets Equity	6.50%	9.54%
U.S. Core Fixed Income	11.25%	1.03%
High Yield Bonds	1.50%	3.99%
International Bonds	2.25%	0.19%
TIPS	2.00%	0.98%
Real Estate	8.00%	4.47%
Commodities	3.00%	3.78%
Hedge Funds	9.00%	4.30%
Private Equity	9.00%	7.60%
<b>Total</b>	<b>100.00%</b>	

<sup>1</sup> Note that the investment return assumption for 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 68 Information

*Discount rate.* The discount rate used to measure the Total Pension Liability (TPL) was 7.25% as of December 31, 2019 and December 31, 2018. Our understanding is 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 assumption for funding than is used for interest crediting. In order to reflect the provisions of Article 5.5, we have treated future allocations to the SRBR as an additional outflow against the Plan's Fiduciary Net Position in the GASB crossover test, as mentioned earlier in Section 1. Again, we are estimating that the additional outflow would average approximately 0.60% of assets over time, based on the results of our stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates<sup>1</sup> plus additional future contributions that would follow from the future allocation of excess earnings to the SRBR. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of both December 31, 2019 and December 31, 2018.

<sup>1</sup> For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

## Section 2: GASB 68 Information

### Discount rate sensitivity

*Sensitivity of the Net Pension Liability to changes in the discount rate.* The following presents the NPL as of December 31, 2019, calculated using the discount rate of 7.25%, as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Alameda County	\$2,642,725,604	\$1,679,429,417	\$886,383,377
Health System	611,076,932	355,519,355	144,053,031
Superior Court	129,580,065	75,388,579	30,546,729
First 5	13,530,694	7,872,042	3,189,676
Housing Authority	13,612,544	7,919,662	3,208,971
LARPD	21,803,613	13,701,573	7,811,014
ACOE	<u>1,286,280</u>	<u>862,332</u>	<u>495,965</u>
<b>Total for all Employers</b>	<b>\$3,433,615,732</b>	<b>\$2,140,692,960</b>	<b>\$1,075,688,763</b>

## Section 2: GASB 68 Information

### Schedule of changes in Net Pension Liability — Last two plan years

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Total Pension Liability</b>		
• Service cost	\$215,625,191	\$209,890,150
• Interest	688,654,389	659,591,792
• Change of benefit terms	0	0
• Differences between expected and actual experience	24,548,056	13,710,084
• Changes of assumptions	0	0
• Benefit payments, including refunds of member contributions	(504,184,139)	(471,943,181)
<b>Net change in Total Pension Liability</b>	<b>\$424,643,497</b>	<b>\$411,248,845</b>
<b>Total Pension Liability – beginning</b>	<b><u>9,535,148,109</u></b>	<b><u>9,123,899,264</u></b>
<b>Total Pension Liability – ending</b>	<b><u>\$9,959,791,606</u></b>	<b><u>\$9,535,148,109</u></b>
<b>Plan’s Fiduciary Net Position</b>		
• Contributions – employer <sup>1</sup>	\$298,526,950	\$269,684,809
• Contributions – member	103,117,022	94,735,673
• Net investment income	1,165,766,104	(216,308,362)
• Benefit payments, including refunds of member contributions	(504,184,139)	(471,943,181)
• Administrative expense	(15,273,425)	(15,246,130)
• Other	0	0
<b>Net change in Plan’s Fiduciary Net Position</b>	<b>\$1,047,952,512</b>	<b>\$(339,077,191)</b>
<b>Plan’s Fiduciary Net Position<sup>2</sup> – beginning</b>	<b><u>6,771,146,134</u></b>	<b><u>7,110,223,325</u></b>
<b>Plan’s Fiduciary Net Position<sup>3</sup> – ending</b>	<b><u>\$7,819,098,646</u></b>	<b><u>\$6,771,146,134</u></b>
<b>Net Pension Liability – ending</b>	<b><u>\$2,140,692,960</u></b>	<b><u>\$2,764,001,975</u></b>
<b>Plan’s Fiduciary Net Position as a percentage of the Total Pension Liability</b>	<b>78.51%</b>	<b>71.01%</b>
<b>Covered payroll<sup>3</sup></b>	<b>\$1,081,586,887</b>	<b>\$1,046,033,851</b>
<b>Plan Net Pension Liability as percentage of covered payroll</b>	<b>197.92%</b>	<b>264.24%</b>

<sup>1</sup> Employer contributions are on a net basis after (i) considering the total cash contributions made by the employers, (ii) reducing by the employer contributions made to the 401(h) account, and (iii) increasing by the amount of transfer from the SRBR to the Employers Advance Reserve for employer contributions made to the 401(h) account in (ii).

<sup>2</sup> See footnote (3) on page 8 for a discussion on the development of the December 31, 2019 measurement date “Plan’s Fiduciary Net Position – beginning” amount of \$6,771,146,134 and the December 31, 2019 measurement date “Plan’s Fiduciary Net Position – ending” amount of \$7,819,098,646.

<sup>3</sup> Covered payroll represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based.

## Section 2: GASB 68 Information

### Schedule of employer contributions — Last ten plan years

Year Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll <sup>1</sup>	Contributions as a Percentage of Covered Payroll <sup>1</sup>
2010	\$147,543,301	\$147,543,301	\$0	\$839,617,361	17.57%
2011	162,879,221	162,879,221	0	837,482,162	19.45%
2012	179,648,812	179,648,812	0	845,932,592	21.24%
2013	191,180,146	191,180,146	0	853,349,657	22.40%
2014	213,254,775	213,254,775	0	886,924,862	24.04%
2015	224,607,104	224,607,104	0	945,858,017 <sup>2</sup>	23.75%
2016	241,728,451	241,728,451	0	947,567,631	25.51%
2017	247,063,550	247,063,550	0	995,178,209	24.83%
2018	269,684,809	269,684,809	0	1,046,033,851	25.78%
2019	298,526,950	298,526,950	0	1,081,586,887	27.60%

<sup>1</sup> For years ended December 31, 2017 and later, covered payroll represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based. For the years ended before December 31, 2017, covered payroll was referred to as covered-employee payroll and only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits was included.

<sup>2</sup> ACERA indicated that this amount is based on 27 pay periods for 2015.

## Section 2: GASB 68 Information

### Notes to Schedule:

#### Methods and assumptions used to establish “actuarially determined contribution” rates:

<b>Valuation Date:</b>	Actuarially determined contribution rates for the first six months of calendar year 2019 (or the second half of fiscal year 2018/2019) are calculated based on the December 31, 2017 valuation. Actuarially determined contribution rates for the last six months of calendar year 2019 (or the first half of fiscal year 2019/2020) are calculated based on the December 31, 2018 valuation.
<b>Actuarial Cost Method:</b>	Entry Age Actuarial Cost Method
<b>Amortization Method</b>	Level percent of payroll (3.50% payroll growth assumed in the December 31, 2018 valuation and 3.50% payroll growth assumed in the December 31, 2017 valuation)
<b>Remaining Amortization Period:</b>	<p><b><u>December 31, 2017 valuation</u></b></p> <p>Prior to January 1, 2012, the total UAAL was amortized on a 30-year decreasing period, with 21 years remaining as of December 31, 2011 (and 15 years remaining as of December 31, 2017). On or after January 1, 2012, any new UAAL resulting from plan amendments are amortized over separate decreasing 15-year periods; early retirement incentive programs (ERIPs) are amortized over separate decreasing 5-year periods; assumption and method changes are amortized over separate decreasing 20-year periods; and experience gains/losses are also amortized over separate decreasing 20-year periods.</p> <p><b><u>December 31, 2018 valuation</u></b></p> <p>Prior to January 1, 2012, the total UAAL was amortized on a 30-year decreasing period, with 21 years remaining as of December 31, 2011 (and 14 years remaining as of December 31, 2018). On or after January 1, 2012, any new UAAL resulting from plan amendments are amortized over separate decreasing 15-year periods; early retirement incentive programs (ERIPs) are amortized over separate decreasing 5-year periods; assumption and method changes are amortized over separate decreasing 20-year periods; and experience gains/losses are also amortized over separate decreasing 20-year periods.</p>
<b>Asset Valuation Method:</b>	The actuarial value of assets is determined by recognizing any difference between the actual and the expected market return over 10 six-month interest crediting periods. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the market value of assets. The valuation value of assets is the actuarial value of assets reduced by the value of the non-valuation reserves.

## Section 2: GASB 68 Information

Actuarial assumptions		
Valuation Date	December 31, 2017 Valuation	December 31, 2018 Valuation
<b>Investment rate of return:</b>	7.25%, net of pension plan administrative and investment expense, including inflation	7.25%, net of pension plan administrative and investment expense, including inflation
<b>Inflation rate:</b>	3.00%	3.00%
<b>Real across-the-board salary increase:</b>	0.50%	0.50%
<b>Projected salary increases:</b>	General: 8.30% to 3.90% and Safety: 11.30% to 4.30%, vary by service, including inflation	General: 8.30% to 3.90% and Safety: 11.30% to 4.30%, vary by service, including inflation
<b>Cost of living adjustments:</b>	3.00% of retirement income for General Tiers 1 and 3, and Safety Tier 1; 2.00% for General Tiers 2 and 4, and Safety Tiers 2, 2C, 2D, and 4	3.00% of retirement income for General Tiers 1 and 3, and Safety Tier 1; 2.00% for General Tiers 2 and 4, and Safety Tiers 2, 2C, 2D, and 4
<b>Other assumptions:</b>	Same as those used in the December 31, 2017 funding actuarial valuation	Same as those used in the December 31, 2018 funding actuarial valuation

## Section 2: GASB 68 Information

### Determination of proportionate share

#### Schedule of Employer Allocations as of December 31, 2018

##### Actual Employer Contributions by Employer and Membership Class January 1, 2018 to December 31, 2018

Employer	General Members, Excluding ACOE and LARP		General ACOE Members Only		General LARP Members Only		All General Members Combined	
	Contributions	Percentage <sup>1</sup>	Contributions	Percentage	Contributions	Percentage	Contributions	Percentage
Alameda County	\$112,075,994	64.134%	\$0	N/A	\$0	0.000%	\$112,075,994	63.731%
Health System	50,652,924	28.985%	0	N/A	0	0.000%	50,652,924	28.804%
Superior Court	9,789,834	5.602%	0	N/A	0	0.000%	9,789,834	5.567%
First 5	1,022,889	0.585%	0	N/A	0	0.000%	1,022,889	0.582%
Housing Authority	1,213,308	0.694%	0	N/A	0	0.000%	1,213,308	0.690%
LARP	0	0.000%	0	N/A	1,100,236	100.000%	1,100,236	0.626%
ACOE	0	0.000%	0	N/A	0	0.000%	0	0.000%
<b>Total for all Employers</b>	<b>\$174,754,949</b>	<b>100.000%</b>	<b>\$0</b>	<b>N/A</b>	<b>\$1,100,236</b>	<b>100.000%</b>	<b>\$175,855,185</b>	<b>100.000%</b>

##### Actual Employer Contributions by Employer and Membership Class January 1, 2018 to December 31, 2018

Employer	Safety Members		Total	
	Contributions	Percentage	Contributions	Percentage <sup>1,2</sup>
Alameda County	\$93,829,624	100.000%	\$205,905,618	76.351%
Health System	0	0.000%	50,652,924	18.782%
Superior Court	0	0.000%	9,789,834	3.630%
First 5	0	0.000%	1,022,889	0.379%
Housing Authority	0	0.000%	1,213,308	0.450%
LARP	0	0.000%	1,100,236	0.408%
ACOE	0	0.000%	0	0.000%
<b>Total for all Employers</b>	<b>\$93,829,624</b>	<b>100.000%</b>	<b>\$269,684,809</b>	<b>100.000%</b>

<sup>1</sup> The unrounded percentages are used in the allocation of the NPL amongst the employers.

<sup>2</sup> In prior years, we used the unrounded percentages above in estimating the allocation of member contributions for purposes of determining pension expense amongst the employers. We had continued that practice through December 31, 2017 even though ACERA has since provided us with the actual member contributions by employer, as the difference between the actual and the estimated member contributions would only have the primary impact of changing the timing on when pension expense would have to be recognized by individual employers. Starting with the December 31, 2018 actuarial valuation, ACERA has provided us with actual Pension Plan benefit payments by General (excluding ACOE and LARP), General ACOE, General LARP and Safety membership classes (in addition to the actual member contributions by employers). Therefore, we now use the actual Pension Plan benefit payments by those four membership classes and actual member contributions by employer within each of the four membership class for purposes of determining pension expense amongst the employers. This is consistent with how we developed the valuation value of assets in the funding actuarial valuation.

## Section 2: GASB 68 Information

### Schedule of Employer Allocations as of December 31, 2018

#### Allocation of December 31, 2018 Net Pension Liability

Employer	General NPL, Excluding ACOE and LARPD (Excl. non-OPEB SRBR NPL)		General ACOE NPL Only (Excl. non-OPEB SRBR NPL)		General LARPD NPL Only (Excl. non-OPEB SRBR NPL)		Total General NPL (Excl. non-OPEB SRBR NPL)	
	NPL	Percentage <sup>1</sup>	NPL	Percentage <sup>1</sup>	NPL	Percentage <sup>1</sup>	NPL	Percentage
Alameda County	\$1,056,842,788	64.134%	\$0	0.000%	\$0	0.000%	\$1,056,842,788	63.481%
Health System	477,641,781	28.985%	0	0.000%	0	0.000%	477,641,781	28.690%
Superior Court	92,315,179	5.602%	0	0.000%	0	0.000%	92,315,179	5.545%
First 5	9,645,534	0.585%	0	0.000%	0	0.000%	9,645,534	0.579%
Housing Authority	11,441,128	0.694%	0	0.000%	0	0.000%	11,441,128	0.687%
LARPD	0	0.000%	0	0.000%	15,284,738	100.000%	15,284,738	0.918%
ACOE	0	0.000%	1,666,157	100.000%	0	0.000%	1,666,157	0.100%
<b>Total for all Employers</b>	<b>\$1,647,886,410</b>	<b>100.000%</b>	<b>\$1,666,157</b>	<b>100.000%</b>	<b>\$15,284,738</b>	<b>100.000%</b>	<b>\$1,664,837,305</b>	<b>100.000%</b>

#### Allocation of December 31, 2018 Net Pension Liability

Employer	Safety NPL (Excl. non-OPEB SRBR NPL)		General & Safety Total (Excl. non-OPEB SRBR NPL)		General & Safety Non-OPEB SRBR NPL		Total	
	NPL	Percentage <sup>1</sup>	NPL	Percentage	NPL	Percentage <sup>2</sup>	NPL	Percentage
Alameda County	\$971,674,335	100.000%	\$2,028,517,123	76.940%	\$97,339,469	76.351%	\$2,125,856,592	76.913%
Health System	0	0.000%	477,641,781	18.116%	23,945,577	18.782%	501,587,358	18.147%
Superior Court	0	0.000%	92,315,179	3.501%	4,628,029	3.630%	96,943,208	3.507%
First 5	0	0.000%	9,645,534	0.366%	483,559	0.379%	10,129,093	0.366%
Housing Authority	0	0.000%	11,441,128	0.434%	573,577	0.450%	12,014,705	0.435%
LARPD	0	0.000%	15,284,738	0.580%	520,124	0.408%	15,804,862	0.572%
ACOE	0	0.000%	1,666,157	0.063%	0	0.000%	1,666,157	0.060%
<b>Total for all Employers</b>	<b>\$971,674,335</b>	<b>100.000%</b>	<b>\$2,636,511,640</b>	<b>100.000%</b>	<b>\$127,490,335</b>	<b>100.000%</b>	<b>\$2,764,001,975</b>	<b>100.000%</b>

<sup>1</sup> Allocated based on the actual employer contributions within each membership class.

<sup>2</sup> Allocated based on the actual employer contributions in total. ACOE was not required to make any Pension Plan contributions during 2018 because their payroll was \$0. However, they were required to make a contribution under the Declining Employer Payroll Policy starting in 2019. As they would be expected to make a large lump sum contribution to partially pay off their liability, we would consult with the auditor on whether any special adjustment needs to be made when we report their non-OPEB SRBR NPL next year.

## Section 2: GASB 68 Information

### Notes regarding determination of proportionate share as of December 31, 2018 measurement date

Based on the January 1, 2018 through December 31, 2018 employer contributions as provided by ACERA.

#### Pension (excluding non-OPEB SRBR)

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The Total Pension Liability for each membership class is obtained from internal valuation results. The Plan's Fiduciary Net Position for each membership class is obtained by allocating the total Plan's Fiduciary Net Position for Pension (excluding non-OPEB SRBR) proportionally based on the valuation value of assets for each membership class relative to the total valuation value of assets for all membership classes.<sup>1</sup> The total Plan's Fiduciary Net Position for pension as of December 31, 2018 includes the net market value of assets less SRBR assets. The SRBR assets include the SRBR-OPEB reserve (after reducing the reserve by the SRBR implicit subsidy transfer), the 401(h) reserve, and the Non-OPEB SRBR reserve, less a proportionate share of the deferred market losses (after adjustment to include the balance in the Contingency Reserve) commensurate with the size of those SRBR reserves.

The General ACOE membership class has only one employer (ACOE), so all of the NPL for General ACOE is allocated to the ACOE. The General LARPD membership class has only one employer (LARPD), so all of the NPL for General LARPD is allocated to LARPD. The Safety membership class also has only one employer (County), so all of the NPL for Safety is allocated to the County.

For General excluding ACOE and LARPD, the NPL is allocated based on the actual employer contributions within the General membership class excluding any contributions made by ACOE and LARPD. The steps used for the allocation are as follows:

- First calculate the ratio of the employer's contributions to the total contributions for the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.

#### Non-OPEB SRBR

The non-OPEB SRBR assets include the Non-OPEB SRBR reserve, less a proportionate share of the deferred market losses (after adjustment to include the balance in the Contingency Reserve) commensurate with the size of those Non-OPEB SRBR reserves.

For non-OPEB SRBR, the NPL is allocated based on the actual employer contributions in total. The steps used for the allocation are as follows:

- First calculate the ratio of the employer's total contributions to the total contributions for all employers.
- This ratio is multiplied by the NPL for the non-OPEB SRBR to determine the employer's proportionate share of the NPL for the non-OPEB SRBR.

#### Total

The employer's total allocated NPL is the sum of its allocated pension NPL from each membership class and the non-OPEB SRBR. The proportionate share of the total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

<sup>1</sup> As of December 31, 2018, the total Plan's Fiduciary Net Position for Pension (excluding non-OPEB SRBR) is \$504.8 million **lower** than the valuation value of assets as of the same date due to the inclusion of deferred market **losses** and no available Contingency Reserve.

## Section 2: GASB 68 Information

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

#### Actual Employer Contributions by Employer and Membership Class January 1, 2019 to December 31, 2019

Employer	General Members, Excluding ACOE and LARP		General ACOE Members Only		General LARP Members Only		All General Members Combined	
	Contributions	Percentage <sup>1</sup>	Contributions	Percentage	Contributions	Percentage	Contributions	Percentage
Alameda County	\$124,398,408	64.606%	\$0	0.000%	\$0	0.000%	\$124,398,408	63.924%
Health System	54,239,577	28.169%	0	0.000%	0	0.000%	54,239,577	27.872%
Superior Court	11,501,609	5.973%	0	0.000%	0	0.000%	11,501,609	5.910%
First 5	1,200,993	0.624%	0	0.000%	0	0.000%	1,200,993	0.617%
Housing Authority	1,208,258	0.628%	0	0.000%	0	0.000%	1,208,258	0.621%
LARP	0	0.000%	0	0.000%	1,306,574	100.000%	1,306,574	0.671%
ACOE	0	0.000%	750,000	100.000%	0	0.000%	750,000	0.385%
<b>Total for all Employers</b>	<b>\$192,548,845</b>	<b>100.000%</b>	<b>\$750,000</b>	<b>100.000%</b>	<b>\$1,306,574</b>	<b>100.000%</b>	<b>\$194,605,419</b>	<b>100.000%</b>

#### Actual Employer Contributions by Employer and Membership Class January 1, 2019 to December 31, 2019

Employer	Safety Members		Total		Adjusted Total <sup>2</sup>	
	Contributions	Percentage	Contributions	Percentage	Contributions	Percentage <sup>1</sup>
Alameda County	\$103,921,531	100.000%	\$228,319,939	76.482%	\$228,319,939	76.639%
Health System	0	0.000%	54,239,577	18.169%	54,239,577	18.207%
Superior Court	0	0.000%	11,501,609	3.853%	11,501,609	3.861%
First 5	0	0.000%	1,200,993	0.402%	1,200,993	0.403%
Housing Authority	0	0.000%	1,208,258	0.405%	1,208,258	0.406%
LARP	0	0.000%	1,306,574	0.438%	1,306,574	0.439%
ACOE	0	0.000%	750,000	0.251%	132,883 <sup>2</sup>	0.045%
<b>Total for all Employers</b>	<b>\$103,921,531</b>	<b>100.000%</b>	<b>\$298,526,950</b>	<b>100.000%</b>	<b>\$297,909,833</b>	<b>100.000%</b>

<sup>1</sup> The unrounded percentages are used in the allocation of the NPL amongst the employers.

<sup>2</sup> ACOE made a lump sum contribution of \$750,000 in 2019 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. In order to have a more level allocation of the NPL to ACOE, ACERA approved an approach outlined in our March 2, 2020 letter to determine ACOE's proportionate share of the non-OPEB SRBR NPL 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 68 Information

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

#### Allocation of December 31, 2019 Net Pension Liability

Employer	General NPL, Excluding ACOE and LARPD (Excl. non-OPEB SRBR NPL)		General ACOE NPL Only (Excl. non-OPEB SRBR NPL)		General LARPD NPL Only (Excl. non-OPEB SRBR NPL)		Total General NPL (Excl. non-OPEB SRBR NPL)	
	NPL	Percentage <sup>1</sup>	NPL	Percentage <sup>1</sup>	NPL	Percentage <sup>1</sup>	NPL	Percentage
Alameda County	\$750,950,156	64.606%	\$0	0.000%	\$0	0.000%	\$750,950,156	63.849%
Health System	327,425,563	28.169%	0	0.000%	0	0.000%	327,425,563	27.838%
Superior Court	69,431,235	5.973%	0	0.000%	0	0.000%	69,431,235	5.903%
First 5	7,249,979	0.624%	0	0.000%	0	0.000%	7,249,979	0.616%
Housing Authority	7,293,836	0.628%	0	0.000%	0	0.000%	7,293,836	0.620%
LARPD	0	0.000%	0	0.000%	13,024,823	100.000%	13,024,823	1.107%
ACOE	0	0.000%	793,504	100.000%	0	0.000%	793,504	0.067%
<b>Total for all Employers</b>	<b>\$1,162,350,769</b>	<b>100.000%</b>	<b>\$793,504</b>	<b>100.000%</b>	<b>\$13,024,823</b>	<b>100.000%</b>	<b>\$1,176,169,096</b>	<b>100.000%</b>

#### Allocation of December 31, 2019 Net Pension Liability

Employer	Safety NPL (Excl. non-OPEB SRBR NPL)		General & Safety Total (Excl. non-OPEB SRBR NPL)		General & Safety Non-OPEB SRBR NPL		Total	
	NPL	Percentage <sup>1</sup>	NPL	Percentage	NPL	Percentage <sup>2</sup>	NPL	Percentage
Alameda County	\$810,219,254	100.000%	\$1,561,169,410	78.594%	\$118,260,007	76.639%	\$1,679,429,417	78.452%
Health System	0	0.000%	327,425,563	16.483%	28,093,792	18.207%	355,519,355	16.608%
Superior Court	0	0.000%	69,431,235	3.495%	5,957,344	3.861%	75,388,579	3.522%
First 5	0	0.000%	7,249,979	0.365%	622,063	0.403%	7,872,042	0.368%
Housing Authority	0	0.000%	7,293,836	0.367%	625,826	0.406%	7,919,662	0.370%
LARPD	0	0.000%	13,024,823	0.656%	676,750	0.439%	13,701,573	0.640%
ACOE	0	0.000%	793,504	0.040%	68,828	0.045%	862,332	0.040%
<b>Total for all Employers</b>	<b>\$810,219,254</b>	<b>100.000%</b>	<b>\$1,986,388,350</b>	<b>100.000%</b>	<b>\$154,304,610</b>	<b>100.000%</b>	<b>\$2,140,692,960</b>	<b>100.000%</b>

<sup>1</sup> Allocated based on the actual employer contributions within each membership class.

<sup>2</sup> Allocated based on the actual employer contributions in total, with an adjustment to reflect 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. This approach is outlined in our March 2, 2020 letter and is approved by ACERA.

## Section 2: GASB 68 Information

### Notes regarding determination of proportionate share as of December 31, 2019 measurement date

Based on the January 1, 2019 through December 31, 2019 employer contributions as provided by ACERA.

#### Pension (excluding non-OPEB SRBR)

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The Total Pension Liability for each membership class is obtained from internal valuation results. The Plan's Fiduciary Net Position for each membership class is obtained by allocating the total Plan's Fiduciary Net Position for Pension (excluding non-OPEB SRBR) proportionally based on the valuation value of assets for each membership class relative to the total valuation value of assets for all membership classes.<sup>1</sup> The total Plan's Fiduciary Net Position for pension as of December 31, 2019 includes the net fair value of assets less SRBR assets. The SRBR assets include the SRBR-OPEB reserve (after reducing the reserve by the SRBR implicit subsidy transfer), the 401(h) reserve, and the Non-OPEB SRBR reserve, plus a proportionate share of one half of the deferred market gains (after adjustment to replenish the balance in the Contingency Reserve) commensurate with the size of those SRBR reserves and 401(h) reserve to valuation and 401(h) reserves.

The General ACOE membership class has only one employer (ACOE), so all of the NPL for General ACOE is allocated to the ACOE. The General LARPD membership class has only one employer (LARPD), so all of the NPL for General LARPD is allocated to LARPD. The Safety membership class also has only one employer (County), so all of the NPL for Safety is allocated to the County.

For General excluding ACOE and LARPD, the NPL is allocated based on the actual employer contributions within the General membership class excluding any contributions made by ACOE and LARPD. The steps used for the allocation are as follows:

- First calculate the ratio of the employer's contributions to the total contributions for the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.

#### Non-OPEB SRBR

The non-OPEB SRBR assets include the Non-OPEB SRBR reserve, plus a proportionate share of one half of the deferred market gains (after adjustment to replenish the balance in the Contingency Reserve) commensurate with the size of the non-OPEB to total SRBR reserves.

For non-OPEB SRBR, the NPL is allocated based on the actual employer contributions in total.<sup>2</sup> The steps used for the allocation are as follows:

- First calculate the ratio of the employer's total contributions to the total contributions for all employers.
- This ratio is multiplied by the NPL for the non-OPEB SRBR to determine the employer's proportionate share of the NPL for the non-OPEB SRBR.

#### Total

The employer's total allocated NPL is the sum of its allocated pension NPL from each membership class and the non-OPEB SRBR. The proportionate share of the total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

<sup>1</sup> As of December 31, 2019, the total Plan's Fiduciary Net Position for Pension (excluding non-OPEB SRBR) is \$174.9 million **higher** than the valuation value of assets as of the same date due to the inclusion of deferred market **gains**.

<sup>2</sup> Includes an adjustment to reflect 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. This approach is outlined in our March 2, 2020 letter and is approved by ACERA.

## Section 2: GASB 68 Information

The following items are allocated based on the corresponding proportionate share within each membership class:

- a. Net Pension Liability
- b. Service cost
- c. Interest on the Total Pension Liability
- d. Expensed portion of current-period benefit changes
- e. Expensed portion of current-period difference between expected and actual experience in the Total Pension 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 pension expense
- l. Recognition of beginning of year deferred inflows of resources as pension expense

## Section 2: GASB 68 Information

### Pension expense

#### Total for All Employers

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Service cost	\$215,625,191	\$209,890,150
• Interest on the Total Pension Liability	688,654,390	659,591,792
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	4,571,332	2,524,878
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(103,117,022)	(94,735,673)
• Projected earnings on plan investments	(486,637,351)	(511,040,821)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(135,825,750)	145,469,836
• Administrative expense	15,273,425	15,246,130
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	382,022,415	282,332,350
• Recognition of beginning of year deferred inflows of resources as pension expense	(160,105,732)	(164,493,292)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>0</u>	<u>0</u>
<b>Pension Expense</b>	<b>\$420,460,898</b>	<b>\$544,785,350</b>

## Section 2: GASB 68 Information

### Pension expense (continued)

#### Alameda County

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Service cost	\$159,236,640	\$154,855,811
• Interest on the Total Pension Liability	510,276,761	486,567,087
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	1,180,474	320,097
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	3,459,048	1,632,110
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(76,031,473)	(69,722,923)
• Projected earnings on plan investments	(354,645,313)	(370,163,258)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(98,960,399)	105,461,873
• Administrative expense	11,119,868	11,050,528
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	283,996,588	211,362,379
• Recognition of beginning of year deferred inflows of resources as pension expense	(115,169,093)	(117,684,655)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(666,854)</u>	<u>(760,647)</u>
<b>Pension Expense</b>	<b>\$323,796,247</b>	<b>\$412,918,402</b>

## Section 2: GASB 68 Information

### Pension expense (continued)

#### Health System

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Service cost	\$44,033,928	\$43,656,653
• Interest on the Total Pension Liability	138,387,364	136,626,835
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(2,049,027)	125,393
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	643,663	(112,331)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(21,137,887)	(19,812,901)
• Projected earnings on plan investments	(102,473,282)	(111,084,921)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(28,628,281)	31,584,268
• Administrative expense	3,224,607	3,329,437
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	75,664,473	56,444,009
• Recognition of beginning of year deferred inflows of resources as pension expense	(34,791,215)	(36,820,885)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>2,093,505</u>	<u>1,896,660</u>
<b>Pension Expense</b>	<b>\$74,967,848</b>	<b>\$105,832,217</b>

## Section 2: GASB 68 Information

### Pension expense (continued)

#### Superior Court

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Service cost	\$9,337,481	\$8,437,645
• Interest on the Total Pension Liability	29,345,313	26,406,255
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	927,309	(467,238)
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	136,489	(21,711)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(4,482,331)	(3,829,296)
• Projected earnings on plan investments	(21,729,661)	(21,469,697)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(6,070,683)	6,104,380
• Administrative expense	683,784	643,490
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	16,044,800	10,909,094
• Recognition of beginning of year deferred inflows of resources as pension expense	(7,377,546)	(7,116,477)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(1,326,349)</u>	<u>(976,414)</u>
<b>Pension Expense</b>	<b>\$15,488,606</b>	<b>\$18,620,031</b>

## Section 2: GASB 68 Information

### Pension expense (continued)

First 5

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Service cost	\$975,015	\$881,606
• Interest on the Total Pension Liability	3,064,225	2,759,053
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	95,915	32,275
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	14,252	(2,268)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(468,043)	(400,103)
• Projected earnings on plan investments	(2,269,002)	(2,243,258)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(633,898)	637,815
• Administrative expense	71,400	67,235
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	1,675,391	1,139,834
• Recognition of beginning of year deferred inflows of resources as pension expense	(770,360)	(743,563)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>40,516</u>	<u>(7,552)</u>
<b>Pension Expense</b>	<b>\$1,795,411</b>	<b>\$2,121,074</b>

## Section 2: GASB 68 Information

### Pension expense (continued)

#### Housing Authority

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Service cost	\$980,914	\$1,045,723
• Interest on the Total Pension Liability	3,082,761	3,272,673
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(167,260)	(8,649)
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	14,339	(2,690)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(470,874)	(474,586)
• Projected earnings on plan investments	(2,282,728)	(2,660,858)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(637,733)	756,549
• Administrative expense	71,832	79,751
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	1,685,526	1,352,024
• Recognition of beginning of year deferred inflows of resources as pension expense	(775,021)	(881,984)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(90,687)</u>	<u>(103,402)</u>
<b>Pension Expense</b>	<b>\$1,411,069</b>	<b>\$2,374,551</b>

## Section 2: GASB 68 Information

### Pension expense (continued)

#### LARPD

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Components of Pension Expense	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Service cost	\$1,059,073	\$1,012,712
• Interest on the Total Pension Liability	4,174,391	3,726,119
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	5,123	(1,878)
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	288,337	786,419
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(526,414)	(495,864)
• Projected earnings on plan investments	(3,011,917)	(3,185,059)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(834,913)	858,169
• Administrative expense	95,324	75,689
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	2,630,272	1,125,010
• Recognition of beginning of year deferred inflows of resources as pension expense	(1,216,880)	(1,245,728)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(24,821)</u>	<u>(23,020)</u>
<b>Pension Expense</b>	<b>\$2,637,575</b>	<b>\$2,632,569</b>

## Section 2: GASB 68 Information

### Pension expense (continued)

#### ACOE

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Components of Pension Expense</b>		
• Service cost	\$2,140	\$0
• Interest on the Total Pension Liability	323,575	233,770
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	7,466	0
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	15,204	245,349
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	0	0
• Projected earnings on plan investments	(225,448)	(233,770)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	(59,843)	66,782
• Administrative expense	6,610	0
• Other	0	0
• Recognition of beginning of year deferred outflows of resources as pension expense	325,365	0
• Recognition of beginning of year deferred inflows of resources as pension expense	(5,617)	0
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(25,310)</u>	<u>(25,625)</u>
<b>Pension Expense</b>	<b>\$364,142</b>	<b>\$286,506</b>

## Section 2: GASB 68 Information

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

#### Total For All Employers

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$17,675,162	\$11,749,924
• Changes of assumptions or other inputs	213,019,224	360,441,014
• Difference between projected and actual earnings on pension plan investments	0	306,808,831
• Difference between expected and actual experience in the Total Pension Liability	<u>38,769,435</u>	<u>25,255,560</u>
• <b>Total Deferred Outflows of Resources</b>	<b>\$269,463,821</b>	<b>\$704,255,329</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$17,675,162	\$11,749,924
• Changes of assumptions or other inputs	26,949,122	37,859,697
• Difference between projected and actual earnings on pension plan investments	344,235,653	0
• Difference between expected and actual experience in the Total Pension Liability	<u>25,328,827</u>	<u>54,127,688</u>
• <b>Total Deferred Inflows of Resources</b>	<b>\$414,188,764</b>	<b>\$103,737,309</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 68 Year Ended June 30:</b>		
2020	N/A	\$221,916,683
2021	\$(28,021,962)	103,232,456
2022	(33,685,247)	97,569,171
2023	45,459,598	176,714,016
2024	(130,168,727)	1,085,694
2025	1,691,395	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

## Section 2: GASB 68 Information

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

#### Alameda County

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$6,558,962	\$2,466,421
• Changes of assumptions or other inputs	163,207,471	273,034,940
• Difference between projected and actual earnings on pension plan investments	0	227,497,573
• Difference between expected and actual experience in the Total Pension Liability	<u>29,709,753</u>	<u>19,752,967</u>
• <b>Total Deferred Outflows of Resources</b>	<b>\$199,476,186</b>	<b>\$522,751,901</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$4,280,444	\$6,013,423
• Changes of assumptions or other inputs	20,653,973	28,906,056
• Difference between projected and actual earnings on pension plan investments	248,325,745	0
• Difference between expected and actual experience in the Total Pension Liability	<u>17,068,065</u>	<u>36,780,980</u>
• <b>Total Deferred Inflows of Resources</b>	<b>\$290,328,227</b>	<b>\$71,700,459</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 68 Year Ended June 30:</b>		
2020	N/A	\$167,477,086
2021	\$(14,167,610)	79,881,492
2022	(19,997,698)	74,051,658
2023	35,078,873	128,801,761
2024	(93,482,224)	839,445
2025	1,716,618	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

## Section 2: GASB 68 Information

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

#### Health System

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$6,333,639	\$8,849,129
• Changes of assumptions or other inputs	38,885,514	69,408,590
• Difference between projected and actual earnings on pension plan investments	0	62,503,140
• Difference between expected and actual experience in the Total Pension Liability	<u>3,236,186</u>	<u>609,653</u>
• <b>Total Deferred Outflows of Resources</b>	<b>\$48,455,339</b>	<b>\$141,370,512</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$9,176,298	\$644,039
• Changes of assumptions or other inputs	4,906,548	7,110,910
• Difference between projected and actual earnings on pension plan investments	74,608,604	0
• Difference between expected and actual experience in the Total Pension Liability	<u>6,184,756</u>	<u>13,240,156</u>
• <b>Total Deferred Inflows of Resources</b>	<b>\$94,876,206</b>	<b>\$20,995,105</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 68 Year Ended June 30:</b>		
2020	N/A	\$44,158,803
2021	\$(11,363,434)	19,151,874
2022	(11,317,932)	19,188,842
2023	6,807,158	37,870,269
2024	(30,026,678)	5,619
2025	(519,981)	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

## Section 2: GASB 68 Information

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

#### Superior Court

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$4,077,438	\$64,308
• Changes of assumptions or other inputs	8,245,750	13,414,795
• Difference between projected and actual earnings on pension plan investments	0	12,080,159
• Difference between expected and actual experience in the Total Pension Liability	<u>686,240</u>	<u>117,829</u>
• <b>Total Deferred Outflows of Resources</b>	<b>\$13,009,428</b>	<b>\$25,677,091</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$3,103,677	\$4,469,239
• Changes of assumptions or other inputs	1,040,443	1,374,346
• Difference between projected and actual earnings on pension plan investments	15,820,901	0
• Difference between expected and actual experience in the Total Pension Liability	<u>1,311,490</u>	<u>2,558,963</u>
• <b>Total Deferred Inflows of Resources</b>	<b>\$21,276,511</b>	<b>\$8,402,548</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 68 Year Ended June 30:</b>		
2020	N/A	\$6,803,729
2021	\$(2,631,873)	2,161,138
2022	(2,634,423)	2,159,101
2023	1,823,355	6,360,819
2024	(5,217,750)	(210,244)
2025	393,608	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

## Section 2: GASB 68 Information

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

First 5

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$591,593	\$253,455
• Changes of assumptions or other inputs	861,018	1,401,642
• Difference between projected and actual earnings on pension plan investments	0	1,262,193
• Difference between expected and actual experience in the Total Pension Liability	<u>71,657</u>	<u>12,311</u>
• <b>Total Deferred Outflows of Resources</b>	<b>\$1,524,268</b>	<b>\$2,929,601</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$17,133	\$57,626
• Changes of assumptions or other inputs	108,643	143,598
• Difference between projected and actual earnings on pension plan investments	1,652,012	0
• Difference between expected and actual experience in the Total Pension Liability	<u>136,945</u>	<u>267,373</u>
• <b>Total Deferred Inflows of Resources</b>	<b>\$1,914,733</b>	<b>\$468,597</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 68 Year Ended June 30:</b>		
2020	N/A	\$889,984
2021	\$(93,805)	407,805
2022	(119,900)	381,763
2023	293,376	768,552
2024	(510,896)	12,900
2025	40,760	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

## Section 2: GASB 68 Information

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

#### Housing Authority

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$43,631	\$80,751
• Changes of assumptions or other inputs	866,226	1,662,569
• Difference between projected and actual earnings on pension plan investments	0	1,497,161
• Difference between expected and actual experience in the Total Pension Liability	<u>72,090</u>	<u>14,603</u>
<b>• Total Deferred Outflows of Resources</b>	<b>\$981,947</b>	<b>\$3,255,084</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$942,801	\$339,684
• Changes of assumptions or other inputs	109,300	170,330
• Difference between projected and actual earnings on pension plan investments	1,662,004	0
• Difference between expected and actual experience in the Total Pension Liability	<u>137,773</u>	<u>317,147</u>
<b>• Total Deferred Inflows of Resources</b>	<b>\$2,851,878</b>	<b>\$827,161</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 68 Year Ended June 30:</b>		
2020	N/A	\$916,918
2021	\$(477,732)	351,872
2022	(499,082)	330,126
2023	(41,117)	833,886
2024	(795,422)	(4,879)
2025	(56,578)	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

## Section 2: GASB 68 Information

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

#### LARPD

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1(1)</sup>	\$34,430	\$30,864
• Changes of assumptions or other inputs	934,042	1,518,478
• Difference between projected and actual earnings on pension plan investments	0	1,701,476
• Difference between expected and actual experience in the Total Pension Liability	<u>4,084,482</u>	<u>3,661,300</u>
• <b>Total Deferred Outflows of Resources</b>	<b>\$5,052,954</b>	<b>\$6,912,118</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$88,639	\$132,281
• Changes of assumptions or other inputs	118,194	154,457
• Difference between projected and actual earnings on pension plan investments	2,128,324	0
• Difference between expected and actual experience in the Total Pension Liability	<u>489,776</u>	<u>963,069</u>
• <b>Total Deferred Inflows of Resources</b>	<b>\$2,824,933</b>	<b>\$1,249,807</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 68 Year Ended June 30:</b>		
2020	N/A	\$1,383,342
2021	\$454,777	991,004
2022	631,897	1,171,424
2023	1,236,861	1,779,189
2024	(204,093)	337,352
2025	108,579	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

## Section 2: GASB 68 Information

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

#### ACOE

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
<b>Deferred Outflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$35,469	\$4,996
• Changes of assumptions or other inputs	19,203	0
• Difference between projected and actual earnings on pension plan investments	0	267,129
• Difference between expected and actual experience in the Total Pension Liability	<u>909,027</u>	<u>1,086,897</u>
• <b>Total Deferred Outflows of Resources</b>	<b>\$963,699</b>	<b>\$1,359,022</b>
<b>Deferred Inflows of Resources</b>		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$66,170	\$93,632
• Changes of assumptions or other inputs	12,021	0
• Difference between projected and actual earnings on pension plan investments	38,063	0
• Difference between expected and actual experience in the Total Pension Liability	<u>22</u>	<u>0</u>
• <b>Total Deferred Inflows of Resources</b>	<b>\$116,276</b>	<b>\$93,632</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
<b>Reporting Date for Employer under GASB 68 Year Ended June 30:</b>		
2020	N/A	\$286,821
2021	\$257,715	287,271
2022	251,891	286,257
2023	261,092	299,540
2024	68,336	105,501
2025	8,389	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 54 and 55 of GASB 68.

## Section 2: GASB 68 Information

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

There are changes in each employer's proportionate share of the total NPL during the measurement period ended December 31, 2019. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for the current period (i.e., 2019) is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through ACERA which is 5.37 years determined as of December 31, 2018 (the beginning of the measurement period ended December 31, 2019). This is described in Paragraph 33a. of GASB 68.

In addition, the difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended December 31, 2019 is recognized over the same period.

The net effects of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for prior periods are continued to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

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

- Calculating each active employees' 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.

## Section 2: GASB 68 Information

### Schedule of proportionate share of the net pension liability

Total for All Employers

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	100.000%	\$1,282,020,543	\$853,349,657	150.23%	81.62%
2015	100.000%	1,740,642,540	886,924,862	196.26%	77.26%
2016	100.000%	2,118,448,018	945,858,017	223.97%	73.43%
2017	100.000%	2,243,194,227	947,567,631	236.73%	73.33%
2018	100.000%	2,013,675,939	995,178,209	202.34%	77.93%
2019	100.000%	2,764,001,975	1,046,033,851	264.24%	71.01%
2020	100.000%	2,140,692,960	1,081,586,887	197.92%	78.51%

<sup>1</sup> For reporting dates on or after June 30, 2018, covered payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based. For reporting dates before June 30, 2018, covered payroll was referred to as covered-employee payroll and only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits was included.

## Section 2: GASB 68 Information

### Schedule of proportionate share of the net pension liability (continued)

#### Alameda County

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	79.664%	\$1,021,302,378	\$597,886,511	170.82%	80.13%
2015	78.293%	1,362,794,384	624,890,234	218.09%	75.95%
2016	77.434%	1,640,381,401	669,324,559	245.08%	72.23%
2017	77.697%	1,742,898,513	670,675,915	259.87%	72.10%
2018	78.526%	1,581,250,705	696,359,743	227.07%	76.50%
2019	76.913%	2,125,856,592	728,698,264	291.73%	69.77%
2020	78.452%	1,679,429,417	757,563,567	221.69%	77.25%

<sup>1</sup> For reporting dates on or after June 30, 2018, covered payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based. For reporting dates before June 30, 2018, covered payroll was referred to as covered-employee payroll and only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits was included.

## Section 2: GASB 68 Information

### Schedule of proportionate share of the net pension liability (continued)

#### Health System

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	15.499%	\$198,700,381	\$197,865,572	100.42%	85.92%
2015	16.779%	292,060,821	205,303,352	142.26%	81.06%
2016	17.436%	369,372,264	217,863,121	169.54%	76.89%
2017	17.285%	387,733,901	216,685,931	178.94%	76.88%
2018	16.959%	341,501,682	239,207,087	142.76%	81.93%
2019	18.147%	501,587,358	255,247,270	196.51%	74.56%
2020	16.608%	355,519,355	257,591,438	138.02%	82.22%

<sup>1</sup> For reporting dates on or after June 30, 2018, covered payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based. For reporting dates before June 30, 2018, covered payroll was referred to as covered-employee payroll and only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits was included.

## Section 2: GASB 68 Information

### Schedule of proportionate share of the net pension liability (continued)

#### Superior Court

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	3.554%	\$45,564,584	\$45,426,844	100.30%	85.92%
2015	3.695%	64,323,516	44,783,132	143.63%	81.06%
2016	3.880%	82,205,987	45,883,436	179.16%	76.89%
2017	3.806%	85,372,076	46,866,752	182.16%	76.88%
2018	3.413%	68,718,793	46,437,348	147.98%	81.93%
2019	3.507%	96,943,208	48,293,563	200.74%	74.56%
2020	3.522%	75,388,579	52,163,782	144.52%	82.22%

<sup>1</sup> For reporting dates on or after June 30, 2018, covered payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based. For reporting dates before June 30, 2018, covered payroll was referred to as covered-employee payroll and only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits was included.

## Section 2: GASB 68 Information

### Schedule of proportionate share of the net pension liability (continued)

First 5

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.321%	\$4,116,118	\$4,191,989	98.19%	85.92%
2015	0.326%	5,674,306	3,957,401	143.38%	81.06%
2016	0.349%	7,383,341	4,239,645	174.15%	76.89%
2017	0.358%	8,035,666	4,416,769	181.94%	76.88%
2018	0.334%	6,731,962	4,562,701	147.54%	81.93%
2019	0.366%	10,129,093	4,952,333	204.53%	74.56%
2020	0.368%	7,872,042	5,423,220	145.15%	82.22%

<sup>1</sup> For reporting dates on or after June 30, 2018, covered payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based. For reporting dates before June 30, 2018, covered payroll was referred to as covered-employee payroll and only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits was included.

## Section 2: GASB 68 Information

### Schedule of proportionate share of the net pension liability (continued)

#### Housing Authority

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.423%	\$5,418,947	\$4,112,203	131.78%	85.92%
2015	0.428%	7,455,335	4,002,650	186.26%	81.06%
2016	0.455%	9,644,104	4,272,082	225.75%	76.89%
2017	0.460%	10,314,924	4,354,275	236.89%	76.88%
2018	0.409%	8,244,509	4,299,288	191.76%	81.93%
2019	0.435%	12,014,705	4,512,036	266.28%	74.56%
2020	0.370%	7,919,662	4,347,895	182.15%	82.22%

<sup>1</sup> For reporting dates on or after June 30, 2018, covered payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based. For reporting dates before June 30, 2018, covered payroll was referred to as covered-employee payroll and only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits was included.

## Section 2: GASB 68 Information

### Schedule of proportionate share of the net pension liability (continued)

#### LARPD

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.532%	\$6,824,150	\$3,796,820	179.73%	78.70%
2015	0.471%	8,203,447	3,919,778	209.28%	76.82%
2016	0.438%	9,288,497	4,203,012	221.00%	75.39%
2017	0.385%	8,644,696	4,487,952	192.62%	77.76%
2018	0.359%	7,228,288	4,312,042	167.63%	82.99%
2019	0.572%	15,804,862	4,330,385	364.98%	72.74%
2020	0.640%	13,701,573	4,496,985	304.68%	77.82%

<sup>1</sup> For reporting dates on or after June 30, 2018, covered payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based. For reporting dates before June 30, 2018, covered payroll was referred to as covered-employee payroll and only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits was included.

## Section 2: GASB 68 Information

### Schedule of proportionate share of the net pension liability (continued)

ACOE

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered payroll <sup>1</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.007%	\$93,985	\$69,718	134.81%	85.92%
2015	0.008%	130,731	68,314	191.37%	81.06%
2016	0.008%	172,424	72,162	238.94%	76.89%
2017	0.009%	194,451	80,037	242.95%	76.88%
2018	0.000%	0	0	N/A	N/A
2019	0.060%	1,666,157	0	N/A	63.63%
2020	0.040%	862,332	0	N/A	81.56%

<sup>1</sup> For reporting dates on or after June 30, 2018, covered payroll shown represents Compensation Earnable and Pensionable Compensation and is defined as the payroll on which contributions to the pension plan are based. For reporting dates before June 30, 2018, covered payroll was referred to as covered-employee payroll and only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits was included.

## Section 2: GASB 68 Information

### Schedule of reconciliation of net pension liability

#### Total for All Employer

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Beginning Net Pension Liability	\$2,764,001,975	\$2,013,675,939
• Pension Expense	420,460,898	544,785,350
• Employer Contributions	(298,526,950)	(269,684,809)
• New Net Deferred Inflows/Outflows	(523,326,280)	593,064,553
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	0	0
• Recognition of Prior Deferred Inflows/Outflows	(221,916,683)	(117,839,058)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>0</u>	<u>0</u>
• <b>Ending Net Pension Liability</b>	<b>\$2,140,692,960</b>	<b>\$2,764,001,975</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GASB 68 Information

### Schedule of reconciliation of net pension liability (continued)

#### Alameda County

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Beginning Net Pension Liability	\$2,125,856,592	\$1,581,250,705
• Pension Expense	323,796,247	412,918,402
• Employer Contributions	(228,319,939)	(205,905,618)
• New Net Deferred Inflows/Outflows	(380,725,563)	429,077,731
• Change in Allocation of Prior Deferred Inflows/Outflows	1,824,055	14,420
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	5,158,666	1,418,030
• Recognition of Prior Deferred Inflows/Outflows	(168,827,495)	(93,677,725)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>666,854</u>	<u>760,647</u>
• <b>Ending Net Pension Liability</b>	<b>\$1,679,429,417</b>	<b>\$2,125,856,592</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GASB 68 Information

### Schedule of reconciliation of net pension liability (continued)

#### Health System

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Beginning Net Pension Liability	\$501,587,358	\$341,501,682
• Pension Expense	74,967,848	105,832,217
• Employer Contributions	(54,239,577)	(50,652,924)
• New Net Deferred Inflows/Outflows	(111,700,315)	125,839,447
• Change in Allocation of Prior Deferred Inflows/Outflows	(3,174,953)	31,227
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	(8,954,244)	555,492
• Recognition of Prior Deferred Inflows/Outflows	(40,873,257)	(19,623,123)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>(2,093,505)</u>	<u>(1,896,660)</u>
• <b>Ending Net Pension Liability</b>	<b>\$355,519,355</b>	<b>\$501,587,358</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GASB 68 Information

### Schedule of reconciliation of net pension liability (continued)

#### Superior Court

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Beginning Net Pension Liability	\$96,943,208	\$68,718,793
• Pension Expense	15,488,606	18,620,031
• Employer Contributions	(11,501,609)	(9,789,834)
• New Net Deferred Inflows/Outflows	(23,686,271)	24,321,347
• Change in Allocation of Prior Deferred Inflows/Outflows	1,433,208	(41,065)
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	4,052,343	(2,069,861)
• Recognition of Prior Deferred Inflows/Outflows	(8,667,255)	(3,792,617)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>1,326,349</u>	<u>976,414</u>
• <b>Ending Net Pension Liability</b>	<b>\$75,388,579</b>	<b>\$96,943,208</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GASB 68 Information

### Schedule of reconciliation of net pension liability (continued)

First 5

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Beginning Net Pension Liability	\$10,129,093	\$6,731,962
• Pension Expense	1,795,411	2,121,074
• Employer Contributions	(1,200,993)	(1,022,889)
• New Net Deferred Inflows/Outflows	(2,473,310)	2,541,212
• Change in Allocation of Prior Deferred Inflows/Outflows	148,241	3,478
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	419,147	142,975
• Recognition of Prior Deferred Inflows/Outflows	(905,031)	(396,271)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	(40,516)	<u>7,552</u>
• <b>Ending Net Pension Liability</b>	<b>\$7,872,042</b>	<b>\$10,129,093</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GASB 68 Information

### Schedule of reconciliation of net pension liability (continued)

#### Housing Authority

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Beginning Net Pension Liability	\$12,014,705	\$8,244,509
• Pension Expense	1,411,069	2,374,551
• Employer Contributions	(1,208,258)	(1,213,308)
• New Net Deferred Inflows/Outflows	(2,488,271)	3,014,279
• Change in Allocation of Prior Deferred Inflows/Outflows	(258,841)	(370)
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	(730,924)	(38,318)
• Recognition of Prior Deferred Inflows/Outflows	(910,505)	(470,040)
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>90,687</u>	<u>103,402</u>
• <b>Ending Net Pension Liability</b>	<b>\$7,919,662</b>	<b>\$12,014,705</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GASB 68 Information

### Schedule of reconciliation of net pension liability (continued)

#### LARPD

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Beginning Net Pension Liability	\$15,804,862	\$7,228,288
• Pension Expense	2,637,575	2,632,569
• Employer Contributions	(1,306,574)	(1,100,236)
• New Net Deferred Inflows/Outflows	(2,079,619)	6,916,511
• Change in Allocation of Prior Deferred Inflows/Outflows	11,513	(7,690)
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	22,387	(8,318)
• Recognition of Prior Deferred Inflows/Outflows	(1,413,392)	120,718
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>24,821</u>	<u>23,020</u>
• <b>Ending Net Pension Liability</b>	<b>\$13,701,573</b>	<b>\$15,804,862</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GASB 68 Information

### Schedule of reconciliation of net pension liability (continued)

#### ACOE

Reporting Date for Employer under GASB 68 Measurement Date for Employer under GASB 68 Reconciliation of Net Pension Liability	June 30, 2020 December 31, 2019	June 30, 2019 December 31, 2018
• Beginning Net Pension Liability	\$1,666,157	\$0
• Pension Expense	364,142	286,506
• Employer Contributions	(750,000)	0
• New Net Deferred Inflows/Outflows	(172,931)	1,354,026
• Change in Allocation of Prior Deferred Inflows/Outflows	16,777	0
• New Net Deferred Flows Due to Change in Proportion <sup>1</sup>	32,625	0
• Recognition of Prior Deferred Inflows/Outflows	(319,748)	0
• Recognition of Prior Deferred Flows Due to Change in Proportion <sup>1</sup>	<u>25,310</u>	<u>25,625</u>
• <b>Ending Net Pension Liability</b>	<b>\$862,332</b>	<b>\$1,666,157</b>

<sup>1</sup> Includes differences between employer contributions and proportionate share of contributions.

## Section 2: GASB 68 Information

### Schedule of recognition of changes in total Net Pension Liability

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

Reporting Date for Employer Under GASB 68 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	Reporting Date for Employer under GASB 68 Year Ended June 30:							
			2015	2016	2017	2018	2019	2020	2021	2022
2015	\$(85,378,608)	5.68	\$(15,031,445)	\$(15,031,445)	\$(15,031,445)	\$(15,031,445)	\$(15,031,445)	\$(10,221,383)	\$0	\$0
2016	(31,964,793)	5.64	N/A	(5,667,516)	(5,667,516)	(5,667,516)	(5,667,516)	(5,667,516)	(3,627,213)	0
2017	(68,175,766)	5.60	N/A	N/A	(12,174,244)	(12,174,244)	(12,174,244)	(12,174,244)	(12,174,244)	(7,304,546)
2018	17,516,316	5.47	N/A	N/A	N/A	3,202,252	3,202,252	3,202,252	3,202,252	3,202,252
2019	13,710,084	5.43	N/A	N/A	N/A	N/A	2,524,878	2,524,878	2,524,878	2,524,878
2020	24,548,055	5.37	N/A	N/A	N/A	N/A	N/A	4,571,332	4,571,332	4,571,332
<b>Net increase (decrease) in pension expense</b>			<b>\$(15,031,445)</b>	<b>\$(20,698,961)</b>	<b>\$(32,873,205)</b>	<b>\$(29,670,953)</b>	<b>\$(27,146,075)</b>	<b>\$(17,764,681)</b>	<b>\$(5,502,995)</b>	<b>\$2,993,916</b>

Reporting Date for Employer Under GASB 68 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	Reporting Date for Employer under GASB 68 Year Ended June 30:							
			2023	2024	2025	2026	2027	2028	2029	2030
2015	\$(85,378,608)	5.68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	(31,964,793)	5.64	0	0	0	0	0	0	0	0
2017	(68,175,766)	5.60	0	0	0	0	0	0	0	0
2018	17,516,316	5.47	1,505,056	0	0	0	0	0	0	0
2019	13,710,084	5.43	2,524,878	1,085,694	0	0	0	0	0	0
2020	24,548,055	5.37	4,571,332	4,571,332	1,691,395	0	0	0	0	0
<b>Net increase (decrease) in pension expense</b>			<b>\$8,601,266</b>	<b>\$5,657,026</b>	<b>\$1,691,395</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 pensions through ACERA (active and inactive employees) determined as of December 31, 2018 (the beginning of the measurement period ending December 31, 2019) is 5.37 years.

## Section 2: GASB 68 Information

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

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

Reporting Date for Employer Under GASB 68 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GASB 68 Year Ended June 30:							
			2015	2016	2017	2018	2019	2020	2021	2022
2015	\$431,863,478	5.68	\$76,032,302	\$76,032,302	\$76,032,302	\$76,032,302	\$76,032,302	\$51,701,968	\$0	\$0
2016	0	5.64	N/A	0	0	0	0	0	0	0
2017	150,676,929	5.60	N/A	N/A	26,906,594	26,906,594	26,906,594	26,906,594	26,906,594	16,143,959
2018	316,727,508	5.47	N/A	N/A	N/A	57,902,653	57,902,653	57,902,653	57,902,653	57,902,653
2019	0	5.43	N/A	N/A	N/A	N/A	0	0	0	0
2020	0	5.37	N/A	N/A	N/A	N/A	N/A	0	0	0
<b>Net increase (decrease) in pension expense</b>			<b>\$76,032,302</b>	<b>\$76,032,302</b>	<b>\$102,938,896</b>	<b>\$160,841,549</b>	<b>\$160,841,549</b>	<b>\$136,511,215</b>	<b>\$84,809,247</b>	<b>\$74,046,612</b>

Reporting Date for Employer Under GASB 68 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GASB 68 Year Ended June 30:							
			2023	2024	2025	2026	2027	2028	2029	2030
2015	\$431,863,478	5.68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	0	5.64	0	0	0	0	0	0	0	0
2017	150,676,929	5.60	0	0	0	0	0	0	0	0
2018	316,727,508	5.47	27,214,243	0	0	0	0	0	0	0
2019	0	5.43	0	0	0	0	0	0	0	0
2020	0	5.37	0	0	0	0	0	0	0	0
<b>Net increase (decrease) in pension expense</b>			<b>\$27,214,243</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 pensions through ACERA (active and inactive employees) determined as of December 31, 2018 (the beginning of the measurement period ending December 31, 2019) is 5.37 years.

## Section 2: GASB 68 Information

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

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

Reporting Date for Employer Under GASB 68 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GASB 68 Year Ended June 30:							
			2015	2016	2017	2018	2019	2020	2021	2022
2015	\$121,984,072	5.00	\$24,396,814	\$24,396,814	\$24,396,814	\$24,396,814	\$24,396,816	\$0	\$0	\$0
2016	396,219,729	5.00	N/A	79,243,946	79,243,946	79,243,946	79,243,946	79,243,945	0	0
2017	16,987,820	5.00	N/A	N/A	3,397,564	3,397,564	3,397,564	3,397,564	3,397,564	0
2018	(601,849,317)	5.00	N/A	N/A	N/A	(120,369,864)	(120,369,864)	(120,369,864)	(120,369,864)	(120,369,861)
2019	727,349,183	5.00	N/A	N/A	N/A	N/A	145,469,836	145,469,836	145,469,836	145,469,836
2020	(679,128,753)	5.00	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>(135,825,750)</u>	<u>(135,825,750)</u>	<u>(135,825,750)</u>
<b>Net increase (decrease) in pension expense</b>			<b>\$24,396,814</b>	<b>\$103,640,760</b>	<b>\$107,038,324</b>	<b>\$(13,331,540)</b>	<b>\$132,138,298</b>	<b>\$(28,084,269)</b>	<b>\$(107,328,214)</b>	<b>\$(110,725,775)</b>

Reporting Date for Employer Under GASB 68 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GASB 68 Year Ended June 30:							
			2023	2024	2025	2026	2027	2028	2029	2030
2015	\$121,984,072	5.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	396,219,729	5.00	0	0	0	0	0	0	0	0
2017	16,987,820	5.00	0	0	0	0	0	0	0	0
2018	(601,849,317)	5.00	0	0	0	0	0	0	0	0
2019	727,349,183	5.00	145,469,839	0	0	0	0	0	0	0
2020	(679,128,753)	5.00	<u>(135,825,750)</u>	<u>(135,825,753)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net increase (decrease) in pension expense</b>			<b>\$9,644,089</b>	<b>\$(135,825,753)</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 pension plan investments are recognized over a five-year period per Paragraph 33b. of GASB 68.

## Section 2: GASB 68 Information

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

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

Reporting Date for Employer Under GASB 68 Year Ended June 30	Total Differences and Changes	Reporting Date for Employer under GASB 68 Year Ended June 30:							
		2015	2016	2017	2018	2019	2020	2021	2022
		2015	\$468,468,942	\$85,397,671	\$85,397,671	\$85,397,671	\$85,397,671	\$85,397,673	\$41,480,585
2016	364,254,936	N/A	73,576,430	73,576,430	73,576,430	73,576,430	73,576,429	(3,627,213)	0
2017	99,488,983	N/A	N/A	18,129,914	18,129,914	18,129,914	18,129,914	18,129,914	8,839,413
2018	(267,605,493)	N/A	N/A	N/A	(59,264,959)	(59,264,959)	(59,264,959)	(59,264,959)	(59,264,956)
2019	741,059,267	N/A	N/A	N/A	N/A	147,994,714	147,994,714	147,994,714	147,994,714
2020	(654,580,698)	N/A	N/A	N/A	N/A	N/A	(131,254,418)	(131,254,418)	(131,254,418)
<b>Net increase (decrease) in pension expense</b>		<b>\$85,397,671</b>	<b>\$158,974,101</b>	<b>\$177,104,015</b>	<b>\$117,839,056</b>	<b>\$265,833,772</b>	<b>\$90,662,265</b>	<b>\$(28,021,962)</b>	<b>\$(33,685,247)</b>

Reporting Date for Employer under GASB 68 Year Ended June 30	Total Differences and Changes	Reporting Date for Employer under GASB 68 Year Ended June 30:							
		2023	2024	2025	2026	2027	2028	2029	2030
		2015	\$468,468,942	\$0	\$0	\$0	\$0	\$0	\$0
2016	364,254,936	0	0	0	0	0	0	0	0
2017	99,488,983	0	0	0	0	0	0	0	0
2018	(267,605,493)	28,719,299	0	0	0	0	0	0	0
2019	741,059,267	147,994,717	1,085,694	0	0	0	0	0	0
2020	(654,580,698)	(131,254,418)	(131,254,421)	1,691,395	0	0	0	0	0
<b>Net increase (decrease) in pension expense</b>		<b>\$45,459,598</b>	<b>\$(130,168,727)</b>	<b>\$1,691,395</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GASB 68 Information

### **Allocation of changes in total Net Pension Liability**

In addition to the amounts shown in the Schedule of Recognition of Changes in Total Net Pension Liability, there are changes in each employer's proportionate share of the total Net Pension Liability (NPL) during the measurement period ending on December 31, 2019. The net effect of the change in the employer's proportionate share of the collective NPL 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 above. The difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ending on December 31, 2019 is recognized over the same periods. These amounts are shown on the following table, with the corresponding amounts for the measurement periods ending on December 31 beginning in 2014 shown on the following pages. While these amounts are different for each employer, they sum to zero over the entire ACERA.

## Section 2: GASB 68 Information

### Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension 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	Thereafter
Alameda County	\$6,339,140	5.37	\$1,180,474	\$1,180,474	\$1,180,474	\$1,180,474	\$1,180,474	\$436,770	\$0
Health System	(11,003,271)	5.37	(2,049,027)	(2,049,027)	(2,049,027)	(2,049,027)	(2,049,027)	(758,136)	0
Superior Court	4,979,652	5.37	927,309	927,309	927,309	927,309	927,309	343,107	0
First 5	515,062	5.37	95,915	95,915	95,915	95,915	95,915	35,487	0
Housing Authority	(898,184)	5.37	(167,260)	(167,260)	(167,260)	(167,260)	(167,260)	(61,884)	0
LARPD	27,510	5.37	5,123	5,123	5,123	5,123	5,123	1,895	0
ACOE	<u>40,091</u>	5.37	<u>7,466</u>	<u>7,466</u>	<u>7,466</u>	<u>7,466</u>	<u>7,466</u>	<u>2,761</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>

## Section 2: GASB 68 Information

### Allocation of changes in total Net Pension Liability (continued)-

Increase (Decrease) in Pension 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	Thereafter
Alameda County	\$1,738,127	5.43	\$320,097	\$320,097	\$320,097	\$320,097	\$320,097	\$137,642	\$0
Health System	680,885	5.43	125,393	125,393	125,393	125,393	125,393	53,920	0
Superior Court	(2,537,099)	5.43	(467,238)	(467,238)	(467,238)	(467,238)	(467,238)	(200,909)	0
First 5	175,250	5.43	32,275	32,275	32,275	32,275	32,275	13,875	0
Housing Authority	(46,967)	5.43	(8,649)	(8,649)	(8,649)	(8,649)	(8,649)	(3,722)	0
LARPD	(10,196)	5.43	(1,878)	(1,878)	(1,878)	(1,878)	(1,878)	(806)	0
ACOE	<u>0</u>	5.43	<u>0</u>						
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>						

## Section 2: GASB 68 Information

### Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension 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	Thereafter
Alameda County	\$(9,479,381)	5.47	\$(1,732,979)	\$(1,732,979)	\$(1,732,979)	\$(1,732,979)	\$(1,732,979)	\$(814,486)	\$0
Health System	13,073,831	5.47	2,390,097	2,390,097	2,390,097	2,390,097	2,390,097	1,123,346	0
Superior Court	(2,908,250)	5.47	(531,672)	(531,672)	(531,672)	(531,672)	(531,672)	(249,890)	0
First 5	(37,941)	5.47	(6,936)	(6,936)	(6,936)	(6,936)	(6,936)	(3,261)	0
Housing Authority	(403,509)	5.47	(73,767)	(73,767)	(73,767)	(73,767)	(73,767)	(34,674)	0
LARPD	(98,213)	5.47	(17,954)	(17,954)	(17,954)	(17,954)	(17,954)	(8,443)	0
ACOE	<u>(146,537)</u>	5.47	<u>(26,789)</u>	<u>(26,789)</u>	<u>(26,789)</u>	<u>(26,789)</u>	<u>(26,789)</u>	<u>(12,592)</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>

## Section 2: GASB 68 Information

### Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2016

	Total Change to be Recognized	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	Thereafter
Alameda County	\$773,839	5.60	\$138,186	\$138,185	\$138,185	\$138,185	\$138,185	\$82,913	\$0
Health System	(286,750)	5.60	(51,206)	(51,205)	(51,205)	(51,205)	(51,205)	(30,724)	0
Superior Court	(657,369)	5.60	(117,388)	(117,387)	(117,387)	(117,387)	(117,387)	(70,433)	0
First 5	178,251	5.60	31,831	31,830	31,830	31,830	31,830	19,100	0
Housing Authority	115,948	5.60	20,705	20,705	20,705	20,705	20,705	12,423	0
LARPD	(132,463)	5.60	(23,653)	(23,654)	(23,654)	(23,654)	(23,654)	(14,194)	0
ACOE	<u>8,544</u>	5.60	<u>1,525</u>	<u>1,526</u>	<u>1,526</u>	<u>1,526</u>	<u>1,526</u>	<u>915</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>

## Section 2: GASB 68 Information

### Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2015

	Total Change to be Recognized	Recognition Period (Years)	2016	2017	2018	2019	2020	2021	Thereafter
Alameda County	\$716,115	5.64	\$126,970	\$126,970	\$126,970	\$126,970	\$126,970	\$81,265	\$0
Health System	(1,234,870)	5.64	(218,949)	(218,949)	(218,949)	(218,949)	(218,949)	(140,125)	0
Superior Court	221,160	5.64	39,213	39,213	39,213	39,213	39,213	25,095	0
First 5	95,336	5.64	16,904	16,904	16,904	16,904	16,904	10,816	0
Housing Authority	92,578	5.64	16,415	16,415	16,415	16,415	16,415	10,503	0
LARPD	106,148	5.64	18,821	18,821	18,821	18,821	18,821	12,043	0
ACOE	<u>3,533</u>	5.64	<u>626</u>	<u>626</u>	<u>626</u>	<u>626</u>	<u>626</u>	<u>403</u>	<u>0</u>
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>						

## Section 2: GASB 68 Information

### Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended December 31, 2014

	Total Change to be Recognized	Recognition Period (Years)	2015	2016	2017	2018	2019	2020	Thereafter
Alameda County	\$4,016,758	5.68	\$707,177	\$707,177	\$707,177	\$707,177	\$707,177	\$480,873	\$0
Health System	(1,268,246)	5.68	(223,283)	(223,283)	(223,283)	(223,283)	(223,283)	(151,831)	0
Superior Court	(2,082,105)	5.68	(366,568)	(366,568)	(366,568)	(366,568)	(366,568)	(249,265)	0
First 5	(280,307)	5.68	(49,350)	(49,350)	(49,350)	(49,350)	(49,350)	(33,557)	0
Housing Authority	(379,166)	5.68	(66,755)	(66,755)	(66,755)	(66,755)	(66,755)	(45,391)	0
LARPD	(1,321)	5.68	(233)	(233)	(233)	(233)	(233)	(156)	0
ACOE	<u>(5,613)</u>	5.68	<u>(988)</u>	<u>(988)</u>	<u>(988)</u>	<u>(988)</u>	<u>(988)</u>	<u>(673)</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>

# Section 3: Actuarial Assumptions and Methods and Appendices

## Actuarial assumptions and methods

For December 31, 2019 Measurement Date and Employer Reporting as of June 30, 2020

<b>Rationale for Assumptions:</b>	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the December 1, 2013 through November 30, 2016 Actuarial Experience Study report dated September 6, 2017. Unless otherwise noted, all actuarial assumptions and methods shown below apply to all tiers. These assumptions were adopted by the Board.
<b><u>Economic Assumptions</u></b>	
<b>Net Investment Return:</b>	7.25%; net of investment expenses.
<b>Employee Contribution Crediting Rate:</b>	7.25%, compounded semi-annually.
<b>Consumer Price Index:</b>	Increase of 3.00% per year. Retiree COLA increases due to CPI are subject to a 3% maximum change per year for General Tier 1, General Tier 3, and Safety Tier 1, and 2% maximum change per year for General Tier 2, General Tier 4, Safety Tier 2, Safety Tier 2C, Safety Tier 2D, and Safety Tier 4.
<b>Payroll Growth:</b>	Inflation of 3.00% per year plus real “across the board” salary increases of 0.50% per year, used to amortize the Unfunded Actuarial Accrued Liability as a level percentage of payroll.
<b>Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:</b>	Increase of 3.00% per year from the valuation date.
<b>Increase in Section 7522.10 Compensation Limit:</b>	Increase of 3.00% 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 3.00%, 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	4.80	7.80
1-2	4.80	7.80
2-3	3.90	7.00
3-4	2.40	4.40
4-5	1.90	3.50
5-6	1.60	2.30
6-7	1.50	1.60
7-8	1.10	1.00
8-9	0.80	1.00
9-10	0.80	0.90
10-11	0.50	0.80
11 & Over	0.40	0.80

### Terminal Pay Assumptions:

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

	Service Retirement	Disability Retirement
General Tier 1	8.0%	6.5%
General Tier 2	3.0%	1.4%
General Tier 3	8.0%	6.5%
General Tier 4	N/A	N/A
Safety Tier 1	8.5%	6.4%
Safety Tier 2	3.5%	2.1%
Safety Tier 2C	3.5%	2.1%
Safety Tier 2D	3.5%	2.1%
Safety Tier 4	N/A	N/A

## Section 3: Actuarial Assumptions and Methods and Appendices

### Demographic Assumptions:

#### Post-Retirement Mortality Rates:

##### *Healthy*

- **General Members and All Beneficiaries:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, with no setback for males and females, projected generationally with the two-dimensional MP-2016 projection scale.
- **Safety Members:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, with no setback for males and females, projected generationally with the two-dimensional MP-2016 projection scale.

##### *Disabled*

- **General Members:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, set forward seven years for males and set forward four years for females, projected generationally with the two-dimensional MP-2016 projection scale.
- **Safety Members:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, set forward two years for males and with no set forward for females, projected generationally with the two-dimensional MP-2016 projection scale.

The RPH-2014 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.

#### Pre-Retirement Mortality Rates:

- **General and Safety Members:** Headcount-Weighted RP-2014 (RPH-2014) Employee Mortality Tables multiplied by 80%, projected generationally with the two-dimensional MP-2016 projection scale.

Age	Rate (%)			
	General <sup>1</sup>		Safety <sup>1</sup>	
	Male	Female	Male	Female
20	0.05	0.02	0.05	0.02
25	0.05	0.02	0.05	0.02
30	0.05	0.02	0.05	0.02
35	0.05	0.03	0.05	0.03
40	0.06	0.04	0.06	0.04
45	0.10	0.07	0.10	0.07
50	0.17	0.11	0.17	0.11
55	0.27	0.17	0.27	0.17
60	0.45	0.24	0.45	0.24
65	0.78	0.36	0.78	0.36

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

<sup>1</sup> Generational projections beyond the base year (2014) are not reflected in the above mortality rates.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Mortality Rates for Member Contributions:

- **General Members:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, with no setback for males and females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016, weighted 30% male and 70% female.
- **Safety Members:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, with no setback for males and females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016, weighted 75% male and 25% female.

### Optional Forms of Benefit:

#### *Service Retirement and All Beneficiaries*

- **General Members:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, with no setback for males and females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016, weighted 30% male and 70% female.
- **General Beneficiaries:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, with no setback for males and females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016, weighted 70% male and 30% female.
- **Safety Members:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, with no setback for males and females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016, weighted 75% male and 25% female.
- **Safety Beneficiaries:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, with no setback for males and females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016, weighted 25% male and 75% female.

#### *Disability Retirement*

- **General Members:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, set forward seven years for males and set forward four years for females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016, weighted 30% male and 70% female.
- **Safety Members:** Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, set forward two years for males and with no set forward for females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016, weighted 75% male and 25% female.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Disability Incidence:

Age	Rate (%)	
	General	Safety
20	0.00	0.00
25	0.01	0.03
30	0.03	0.26
35	0.05	0.58
40	0.08	0.73
45	0.19	0.78
50	0.31	1.52
55	0.38	2.00
60	0.43	2.60

60% of General disabilities are assumed to be service connected disabilities. The other 40% 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:

#### *Less Than Five Years of Service*

Years of Service	Rate (%)	
	General	Safety
0-1	11.00	4.00
1-2	9.00	3.50
2-3	8.00	3.50
3-4	6.00	2.50
4-5	6.00	2.00

60% of all terminated members with less than 5 years of service are assumed to choose a refund of contributions. The other 40% are assumed to choose a deferred vested benefit.

#### *Five or More Years of Service*

Age	Rate (%)	
	General	Safety
20	6.00	2.00
25	6.00	2.00
30	5.40	2.00
35	4.40	1.70
40	3.40	1.20
45	3.00	1.00
50	3.00	1.00
55	3.00	1.00
60	3.00	0.40

35% of all terminated members with 5 or more years of service are assumed to choose a refund of contributions. The other 65% are assumed to choose a deferred vested benefit.

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is present).

## Section 3: Actuarial Assumptions and Methods and Appendices

### Retirement Rates:

Age	Rate (%) <sup>1</sup>							
	General				Safety			
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 1 <sup>2</sup>	Tier 2, 2D <sup>2</sup>	Tier 2C <sup>2</sup>	Tier 4
49	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00
50	4.00	2.00	6.00	0.00	35.00	15.00	4.00	4.00
51	4.00	2.00	3.00	0.00	30.00	15.00	2.00	2.00
52	4.00	2.00	5.00	4.00	25.00	15.00	2.00	2.00
53	4.00	2.00	6.00	1.50	35.00	15.00	3.00	3.00
54	4.00	2.00	6.00	1.50	45.00	15.00	6.00	6.00
55	6.00	2.00	12.00	2.00	45.00	15.00	10.00	10.00
56	8.00	3.00	13.00	2.50	45.00	15.00	12.00	12.00
57	10.00	4.00	13.00	3.50	45.00	15.00	20.00	20.00
58	12.00	4.00	14.00	3.50	45.00	20.00	10.00	10.00
59	14.00	5.00	16.00	4.50	45.00	20.00	15.00	15.00
60	20.00	7.00	21.00	6.00	45.00	30.00	60.00	60.00
61	20.00	9.00	20.00	8.00	45.00	30.00	60.00	60.00
62	35.00	15.00	30.00	18.00	45.00	30.00	60.00	60.00
63	30.00	16.00	25.00	15.00	45.00	30.00	60.00	60.00
64	30.00	18.00	25.00	17.00	45.00	50.00	60.00	60.00
65	35.00	25.00	30.00	22.00	100.00	100.00	100.00	100.00
66	35.00	25.00	25.00	25.00	100.00	100.00	100.00	100.00
67	30.00	25.00	25.00	25.00	100.00	100.00	100.00	100.00
68	30.00	30.00	25.00	30.00	100.00	100.00	100.00	100.00
69	35.00	35.00	50.00	35.00	100.00	100.00	100.00	100.00
70	65.00	50.00	65.00	50.00	100.00	100.00	100.00	100.00
71	65.00	50.00	65.00	50.00	100.00	100.00	100.00	100.00
72	65.00	50.00	65.00	50.00	100.00	100.00	100.00	100.00
73	65.00	50.00	65.00	50.00	100.00	100.00	100.00	100.00
74	65.00	50.00	65.00	50.00	100.00	100.00	100.00	100.00
75	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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

<sup>2</sup> Retirement rate is 100% after a member accrues a benefit of 100% of final average earnings.

### Retirement Age and Benefit for Deferred Vested Members:

General Retirement Age: 61  
 Safety Retirement Age: 56

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.

## Section 3: Actuarial Assumptions and Methods and Appendices

	30% of future General and 60% of future Safety deferred vested members are assumed to continue to work for a reciprocal employer. For reciprocals, 3.90% and 4.30% compensation increases are assumed per annum for General and Safety, respectively.
<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 0.006 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 Adjustment:</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>Form of Payment:</b>	All active and inactive vested members are assumed to elect the unmodified option at retirement.
<b>Percent Married:</b>	70% of male members; 50% of female members.
<b>Age and Gender of Spouse:</b>	For all active and inactive members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.
<b>Actuarial Cost Method:</b>	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.
<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>
<b>Justification for Change in Actuarial Assumptions:</b>	There have been no changes in actuarial assumptions since the last valuation.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Appendix A: Projection of Plan's Fiduciary Net Position for Use in the Calculation of Discount Rate as of December 31, 2019 (\$ in millions)

Year Beginning January 1,	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2019	6,771	402	504	15	1,076	7,730
2020	7,730 **	391	581	18	550	8,071
2021	8,071	395	609	19	574	8,413
2022	8,413	397	638	19	597	8,749
2023	8,749	402	668	20	621	9,083
2024	9,083	405	698	21	644	9,412
2025	9,412	411	729	22	666	9,739
2026	9,739	418	759	22	689	10,064
2027	10,064	426	790	23	712	10,389
2043	11,818	226	1,155	27	816	11,678
2044	11,678	231	1,164	27	806	11,524
2045	11,524	230	1,171	27	794	11,351
2046	11,351	229	1,177	26	782	11,158
2047	11,158	227	1,181	26	767	10,945
2089	237	35	102	1	14	184
2090	184	32	86	0 *	11	140
2091	140	28	72	0 *	8	104
2092	104	25	59	0 *	6	76
2093	76	22	48	0 *	4	54
2094	54	20	39	0 *	3	37
2095	37	17	31	0 *	2	25
2096	25	15	25	0 *	1	16
2097	16	13	19	0 *	1	10
2098	10	11	15	0 *	1	7
2099	7	9	12	0 *	0 *	4
2109	2	1	1	0 *	0 *	1
2110	1	1	1	0 *	0 *	1
2111	1	1	1	0 *	0 *	1
2112	1	0 *	1	0 *	0 *	0
2113	0 *	0 *	0 *	0 *	0 *	0
2133	0 *	0 *	0 *	0 *	0 *	0
2134	0 *	0 *	0 *	0 *	0 *	0
2134	Discounted Value: 0 **, **					

\* Less than \$1M, when rounded.

\*\* Excludes \$89.4 million required to bring the Contingency Reserve to 1% of total assets as of December 31, 2019. See Note 2.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Notes

1. Amounts may not total exactly due to rounding.
2. Amounts shown in the year beginning January 1, 2019 row are actual amounts, based on the financial statements provided by ACERA. The Plan Fiduciary Net Position as of December 31, 2019 differs from the amount used for other GASB 67 purposes in that it excludes \$89,388,911 of the Gross Market Stabilization Reserve expected to be used to bring the Contingency Reserve up to 1% of total assets. These assets are not used in developing the projected total contributions in column (b).
3. Years 2028-2042, 2048-2088, 2100-2108, and 2114-2132 have been omitted from this table.
4. Column (a): Except for the "discounted value" shown for 2134, all of the projected beginning plan fiduciary net position amounts shown have not been adjusted for the time value of money.
5. Column (b): Projected total contributions include employee and employer normal cost contributions based on closed group projections (based on covered active members as of November 30, 2018); plus employer contributions to the unfunded actuarial accrued liability; plus employer contributions to fund each year's annual administrative expenses as well as future allocations of excess earnings to the SRBR under ACERA's funding policy, both reflecting a 20-year amortization schedule. Contributions are assumed to occur halfway through the year, on average.
6. Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of November 30, 2018. The projected benefit payments reflect the cost of living increase assumption of 3.00% per annum for Tiers 1 and 3, and 2.00% per annum for Tiers 2 and 4. The projected benefit payments include the Non-OPEB Supplemental Retiree Benefits Reserve (SRBR) benefits to the extent the current Non-OPEB SRBR supports those benefits. Benefit payments are assumed to occur halfway through the year, on average. In accordance with paragraph 31.b.(1)(e) of GASB Statement No. 67, the long-term expected rate of return on Plan investments of 7.25% per annum was applied to all periods of projected benefit payments to determine the discount rate.  
  
In addition, the projected benefit payments in column (c) include an amount equal to 0.60% of the beginning-of-year market value to reflect the approximated outflow of future allocations to the SRBR. This outflow has an estimated present value of \$0.84 billion. This present value of outflow is expected to be sufficient to pay for the remaining present value of the non-OPEB SRBR benefits of \$0.19 billion as well as the remaining present value of the OPEB SRBR benefits of \$0.34 billion.
7. Column (d): Projected administrative expenses are calculated as approximately 0.23% of the beginning plan fiduciary net position amount. The 0.23% portion was based on the actual fiscal year 2019 administrative expenses as a percentage of the beginning plan fiduciary net position amount as of January 1, 2019. 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 7.25% per annum.
9. As illustrated in this Exhibit, the 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 7.25% per annum was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2019 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

## Section 3: Actuarial Assumptions and Methods and Appendices

### Appendix B: Definition of Terms

Definitions of certain terms as they are used in Statement 68. The terms may have different meanings in other contexts.

<b>Active Employees</b>	Individuals employed at the end of the reporting or measurement period, as applicable.
<b>Actual Contributions</b>	Cash contributions recognized as additions to a Pension Plan's Fiduciary Net Position.
<b>Actuarial Present Value of Projected Benefit Payments</b>	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
<b>Actuarial valuation</b>	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
<b>Actuarial Valuation Date</b>	The date as of which an actuarial valuation is performed.
<b>Actuarially Determined Contribution</b>	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
<b>Ad Hoc Cost-of-Living Adjustments (Ad Hoc COLAs)</b>	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
<b>Ad Hoc Postemployment Benefit Changes</b>	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
<b>Automatic Cost-of-Living Adjustments (Automatic COLAs)</b>	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
<b>Automatic Postemployment Benefit Changes</b>	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
<b>Closed Period</b>	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
<b>Collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</b>	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.
<b>Collective Net Pension Liability</b>	The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.

## Section 3: Actuarial Assumptions and Methods and Appendices

<b>Collective Pension Expense</b>	Pension expense arising from certain changes in the collective Net Pension Liability.
<b>Contributions</b>	Additions to a Pension Plan's Fiduciary Net Position for amounts from employers, nonemployer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
<b>Cost-of-Living Adjustments</b>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<b>Cost-Sharing Employer</b>	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
<b>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost-Sharing Pension Plan)</b>	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
<b>Covered Payroll</b>	Payroll on which contributions to a pension plan are based.
<b>Defined Benefit Pension Plans</b>	Pension plans that are used to provide defined benefit pensions.
<b>Defined Benefit Pensions</b>	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement 68.)
<b>Defined Contribution Pension Plans</b>	Pension plans that are used to provide defined contribution pensions.
<b>Defined Contribution Pensions</b>	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
<b>Discount Rate</b>	The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following: <ol style="list-style-type: none"> <li>1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan's Fiduciary Net Position is projected (under the requirements of Statement 67) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments.</li> <li>2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.</li> </ol>

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<b>Entry Age Actuarial Cost Method</b>	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the <i>normal cost</i> . The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the <i>actuarial accrued liability</i> .
<b>Inactive Employees</b>	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
<b>Measurement Period</b>	The period between the prior and the current measurement dates.
<b>Multiple-Employer Defined Benefit Pension Plan</b>	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<b>Net Pension Liability</b>	The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.
<b>Other Postemployment Benefits</b>	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
<b>Pension Plans</b>	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.
<b>Pensions</b>	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
<b>Plan Members</b>	Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
<b>Postemployment</b>	The period after employment.
<b>Postemployment Benefit Changes</b>	Adjustments to the pension of an inactive employee.
<b>Projected Benefit Payments</b>	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
<b>Public Employee Retirement System</b>	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
<b>Real Rate of Return</b>	The rate of return on an investment after adjustment to eliminate inflation.

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<b>Service Costs</b>	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
<b>Termination Benefits</b>	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
<b>Total Pension Liability</b>	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 68.

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