COUNTY OF NAPA
RETIREE HEALTHCARE PLAN

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

June 30, 2023 OPEB Actuarial Valuation

Plan Funding for 2025/26 and 2026/27

Doug Pryor, ASA, EA, MAAA
Tak Frazita, FSA, EA, MAAA
Joseph Herm
Foster & Foster, Inc.

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BENEFIT SUMMARY

■ Retiree Healthcare Benefits	■ Overview:

Group Covered[1]		Benefit[2]
All employees		Sick Leave Conversion (SLC)
Management/Public Service		Long-Term Service Benefit (LTSB)
Management	Participation < 2013[3]	Lifetime Benefit
	Participation ≥ 2013	Officer's Service Conversion Benefit

■ Benefit not less than PEMHCA minimum
(originally unequal method with phase in to 100% complete in 2022):

- 2023 benefit $151
- 2024 benefit $157

[1] Management includes Confidential, Classified, Non-Classified and Court employees in the same classification. Public Service includes Court employees in the same classification hired prior to 1/1/2001
[2] Retirees get to choose from one of the benefits, if eligible
[3] Requires employee hired and appointed, or elected, prior to 2013.

BENEFIT SUMMARY

Sick Leave Conversion	
■ Eligibility	■ Service or Disability retire directly from County under CalPERS ■ Minimum 120 hours unused sick leave ■ One time choice at retirement ■ Cannot be banked to use at a future date
■ Benefit	■ Sick leave hours pay for medical, Medicare Part B and dental premiums ■ Monthly limit of Kaiser Bay Area non-Medicare premium ■ PEMHCA minimum only if waive and re-elect
■ Sick Leave	

	Law Enforcement	Management	Public Service
Accrual per year	■ 96 hours	■ 98.8 hours	■ 98.8 hours
Conversion Rate	■ 8 hrs = 1 month EE coverage		
	■ 16 hrs = 1 month EE+1 coverage ■ Max – 1,800 hours		■ Max – 1,248 hours
Surviving Spouse Benefit	■ Based on retirement plan election	■ None	

BENEFIT SUMMARY

Long-Term Service Benefit	
■ Eligibility	■ Management/Public Service employees ■ Retire Age 50 & 20 years of County service
■ Benefit	■ County pays lesser of retiree single premium and cap until age 65 ■ Cap is the most common active employee non-Medicare premium (Currently Kaiser Region 1) ■ Sick leave conversion can be used for dental or sick leave hours applied to CalPERS service credit
■ Other	■ No benefit (other than PEMHCA minimum) for: • surviving spouses • waived retirees who re-elect coverage

BENEFIT SUMMARY

Lifetime Benefit	
■ Eligibility	■ Non-Classified Department Head & Elected Officials[4] ■ Hired < 1/1/2013 ■ 8 yrs of County service, with 5+ yrs in Non-Classified (deferred termination benefit)
■ Benefit	

DOP[5]	Benefit
< 7/10/07	County pays medical/dental/vision/Medicare Part B reimbursement family coverage for life
7/10/07 - 12/31/12	County pays medical/ dental/vision/ Medicare Part B EE+1 for life. Medical capped at most enrolled active plan (Kaiser non-Medicare)
≥ 1/1/13	Not eligible. Eligible Officer Service Conversion Benefit

■ Other	■ Benefit continues to surviving spouse ■ No sick leave conversion benefit (sick leave hours would be used for additional CalPERS service credit)

[4] Only Elected Officials elected prior to 1/1/2013.
[5] Date of election or appointment

BENEFIT SUMMARY

Officer's Service Conversion Benefit	
■ Eligibility	■ All officers ■ Elected or appointed after 1/1/2013[6] ■ 15 months of County service
■ Benefit	■ 1 month EE premiums paid for each month County service ■ 1 month EE+1 premiums paid for each 2 months County service ■ Max 225 months ■ Cap is the most common active employee non-Medicare premium (Currently Kaiser Region 1)

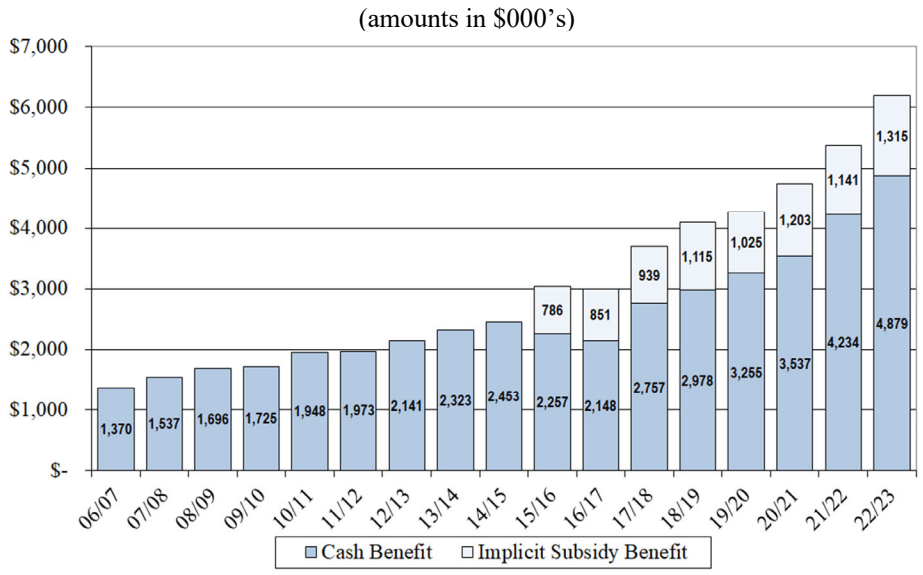
[6] Choose between Officers' Service Conversion Benefits, Long Term Service Benefits, or Sick Leave Conversion benefits.

BENEFIT SUMMARY

Court Benefits	
■ Eligibility	■ Retired < 1/1/01 – County responsible for retiree healthcare benefits ■ Hired < 1/1/01 – County share based on service as of 1/1/01 ■ Hired > 1/1/01 – Not County responsibility
■ Benefit	■ JRS pays full healthcare premium and Medicare Part B for retired judges. County reimburses the rest if any.

BENEFIT SUMMARY

- Pay-As-You-Go Costs



BENEFIT SUMMARY

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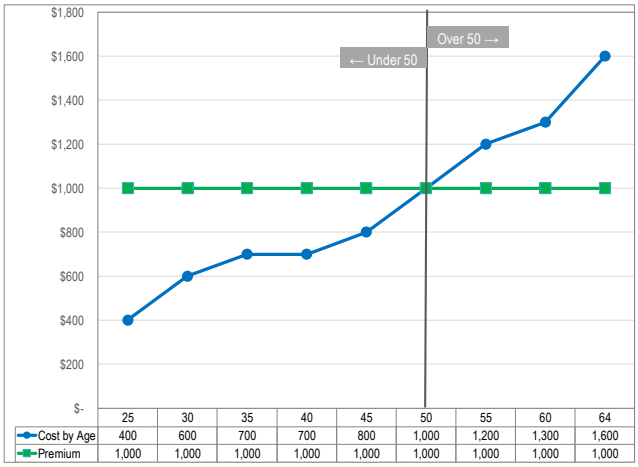
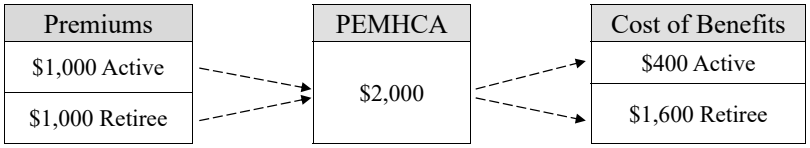
IMPLICIT SUBSIDY

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



- Sample active age 40, retire age 60:



IMPLICIT SUBSIDY

- GASB defers to actuarial standards of practice
- Current Actuarial Standards of Practice No. 6[7] (ASOP 6) requires community rated plans such as PEMHCA to value liability using premiums, resulting in no implicit subsidy
- June 30, 2013 valuation and later valuations include the implicit subsidy (County implemented early)

[7] Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Plan Costs or Contributions.

Actives[8]

	6/30/13	6/30/15	6/30/17	6/30/19	6/30/21	6/30/23
■ Count	1,314	1,370	1,389	1,413	1,366	1,422
■ Average Age	45.9	45.9	45.7	45.2	44.6	44.2
■ Average County Service	10.9	11.0	10.5	10.3	10.2	9.6
■ Unused Sick Leave Hours						
• Average	353	349	343	331	352	349
• Total (000s)	464	478	476	467	481	496
■ Salary						
• Average	$71,500	$78,000	$81,300	$87,000	$91,300	$98,600
• Total (000s)	94,003	106,827	112,931	123,349	124,737	140,191

[8] Excludes Court employees hired after 1/1/01.

Inactives

	6/30/13	6/30/15	6/30/17[9]	6/30/19	6/30/21	6/30/23
■ Service Retirees[10]						
• Total Count	470	481	834	910	1,009	1,064
• Avg. Age	68.1	68.6	70.9	71.2	71.1	71.4
• Avg. Ret. Age[11]	59.6	59.6	59.4	59.6	59.7	59.6
■ Disabled Retirees						
• Total Count	19	17	53	57	56	57
• Avg. Age	62.8	66.5	65.3	66.2	65.4	65.0
• Avg. Ret. Age	51.8	52.0	46.3	47.1	46.4	46.7
■ Vested Term						
• Total Count	1	1	2	2	2	1
• Avg. Age	57.9	52.9	58.4	56.8	58.8	54.0

[9] CalPERS PEMHCA data used for the 6/30/17 valuation. It includes 323 retirees/survivors not in the 6/30/15 valuation: 310 waived, 10 receiving PEMHCA Minimum only, 2 lifetime benefitting survivors, and 1 retiree with sick leave conversion.
[10] Includes surviving spouses.
[11] Excludes surviving spouses.

Actives - Courts[12]

	6/30/13	6/30/15	6/30/17	6/30/19	6/30/21	6/30/23
■ Count	42	34	33	25	18	6
■ Average Age	51.0	51.7	53.3	54.4	56.4	58.0
■ Average County Service	19.4	20.2	20.5	22.7	24.2	24.1
■ Unused Sick Leave Hours:						
• Average	385	495	580	642	658	876
• Total (000s)	16	17	19	16	12	5
■ Salary						
• Average	n/a	n/a	n/a	n/a	n/a	n/a
• Total (000s)	n/a	n/a	n/a	n/a	n/a	n/a

[12] Excludes Court employees hired after 1/1/01.

Inactives - Courts

	6/30/13	6/30/15	6/30/17	6/30/19	6/30/21	6/30/23
■ Count:						
• Count < 65	11	13	13	14	15	17
• Count ≥ 65	10	13	14	19	19	23
• Total Count	21	26	27	33	34	40
■ Avg. Age	63.3	64.9	66.6	67.3	65.9	66.7
■ Avg. Ret. Age	57.4	57.7	57.7	58.5	57.9	58.0

Participant Reconciliation

	Actives	Retirees				
		Service	Disabled	Survivors	VT	Total
■ **June 30, 2021**	1,366	920	56	89	2	1,067
• Terminations	(183)	-	-	-	1	1
• New Retirees	(97)	93	6	-	(2)	97
• Retiree Deaths w/o Survivor[13]	-	(33)	(4)	(13)	-	(50)
• Deaths with Survivor	(1)	(6)	(1)	8	-	1
• New Hires	337	-	-	-	-	-
• Rehires	-	-	-	-	-	-
• Data Corrections[14]	-	4	-	2	-	6
■ **June 30, 2023**	1,422	978	57	86	1	1,122

[13] 6/30/21 retirees not in 6/30/23 data are assumed to be deceased.
[14] Includes 6 waived retirees. The impact on liability is very small.

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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Valuation Date	■ June 30, 2021 ■ FY 2023/24 & 2024/25 (end of year payment) ■ 2-year lag period	■ June 30, 2023 ■ FY 2025/26 & 2026/27 (end of year payment) ■ 2-year lag period
■ Funding Policy	■ Full ADC contribution	■ Same
■ General Inflation	■ 2.50%	■ Same
■ Payroll Increases	■ Aggregate Increases – 2.75% ■ Merit Increases – CalPERS 2000-2019 Experience Study	■ Same
■ Discount Rate	■ PARS Balanced Fund ■ 5.75%	■ Same

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Mortality, Withdrawal, Disability	■ CalPERS 2000-2019 Experience Study ■ Mortality Improvement Scale MP-2021	■ Same
■ Retirement	■ CalPERS 2000-2019 Experience Study	■ Same

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Healthcare Trend		

June 30, 2021 Valuation — Increase from Prior Year

Year	Non-Medicare All Plans	Medicare Plans Non-Kaiser	Medicare Plans Kaiser
2021	Actual Premiums		
2022	Actual Premiums		
2023	6.50%	5.65%	4.60%
2024	6.25%	5.45%	4.45%
↓	↓	↓	↓
2030	4.95%	4.45%	4.05%
31-35	4.80%	4.35%	4.00%
36-45	4.65%	4.25%	3.95%
46-55	4.50%	4.20%	3.90%
56-65	4.35%	4.15%	3.85%
66-75	4.05%	3.95%	3.80%
2076+	3.75%	3.75%	3.75%

June 30, 2023 Valuation — Increase from Prior Year

Year	Non Medicare	Medicare Plans Non-Kaiser	Medicare Plans Kaiser
2023	Actual Premiums		
2024	Actual Premiums		
2025	8.50%	7.50%	6.25%
↓	↓	↓	↓
2030	5.60%	5.25%	4.85%
2031	5.05%	4.85%	4.65%
2032-38	4.45%	4.45%	4.45%
2039-40	4.35%	4.35%	4.35%
2041	4.30%	4.30%	4.30%
2042-44	4.25%	4.25%	4.25%
2045-47	4.20%	4.20%	4.20%
2048-50	4.15%	4.15%	4.15%
↓	↓	↓	↓
2076+	3.45%	3.45%	3.45%

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ PEMHCA Minimum Increases		
■ Dental and Vision Increases	■ 2.50%	■ Same

June 30, 2021 Valuation

Year	PEMHCA Minimum	Unequal Method
2021	$ 143.00	$ 135.85
2022	149.00	149.00
2023	151.00	151.00
2024+	Increases at CPI-U Medical (4.00%)	

June 30, 2023 Valuation

Year	PEMHCA Minimum	Unequal Method
2023	$ 151.00	$ 151.00
2024	157.00	157.00
2025	158.00	158.00
2026+	Increases at CPI-U Medical (3.50%)	

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Medicare B Premium Increases	Year / Active / Retiree 2021 / $148.50 / Current 2022 / 170.10 / Premium 2023+ / Increase with Post-Medicare Health Trend	Year / Active / Retiree 2023 / $164.90 / Current 2024 / 174.70 / Premium 2025+ / Increase with Post-Medicare Health Trend
■ Administration Fees (included in Normal Cost)	■ PEMHCA - 0.25% of retiree premium ■ PARS - 0.16% of assets	■ PEMHCA - 0.30% of retiree premium Cost ■ PARS - 0.14% of assets

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Medical Plan at Retirement	■ Actives Medical Plan / Pre-65 / Post-65 Kaiser / 75% / 70% PERS Choice / 20% / 20% PERSCare / 5% / 10% ■ Retirees < 65: • Pre-65: Same as current election • Post 65: Post 65 assumptions for actives ■ Retirees ≥ 65: Same as current election	■ Actives Medical Plan / Pre-65 / Post-65 Kaiser / 70% / 70% PERS Gold / 5% / 0% PERS Platinum / 25% / 30% ■ Retirees < 65: • Pre-65: Same • Post 65: Same ■ Retirees ≥ 65: Same

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Sick Leave Usage[15]	■ 60% ■ Based on current experience	■ Based on group: • Law Enforcement: 35% • Management: 40% • Public Service: 60% ■ Based on current experience

[15] Usage rate while active. Unused sick leave hours are available for Sick Leave Conversion Benefit.

ACTUARIAL METHODS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Unfunded Liability Amortization	■ 15-year fresh start for 2023/24 ADC	■ 2023/24 UAAL amortized over 15 year fixed (closed) period (13 years remaining on 6/30/25) ■ 15 year fixed (closed) period for subsequent gains/losses
■ Actuarial Value of Assets	■ Investment gains and losses spread over 5-year open period ■ Not less than 80% nor more than 120% of market value	■ Market value of assets
■ Future New Entrants	■ No future hires included in valuation	

PARS Balance Fund – Real Rates of Return

	Policy Target Allocation	Advisor Average Real Rates of Return[16]		
		1st 10 years	After 10 years	Geometric Average
■ Global Equity	60%	3.81%	5.31%	4.56%
■ Fixed Income	35%	-0.48%	2.06%	0.78%
■ Cash	5%	-1.21%	0.21%	-0.50%
■ Total	100%			

[16] Foster & Foster discount rate analysis based on capital market assumptions from 8 investment advisors: JP Morgan, BNY Mellon, Callan, NEPC, Verus, Meketa, PFM, Wilshire (Mar. 2021)

PARS Balance Fund – Expected Discount Rate

	Balance Fund
■ Discount Rate (50% Confidence Level)	
• Gross Return	5.97%
• Investment Fees	-0.15%
• Net Return	5.82%
• Rounded Net Return	5.75%

Market Value of Plan Assets

(Amounts in 000's)

	2021/22	2022/23	2023/24	Projected 2024/25[17]
■ **Market Value (Beginning of Year)**	$109,040	$98,156	$109,996	$124,154
• Employer Contribution	4,293	3,153	59	-
• Benefit Payment[18]	-	-	-	-
• Administrative Expenses	(142)	(135)	(146)	(174)
• Investment Expenses	(144)	(135)	(147)	n/a
• Investment Return	(14,891)	8,958	14,391	7,134
■ **Market Value (End of Year)**	98,156	109,996	124,154	131,114
■ **Approximate Annual Return**	(13.6%)	8.9%	12.9%	5.7%

[17] Projected using assumed 5.75% rate of return for 2024/25

[18] All benefit payments made by the County outside of the trust. Contributions made to trust are net of benefit payments.

Actuarial Value of Plan Assets

(Amounts in 000's)

	2021/22	2022/23
■ **AVA (Beginning of Year)**	$97,167	$105,213
• Employer Contribution	4,293	3,153
• Benefit Payment	-	-
• Expected Investment Return	5,517	5,996
■ **Expected AVA (End of Year)**	106,977	114,362
• **MVA (End of Year)**	98,156	109,996
■ **MVA – Expected AVA**	(8,821)	(4,365)
■ **1/5 of (MVA – Expected AVA)**	(1,764)	(873)
■ **Preliminary AVA[19]**	105,213	113,489
• Minimum AVA (80% of MVA)	78,525	87,997
• Maximum AVA (120% of	117,788	131,996
■ **AVA (End of Year)**	105,213	113,489
■ **Approximate Annual Return**	4.0%	4.9%

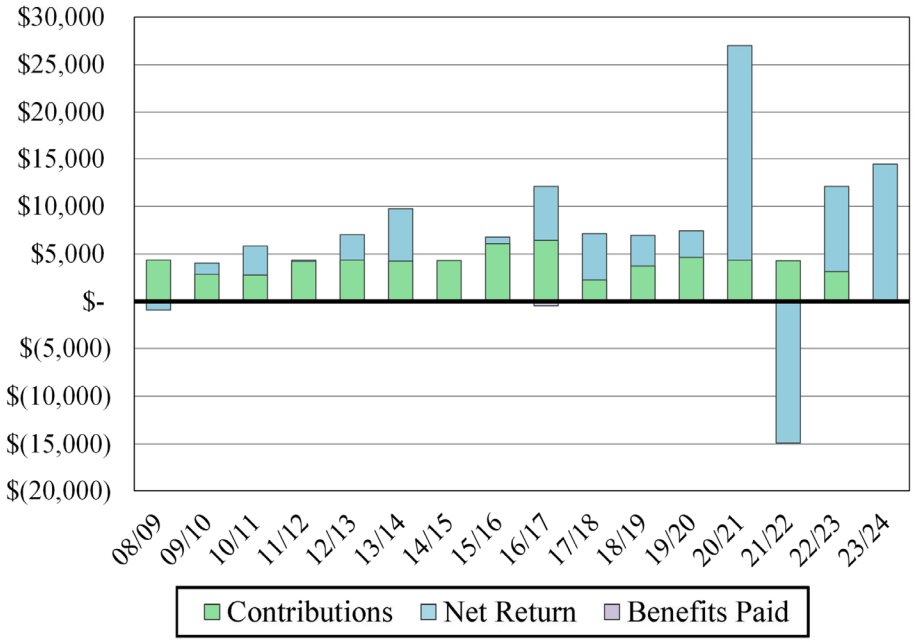
[19] Expected AVA plus 20% of the difference between the MVA and expected AVA.

Actuarial Value of Assets

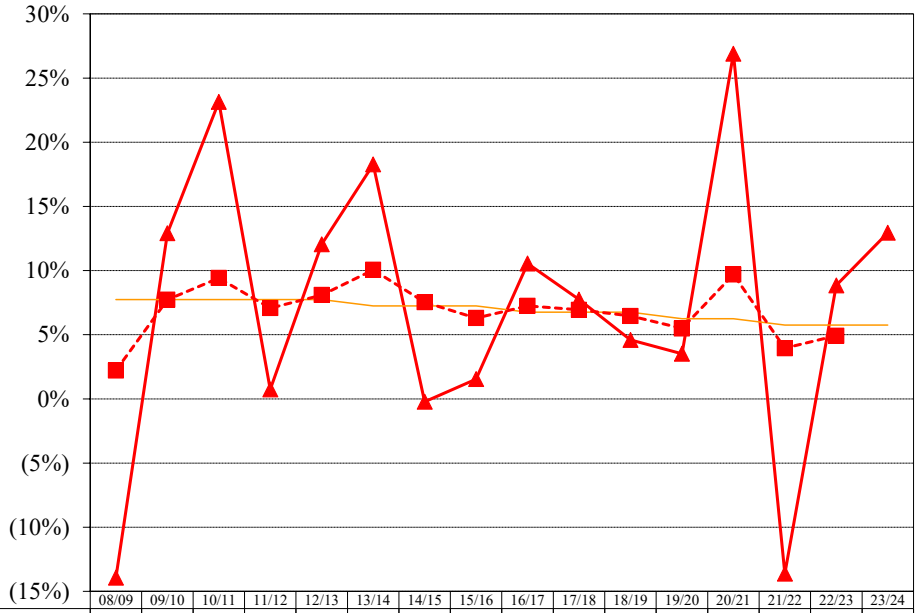
- Historical ADC's based on smoothed Actuarial Value of Assets
  - Targeted 100% funding on a smooth path
- 6/30/23 valuation
  - Recommend change to market value
  - Better reflect actual funded status
  - Address contribution volatility with 5 year ramp-up amortization on future investment gains/losses

Historical Market Value of Asset Changes

(Amounts in 000's)



Historical Annualized Asset Returns



	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Market Value	-13.9%	12.9%	23.2%	0.7%	12.0%	18.3%	-0.2%	1.5%	10.6%	7.7%	4.6%	3.5%	26.9%	-13.6%	8.9%	12.9%
Expected Return	7.75%	7.75%	7.75%	7.75%	7.75%	7.25%	7.25%	7.25%	6.75%	6.75%	6.75%	6.25%	6.25%	5.75%	5.75%	5.75%
Actuarial Value	2.2%	7.7%	9.4%	7.1%	8.1%	10.1%	7.5%	6.3%	7.2%	6.9%	6.5%	5.5%	9.7%	4.0%	4.9%	

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Funded Status

(Amounts in 000's)

	6/30/21	6/30/23	Projected 6/30/25[20]
■ **Present Value of Benefits**			
• Actives	$109,573	$128,639	
• Retirees	41,031	47,752	
• Total	150,604	176,391	
■ **Actuarial Accrued Liability (AAL)**			
• Actives	59,985	68,477	
• Retirees	41,031	47,752	
• Total	101,016	116,229	$130,266
■ **Assets[21]**	97,167	109,996	131,114
■ **Unfunded Liability**	3,849	6,233	(848)
■ **Funded Ratio (Assets/AAL)**			
• Market Value Assets	107.9%	94.6%	100.7%
• Actuarial Value Assets	96.2%	n/a	n/a

[20] Assumes no contributions to the trust, nor benefits paid from the trust 7/1/24 – 6/30/25.
[21] Actuarial value for 6/30/21, market value for 6/30/23 and projected 6/30/25.

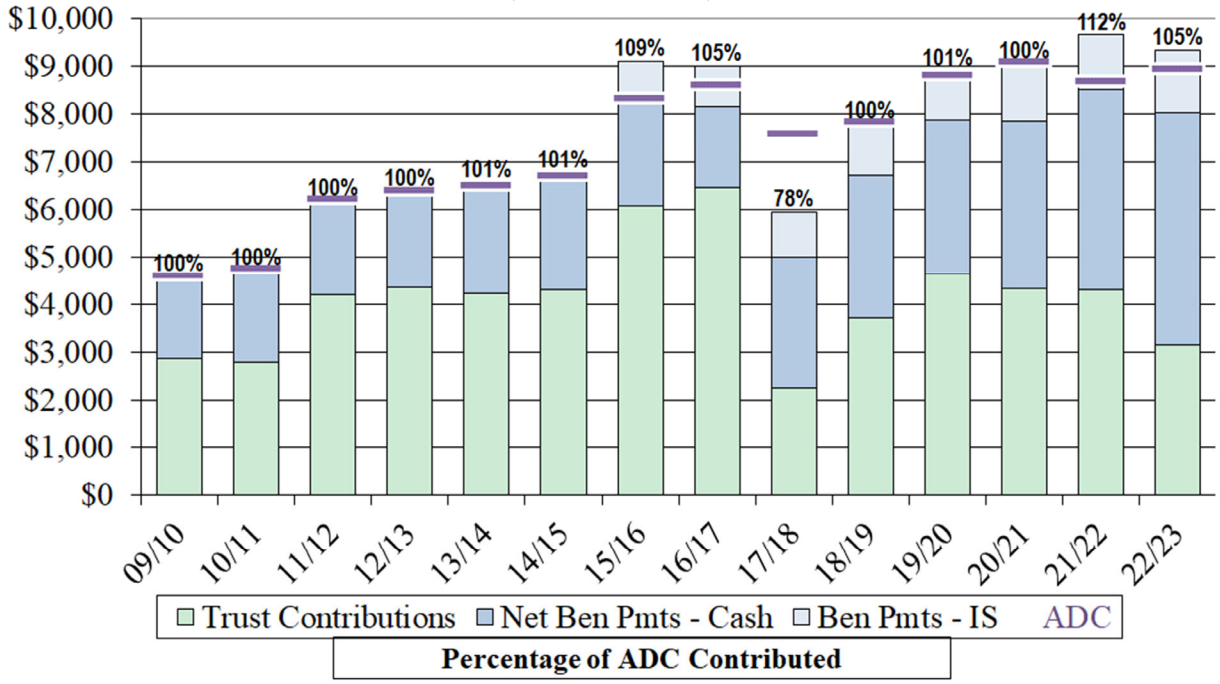
Actuarial Gains & Losses

(Amounts in 000's)

	AAL	Assets	UAAL
■ **6/30/2021 Actual Value**	$101,016	$97,167	$3,849
■ **6/30/2023 Expected Value**	112,805	116,235	(3,430)
■ **Experience (Gains)/Losses**			
• Premiums and caps larger than expected	430	-	430
• Demographic & Other	(975)	-	(975)
■ **Assumption (Gains)/Losses**			
• Medical trend update	2,488	-	2,488
• Sick Leave Usage assumption change	1,481	-	1,481
■ **Contribution and Investment Gains/(Losses)**	-	(2,747)	1,747
■ **Change to Market Value of Assets**	-	(3,493)	3,493
■ **Total Changes**	3,424	(6,240)	9,663
■ **6/30/2023 Actual Value**	116,229	109,996	6,233

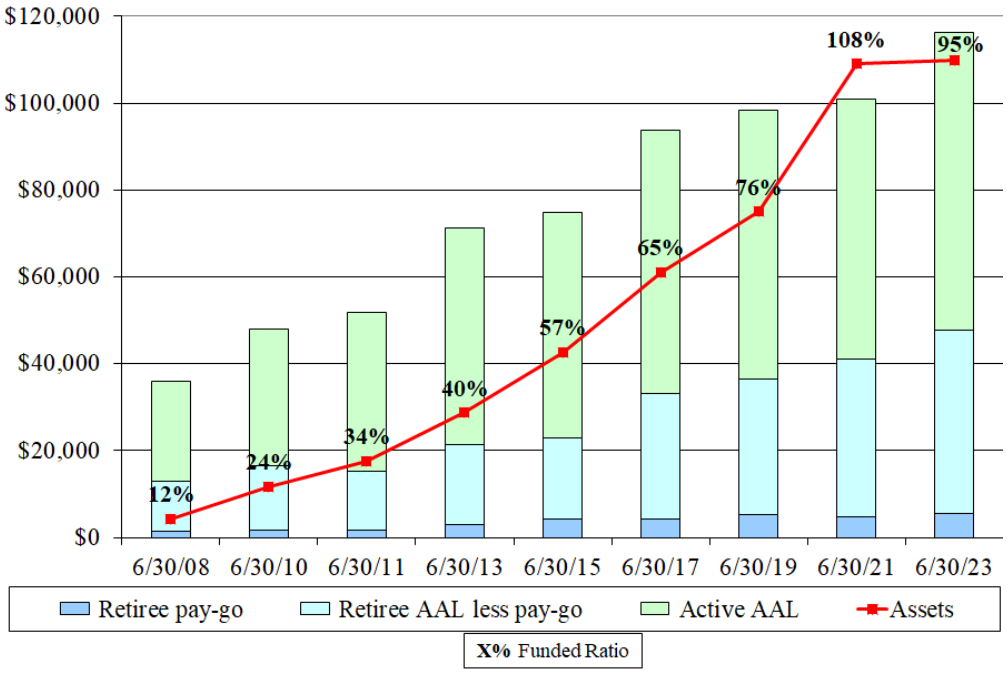
Historical ADC's and Contributions

(Amounts in 000's)



Historical Funded Status

(Amounts in 000's)



Schedule of Funding Progress

(Amounts in 000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/2008	$ 4,363	$ 36,040	$ 31,677	12.1%	$ 86,030	36.8%
6/30/2010	12,519	48,008	35,489	26.1%	86,300	41.1%
6/30/2011[22]	16,613	51,697	35,084	32.1%	89,105	39.4%
6/30/2013	28,016	71,369	43,353	39.3%	94,003	46.1%
6/30/2015	42,266	74,812	32,546	56.5%	106,827	30.5%
6/30/2017	61,134	93,781	32,647	65.2%	122,622	26.6%
6/30/2019	75,838	98,424	22,586	77.1%	132,830	17.0%
6/30/2021	97,167	101,016	3,849	96.2%	128,167	3.0%
6/30/2023	109,996	116,229	6,233	94.6%	144,580	4.3%

[22] Based on 6/30/10 valuation data.
Covered payroll projected from 6/30/10 by 3.25% increase.

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Actuarially Determined Contribution (ADC)

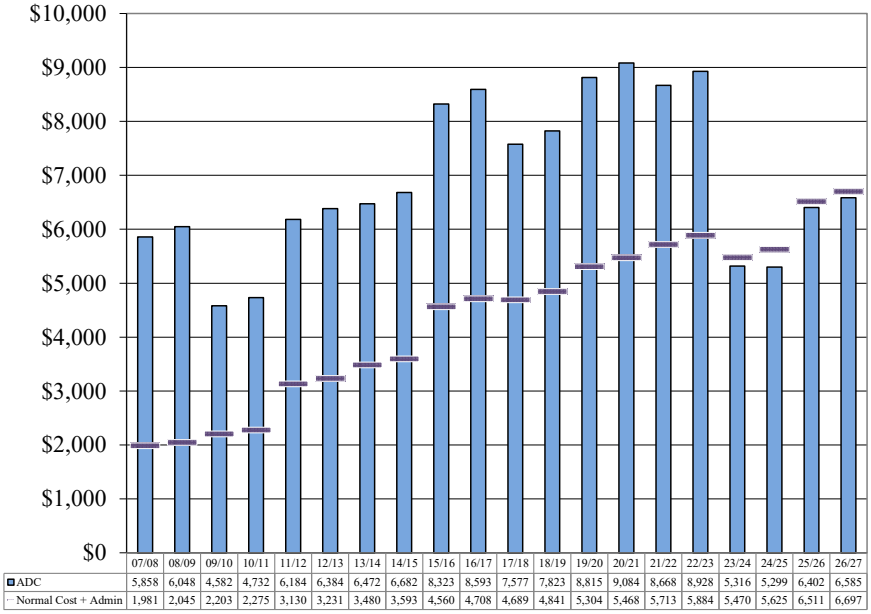
(Amounts in 000's)

	6/30/21 Valuation		6/30/23 Valuation	
	2023/24	**2024/25**	**2025/26**	**2026/27**
■ADC - $				
• Normal Cost[23]	$ 5,470	$ 5,625	$ 6,511	$ 6,697
• UAAL Amortization	(153)	(326)	(109)	(112)
• Total ADC	5,316	5,299	6,402	6,585
■Projected Payroll	135,313	139,035	152,641	156,838
■ADC- % of Total County Payroll				
• Normal Cost	4.0%	4.0%	4.3%	4.3%
• UAAL Amortization	(0.1%)	(0.3%)	(0.1%)	(0.1%)
• Total ADC	3.9%	3.8%	4.2%	4.2%
■Pay-As-You-Go Cost				
• Cash Subsidy	$4,158	$4,452	$5,268	$5,779
• Implicit Subsidy	1,079	1,128	1,254	1,402
• Total	5,237	5,580	6,521	7,182
■ Net Contributions	$ 79	$ (281)	$ (119)	$ (597)

[23] Administration fees are included in normal costs.

Annual Required Contributions/Actuarial Determined Contributions

(Amounts in 000's)



	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
■ADC	5,858	6,048	4,582	4,732	6,184	6,384	6,472	6,682	8,323	8,593	7,577	7,823	8,815	9,084	8,668	8,928	5,316	5,299	6,402	6,585
··· Normal Cost + Admin	1,981	2,045	2,203	2,275	3,130	3,231	3,480	3,593	4,560	4,708	4,689	4,841	5,304	5,468	5,713	5,884	5,470	5,625	6,511	6,697

Amortization Bases

(Amounts in 000's)

	June 30, 2021 Valuation		June 30, 2023 Valuation	
	6/30/23	6/30/24	6/30/25	6/30/26
■ **Outstanding Balance**				
• Fresh Start of 6/30/21 UAAL	$ (1,794)	$ (3,606)	$ (3,487)	$ (3,353)
• Changes from 6/30/23 valuation	n/a	n/a	2,639	2,565
• Total	(1,794)	(3,606)	(848)	(787)

Amortization Payments

(Amounts in 000's)

	June 30, 2021 Valuation		June 30, 2023 Valuation	
	2023/24	2024/25	2025/26	2026/27
■ **Amortization Payment - $**				
• Fresh Start of 6/30/21 UAAL	$ (153)	$ (326)	$ (335)	$ (344)
• Changes from 6/30/23 valuation	n/a	n/a	226	232
• Total	(153)	(326)	(109)	(112)
■ **Average Amortization Years**	15.0	14.0	9.2	8.2

Actuarial Obligations – By Bargaining Group[24]

June 30, 2023

(Amounts in 000's)

	Law Enforce.		Management			Public Service			
	LE	LE Supv.	Conf.	Class.	NC	PSE	PSE Supv.	Courts	Total
■ **PVB**									
• Actives	$13,879	$4,121	$2,368	$22,856	$2,392	$71,072	$11,910	$41	$128,639
• Retirees	4,610	2,067	518	7,527	9,940	18,630	3,784	677	47,752
• Total	18,489	6,188	2,886	30,383	12,332	89,702	15,694	718	176,391
■ **AAL**									
• Actives	5,363	2,609	916	14,058	1,689	36,048	7,759	36	68,477
• Retirees	4,610	2,067	518	7,527	9,940	18,630	3,784	677	47,752
• Total	9,973	4,676	1,434	21,585	11,629	54,678	11,543	713	116,229
■ **Asset[25]**	9,438	4,425	1,357	20,427	11,005	51,746	10,924	675	109,996
■ **UAAL**	535	251	77	1,158	624	2,932	619	38	6,233
■ **2025/26 NC**	857	207	141	1,041	103	3,464	482	1	6,296
■ **2025/26 BP**	721	274	79	1,194	822	2,813	542	75	6,521

[24] The PVB, AAL, and BP for retirees missing bargaining group information is allocated to all other group retirees.
[25] Assets allocation based on AAL.

Actuarially Determined Contribution (ADC) – By Bargaining Group

2025/26 Fiscal Year

(Amounts in 000's)

	Law Enforce.		Management			Public Service			
	LE	LE Supv.	Conf.	Class.	NC	PSE	PSE Supv.	Courts	Total
■ **ADC - $**									
• Normal Cost	$876	$215	$144	$1,080	$122	$3,568	$504	$2	$6,511
• UAAL Amort.[26]	(10)	(4)	(1)	(20)	(10)	(53)	(11)	(1)	(109)
• Total	867	211	142	1,060	112	3,515	493	2	6,402
■ **Proj. Payroll**	10,864	2,835	2,729	27,973	4,008	89,579	14,089	564	152,641
■ **ADC - %Pay**									
• Normal Cost	8.1%	7.6%	5.3%	3.9%	3.0%	4.0%	3.6%	0.4%	4.3%
• UAAL Amort.	(0.1)%	(0.2)%	(0.1)%	(0.1)%	(0.2)%	(0.1)%	(0.1)%	(0.1)%	(0.1%)
• Total	8.0%	7.4%	5.2%	3.8%	2.8%	3.9%	3.5%	0.3%	4.2%

[26] Allocated in proportion to Unfunded Actuarial Accrued Liability.

Actuarial Obligations – By Cash & Implicit Subsidy

June 30, 2023

(Amounts in 000's)

	Cash Subsidy	Implicit Subsidy	Total
■ **PVB**			
• Actives	$101,353	$27,287	$128,639
• Retirees	40,731	7,021	47,752
• Total	142,084	34,308	176,391
■ **AAL**			
• Actives	53,709	14,768	68,477
• Retirees	40,731	7,021	47,752
• Total	94,440	21,789	116,229
■ **Assets**[27]	89,375	20,621	109,996
■ **UAAL**	5,065	1,168	6,233
■ **2025/26 NC**	4,979	1,316	6,296
■ **2025/26 BP**	5,268	1,254	6,521

[27] Assets allocation based on AAL.

Actuarially Determined Contribution (ADC) – By Cash & Implicit Subsidy

2025/26 Fiscal Year

(Amounts in 000's)

	Cash Subsidy	Implicit Subsidy	Total
■ **ADC - $**			
• Normal Cost	$ 5,195	$ 1,316	$ 6,511
• UAAL Amort.[28]	(89)	(21)	(109)
• Total	5,106	1,296	6,402
■ **Proj. Payroll**	152,641	152,641	152,641
■ **ADC - %Pay**			
• Normal Cost	3.4%	0.9%	4.3%
• UAAL Amort.	(0.1)%	(0.0)%	(0.1)%
• Total	3.3%	0.8%	4.2%

[28] Allocated in proportion to Unfunded Actuarial Accrued Liability.

10-Year Projection Illustration

(Amounts in 000's)

FYE	ADC	Contribution				Total County Payroll	ADC % of Total Pay	Contr % of Total Pay
		Cash BP	Implicit Subsidy	Pre-Funding	Total Contrib			
2026	$6,402	$5,268	$1,254	$(120)	$6,402	$152,641	4.2%	4.2%
2027	6,585	5,779	1,402	(596)	6,585	156,838	4.2%	4.2%
2028	6,772	6,210	1,512	(950)	6,772	161,151	4.2%	4.2%
2029	6,965	6,638	1,636	(1,309)	6,965	165,583	4.2%	4.2%
2030	7,162	7,077	1,761	(1,676)	7,162	170,137	4.2%	4.2%
2031	7,364	7,499	1,876	(2,011)	7,364	174,815	4.2%	4.2%
2032	7,572	7,711	1,920	(2,059)	7,572	179,623	4.2%	4.2%
2033	7,785	8,115	2,094	(2,424)	7,785	184,562	4.2%	4.2%
2034	8,005	8,595	2,291	(2,881)	8,005	189,638	4.2%	4.2%
2035	8,229	8,970	2,501	(3,242)	8,229	194,853	4.2%	4.2%

This report presents the County of Napa Retiree Healthcare Plan ("Plan") June 30, 2023 actuarial valuation. The purpose of this valuation is to:

- Determine the Plan's June 30, 2023 Benefit Obligations,
- Determine the Plan's June 30, 2023 Funded Status, and
- Calculate the 2025/26 and 2026/27 Actuarially Determined Contributions.

Information provided in this report may be useful to the County for the Plan's financial management. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes expected as part of the natural progression of the plan; and changes in plan provisions or applicable law. Actuarial models necessarily rely on the use of estimates and are sensitive to changes. Small variations in estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of such measurements.

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

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,

Doug Pryor, ASA, EA, MAAA
Foster & Foster, Inc.

Tak Frazita, FSA, EA, MAAA
Foster & Foster, Inc.

2023 PEMHCA Monthly Premiums

Region 1

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	$1,128.83	$2,257.66	$2,934.96	$413.59	$827.18	$1,240.77
Anthem Traditional	1,210.71	2,421.42	3,147.85	413.59	827.18	1,240.77
Blue Shield Access+	1,035.21	2,070.42	2,691.55	361.90	723.80	1,085.70
Blue Shield Trio	888.94	1,777.88	2,311.24	361.90	723.80	1,085.70
Health Net SmartCare	1,174.50	2,349.00	3,053.70	n/a	n/a	n/a
Kaiser	913.74	1,827.48	2,375.72	283.25	566.50	849.75
Kaiser Summit	n/a	n/a	n/a	336.29	672.58	1,008.87
UnitedHealthcare Alliance	1,044.07	2,088.14	2,714.58	n/a	n/a	n/a
UnitedHealthcare Group	n/a	n/a	n/a	299.68	599.36	899.04
UnitedHealthcare Edge	n/a	n/a	n/a	357.70	715.40	1,073.10
Western Health Advantage	760.17	1,520.34	1,976.44	331.11	662.22	993.33
PERS Platinum	1,200.12	2,400.24	3,120.31	420.02	840.04	1,260.06
PERS Gold	825.61	1,651.22	2,146.59	392.71	785.42	1,178.13
PORAC	825.00	1,875.00	2,300.00	465.00	1,030.00	1,395.00

2024 PEMHCA Monthly Premiums

Region 1

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	$1,138.86	$2,277.72	$2,961.04	$405.83	$811.66	$1,217.49
Anthem Traditional	1,339.70	2,679.40	3,483.22	405.83	811.66	1,217.49
Blue Shield Access+	1,076.84	2,153.68	2,799.78	392.68	785.36	1,178.04
Blue Shield Trio	946.84	1,893.68	2,461.78	392.68	785.36	1,178.04
Kaiser	1,021.41	2,042.82	2,655.67	324.79	649.58	974.37
Kaiser Summit	n/a	n/a	n/a	386.55	773.10	1,159.65
UnitedHealthcare Alliance	1,091.13	2,182.26	2,836.94	n/a	n/a	n/a
UnitedHealthcare Harmony	937.39	1,874.78	2,437.21	n/a	n/a	n/a
UnitedHealthcare Group	n/a	n/a	n/a	341.72	683.44	1,025.16
UnitedHealthcare Edge	n/a	n/a	n/a	366.01	732.02	1,098.03
Western Health Advantage	807.23	1,614.46	2,098.80	268.62	537.24	805.86
PERS Platinum	1,314.27	2,628.54	3,417.10	448.15	896.30	1,344.45
PERS Gold	914.82	1,829.64	2,378.53	406.60	813.20	1,219.80
PORAC	931.00	2,117.00	2,651.00	465.00	1,030.00	1,395.00

Delta Dental Monthly Composite Rates

Plan	2023		
	EE	EE+1	Family
Delta Dental PPO	$ 94.92	$ 94.92	$ 94.92

Vision Monthly Premiums

Plan	2023		
	EE	EE+1	Family
Low Option	$ 5.36	$ 10.08	$ 15.26
High Option	10.70	19.44	27.58

Active Participant Statistics[29]

June 30, 2023

	Law Enforcement		Management			Public Service			
	LE	LE Supv.	Conf.	Class.	NC	PSE	PSE Supv.	Courts	Total
■ Count	83	18	31	174	20	974	116	6	1,422
■ Avg. Age	38.7	44.4	42.7	48.1	56.0	43.2	47.7	58.0	44.2
■ Avg. Co. Svc	6.7	14.0	6.0	11.9	14.9	8.7	14.0	24.1	9.6
■ Unused Sick Leave Hours:									
•Average	491	961	228	587	422	261	526	876	349
•Total (000s)	41	17	7	102	8	254	61	5	496
■ 2023 Pay									
•Average	120,659	145,168	81,160	148,202	184,744	84,782	111,962	n/a	98,587
•Total (000s)	10,015	2,613	2,516	25,787	3,695	82,577	12,988	n/a	140,191

[29] Exclude Court employees hired after 1/1/01.

Active Participant Statistics[30]

June 30, 2021

	Law Enforcement		Management			Public Service			
	LE	LE Supv.	Conf.	Class.	NC	PSE	PSE Supv.	Courts	Total
■ Count	84	19	26	151	20	928	120	18	1,366
■ Avg. Age	40.1	43.4	47.7	47.7	54.1	43.7	47.3	56.4	44.6
■ Avg. Co. Svc	7.7	13.5	7.8	11.7	14.3	9.3	13.7	24.2	10.2
■ Unused Sick Leave Hours:									
•Average	510	910	298	582	634	264	462	658	352
•Total (000s)	43	17	8	88	13	245	55	12	481
■ CY 2021 Pay									
•Average	119,440	148,708	71,862	140,422	189,682	77,251	98,668	n/a	91,315
•Total (000s)	10,033	2,825	1,868	21,203	3,794	71,689	11,840	n/a	123,254

[30] Exclude Court employees hired after 1/1/01.

Inactive Participant Statistics
June 30, 2023

	Law Enforcement		Management			Public Service				
	LE	LE Supv.	Conf.	Class.	NC	PSE	PSE Supv.	Courts	N/A[31]	Total
■ Service Retirees[32]										
•Total Count	44	14	16	165	47	576	95	40	67	1,064
•Avg. Age	66.8	58.0	72.5	70.3	73.1	71.9	71.0	66.7	77.6	71.4
•Avg. Ret. Age	54.4	53.4	62.9	58.6	59.5	60.5	59.4	58.0	58.1	59.6
■ Disabled Retirees:										
•Total Count	27	-	-	3	1	19	-	-	7	57
•Avg. Age	60.7	n/a	n/a	73.2	54.5	71.7	n/a	n/a	61.6	65.0
•Avg. Ret. Age	45.5	n/a	n/a	55.3	48.3	49.0	n/a	n/a	41.6	46.7
■ Vested Term.:										
•Total Count	-	-	-	-	1	-	-	-	-	1
•Avg. Age	n/a	n/a	n/a	n/a	54.0	n/a	n/a	n/a	n/a	54.0

[31] Missing group information, including 74 waived (15 pre-65 and 59 post-65) retirees
[32] Count and average age includes 86 surviving spouses. Average retirement age excludes surviving spouses.

Inactive Participant Statistics
June 30, 2021

	Law Enforcement		Management			Public Service				
	LE	LE Supv.	Conf.	Class.	NC	PSE	PSE Supv.	Courts	N/A[33]	Total
■ Service Retirees[34]										
•Total Count	38	12	16	161	44	538	94	34	72	1,009
•Avg. Age	66.0	56.8	70.5	69.5	73.8	71.3	70.3	65.9	79.5	71.1
•Avg. Ret. Age	54.9	53.6	62.9	58.7	59.0	60.6	59.8	57.8	56.9	59.7
■ Disabled Retirees:										
•Total Count	24	1	-	4	-	22	-	-	5	56
•Avg. Age	60.5	52.5	n/a	73.3	n/a	68.5	n/a	n/a	71.3	65.4
•Avg. Ret. Age	45.4	48.3	n/a	54.0	n/a	47.8	n/a	n/a	38.9	46.4
■ Vested Term.:										
•Total Count	-	-	-	-	2	-	-	-	-	2
•Avg. Age	n/a	n/a	n/a	n/a	58.8	n/a	n/a	n/a	n/a	58.8

[33] Missing group information, including 71 waived (7 pre-65 and 64 post-65) and 6 PEMHCA minimum only retirees
[34] Count and average age includes 89 surviving spouses. Average retirement age excludes surviving spouses.

Active Participant Statistics - Courts[35]

June 30, 2023

	Management			Public Service		
	Conf.	Class.	NC/Judge	PSE	PSE Supv.	Total
■ Count	-	1	-	5	-	6
■ Avg. Age	-	53.6	-	58.9	-	58.0
■ Avg. Co. Svc	-	22.7	-	24.3	-	24.1
■ Unused SLH						
•Average	-	962	-	858	-	876
•Total (000s)	-	1	-	4	-	5
■ 2023 Pay						
•Average	n/a	n/a	n/a	n/a	n/a	n/a
•Total (000s)	n/a	n/a	n/a	n/a	n/a	n/a

[35] Exclude Court employees hired after 1/1/01.

Active Participant Statistics - Courts[36]

June 30, 2021

	Management			Public Service		
	Conf.	Class.	NC/Judge	PSE	PSE Supv.	Total
■ Count	-	3	-	15	-	18
■ Avg. Age	-	54.0	-	56.9	-	56.4
■ Avg. Co. Svc	-	23.5	-	24.3	-	24.2
■ Unused SLH						
•Average	-	884	-	613	-	658
•Total (000s)	-	3	-	9	-	12
■ CY 2021 Pay						
•Average	n/a	n/a	n/a	n/a	n/a	n/a
•Total (000s)	n/a	n/a	n/a	n/a	n/a	n/a

[36] Exclude Court employees hired after 1/1/01.

Inactive Participant Statistics - Courts

June 30, 2023

	Management			Public Service		
	Conf.	Class.	NC/Judge[37]	PSE	PSE Supv.	Total
■ Count:						
•Count < 65	-	1	-	16	-	17
•Count ≥ 65	-	4	1	14	4	23
•Total Count	-	5	1	30	4	40
■ Avg. Age	n/a	69.7	77.5	65.0	72.8	66.7
■ Avg. Ret. Age	n/a	58.7	64.3	57.0	63.0	58.0

[37] Includes 1 Judge. JRS covers costs of medical plan plus basic Medicare Part B. County reimburses Medicare charges that JRS doesn't cover. County is currently paying nothing for the Court Executive Officer.

Inactive Participant Statistics - Courts

June 30, 2021

	Management			Public Service		
	Conf.	Class.	NC/Judge[38]	PSE	PSE Supv.	Total
■ Count:						
•Count < 65	-	2	-	13	-	15
•Count ≥ 65	-	3	1	11	4	19
•Total Count	-	5	1	24	4	34
■ Avg. Age	n/a	67.7	75.5	64.3	70.8	65.9
■ Avg. Ret. Age	n/a	58.7	64.3	56.6	63.0	57.9

[38] Includes 1 Judge. JRS covers costs of medical plan plus basic Medicare Part B. County reimburses Medicare charges that JRS doesn't cover. County is currently paying nothing for the Court Executive Officer.

Inactive by Benefit Type
June 30, 2023

	Law Enforcement		Management			Public Service				
	LE	LE Supv.	Conf.	Class.	NC	PSE	PSE Supv.	Courts	N/A	Total
SLC	25	12	2	26	2	80	16	6	-	169
LTSC	-	-	2	24	-	71	15	13	-	125
Lifetime Benefit	-	-	-	-	43	-	-	1	-	44
PEMHCA min. only	46	2	12	118	4	444	64	20	74	784
Total	71	14	16	168	49	595	95	40	74	1,122

Inactive by Benefit Type
June 30, 2021

	Law Enforcement		Management			Public Service				
	LE	LE Supv.	Conf.	Class.	NC	PSE	PSE Supv.	Courts	N/A	Total
SLC[39]	17	8	3	16	-	72	16	6	17	155
LTSC	-	-	2	15	-	60	12	11	9	109
Lifetime Benefit	-	-	-	-	41	-	-	1	-	42
PEMHCA min. only	40	-	10	112	5	428	66	16	84	761
Total	57	8	15	143	46	560	94	34	110	1,067

[39] Includes 1 retiree with waived medical plans and use sick leave hours for dental only.

Medical Plan Participation

Non-Waived Participants

Plan	Actives	Retirees[40]		
		Pre-65	Post-65	Total
Anthem Select	0%	0%	0%	0%
Anthem Traditional	1%	0%	1%	0%
Blue Shield Access+	0%	1%	0%	1%
Health Net SmartCare	0%	0%	0%	0%
Kaiser	88%	65%	66%	66%
Kaiser Summitt	n/a	n/a	1%	0%
UnitedHealthcare Alliance	0%	0%	n/a	n/a
UnitedHealthcare Group	n/a	n/a	4%	3%
UnitedHealthcare Edge	n/a	n/a	0%	0%
Western Health Advantage	4%	3%	0%	1%
PERS Gold	4%	5%	1%	2%
PERS Platinum	3%	24%	27%	26%
PORAC	0%	2%	0%	1%
Total	100%	100%	100%	100%

[40] Excludes 1 judge without medical plan information. County only reimburses a portion of Medicare premiums for judges.

Current Active Medical Plan Coverage

Plan	EE	EE+1	Family	Waived	Total
Anthem Select	-	-	1	-	1
Anthem Traditional	6	-	3	-	9
Blue Shield Access+	-	1	1	-	2
Health Net SmartCare	2	1	-	-	3
Kaiser	386	204	493	-	1,083
Western Health Advantage	13	8	30	-	51
PERS Gold	17	10	16	-	43
PERS Platinum	11	10	16	-	37
PORAC	-	1	5	-	6
Waived	-	-	-	187	187
Total	435	235	565	187	1,422

Retiree Medical Plan Coverage - Pre 65[41]

Plan	EE	EE+1	Family	N/A	Total
Blue Shield Access+	2	-	-	-	2
Kaiser	112	29	17	-	158
Western Health Advantage	4	2	1	-	7
PERS Gold	7	3	2	-	12
PERS Platinum	44	10	3	-	57
Not Eligible[42]	-	-	-	55	55
PORAC	1	5	-	-	6
Total	170	49	23	55	297

[41] Includes 1 vested terminated member.
[42] Includes waived retirees who will be eligible for PEMHCA minimum if re-elect.

Retiree Medical Plan Coverage - Post 65[43]

Plan	EE	EE+1	Family	N/A	Total
Anthem Select	-	-	-	-	-
Anthem Traditional	3	-	-	-	3
Blue Shield Access+	2	-	-	-	2
Kaiser	223	96	-	-	319
Kaiser Summitt	2	1	-	-	3
UnitedHealthcare Group	15	5	-	-	20
UnitedHealthcare Edge	2	-	-	-	2
Western Health Advantage	-	1	-	-	1
PERS Gold	1	2	-	-	3
PERS Platinum[44]	85	48	-	-	133
Private Insurance	-	1	-	-	1
Not Eligible[45]	-	-	-	337	337
PORAC	1	-	-	-	1
Total	334	154	-	337	825

[43] Includes 1 vested terminated member.
[44] Includes 1 judge. JRS pays full premiums and Medicare Part B. County reimburses the rest of the Medicare costs.
[45] Includes waived retirees.

Delta Dental Plan Coverage

Actives

Plan	EE	EE+1	Family	Waived	Total
Delta Dental PPO	364	296	715	-	1,375
Delta Dental DMO	19	6	15	-	40
Waived	-	-	-	7	7
Total	383	302	730	7	1,422

Retirees

Plan	EE	EE+1	Family	Waived	Total
Delta Dental PPO[46]	15	27	2	-	44
Lifetime Waived[47]	-	-	-	10	10
Self-Paid/Waived[48]	20	45	9	994	1,068
Total	35	72	11	1,004	1,122

[46] Lifetime benefit and Sick Leave Conversion benefit retirees eligible for dental.
[47] Lifetime benefit retirees eligible for dental if re-elect. Sick Leave Conversion benefit retirees are not eligible for dental if re-elect once waived dental Plans.
[48] Includes 74 self-paid retirees in Delta Dental plan.

Vision Plan Coverage

Actives

Plan	EE	EE+1	Family	Waived	Total
Low Option Plan	172	107	168	-	447
High Option Plan	197	153	207	-	457
Waived	-	-	-	418	418
Total	369	260	375	418	1,422

Retirees

Plan	EE	EE+1	Family	Waived	Total
Low Option Plan	-	3	-	-	3
High Option Plan	7	16	-	-	23
Lifetime Waived[49]	-	-	-	18	18
Self-Paid/Waived[50]	116	97	21	844	1,078
Total	123	116	21	862	1,122

[49] Lifetime benefit retirees eligible for vision.
[50] Includes 159 self-paid.

Retirees Medical Plan Coverage by Age – Miscellaneous

Age	Medical Coverage				
	EE	EE+1	Family	N/A	Total
Under 50	-	-	-	4	4
50-54	11	1	1	6	19
55-59	51	9	6	7	73
60-64	87	15	6	24	132
65-69	78	46	-	65	189
70-74	99	44	-	84	227
75-79	71	29	-	78	178
80-84	47	10	-	48	105
85 & Over	21	8	-	43	72
Total	465	162	13	359	999
Average Age	70.1	71.6	59.8	74.5	71.8

Retirees Medical Plan Coverage by Age – Safety

Age	Medical Coverage				
	EE	EE+1	Family	N/A	Total
Under 50	1	-	-	6	7
50-54	6	5	3	3	17
55-59	8	7	6	2	23
60-64	6	12	1	3	22
65-69	3	4	-	4	11
70-74	6	5	-	6	17
75-79	4	3	-	4	11
80-84	3	2	-	2	7
85 & Over	2	2	-	4	8
Total	39	40	10	34	123
Average Age	65.8	65.6	55.7	66.0	65.0

Actives by Age and Service – Miscellaneous

Age	County Service							
	< 1	1-4	5-9	10-14	15-19	20-24	25+	Total
< 25	6	6	-	-	-	-	-	12
25-29	36	69	14	-	-	-	-	119
30-34	29	99	56	5	-	-	-	189
35-39	14	77	54	28	11	-	-	184
40-44	18	42	54	48	44	6	-	212
45-49	15	18	33	28	45	34	3	176
50-54	8	29	21	28	32	34	13	165
55-59	8	16	22	11	29	23	11	120
60-64	6	11	11	7	29	15	12	91
≥ 65	2	2	8	6	1	10	14	43
Total	142	369	273	161	191	122	53	1,311

Actives by Age and Service – Safety

Age	County Service							
	< 1	1-4	5-9	10-14	15-19	20-24	25+	Total
< 25	1	-	-	-	-	-	-	1
25-29	2	11	-	-	-	-	-	13
30-34	1	4	8	2	-	-	-	15
35-39	1	10	9	2	1	-	-	23
40-44	1	5	8	1	4	-	-	19
45-49	-	3	7	3	4	7	1	25
50-54	-	1	2	1	2	1	4	11
55-59	-	-	1	-	-	1	1	3
60-64	-	-	-	-	-	1	-	1
≥ 65	-	-	-	-	-	-	-	-
Total	6	34	35	9	11	10	6	111

Actives by Age and Service – Total

Age	County Service							
	< 1	1-4	5-9	10-14	15-19	20-24	25+	Total
< 25	7	6	-	-	-	-	-	13
25-29	38	80	14	-	-	-	-	132
30-34	30	103	64	7	-	-	-	204
35-39	15	87	63	30	12	-	-	207
40-44	19	47	62	49	48	6	-	231
45-49	15	21	40	31	49	41	4	201
50-54	8	30	23	29	34	35	17	176
55-59	8	16	23	11	29	24	12	123
60-64	6	11	11	7	29	16	12	92
≥ 65	2	2	8	6	1	10	14	43
Total	148	403	308	170	202	132	59	1,422

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ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Valuation Date	■ June 30, 2021 ■ FY 2023/24 & 2024/25 (end of year payment) ■ 2-year lag period	■ June 30, 2023 ■ FY 2025/26 & 2026/27 (end of year payment) ■ 2-year lag period
■ General Inflation	■ 2.50%	■ Same
■ Payroll Increases	■ Aggregate Increases – 2.75% ■ Merit Increases – CalPERS 2000-2019 Experience Study	■ Same
■ Discount Rate	■ PARS Balanced Fund ■ 5.75%	■ Same
■ Mortality, Withdrawal, Disability	■ CalPERS 2000-2019 Experience Study ■ Mortality Improvement Scale MP-2021	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Retirement	■ CalPERS 2000-2019 Experience Study	■ Same
■ Deferred Retirement Age	■ Age 50 or immediate retirement if older than age 50	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Healthcare Trend		

June 30, 2021 Valuation — Increase from Prior Year

Year	Non-Medicare All Plans	Medicare Plans Non-Kaiser	Medicare Plans Kaiser
2021	Actual Premiums		
2022	Actual Premiums		
2023	6.50%	5.65%	4.60%
2024	6.25%	5.45%	4.45%
↓	↓	↓	↓
2030	4.95%	4.45%	4.05%
31-35	4.80%	4.35%	4.00%
36-45	4.65%	4.25%	3.95%
46-55	4.50%	4.20%	3.90%
56-65	4.35%	4.15%	3.85%
66-75	4.05%	3.95%	3.80%
2076+	3.75%	3.75%	3.75%

June 30, 2023 Valuation — Increase from Prior Year

Year	Non-Medicare	Medicare Plans Non-Kaiser	Medicare Plans Kaiser
2023	Actual Premiums		
2024	Actual Premiums		
2025	8.50%	7.50%	6.25%
↓	↓	↓	↓
2030	5.60%	5.25%	4.85%
2031	5.05%	4.85%	4.65%
2032-38	4.45%	4.45%	4.45%
2039-40	4.35%	4.35%	4.35%
2041	4.30%	4.30%	4.30%
2042-44	4.25%	4.25%	4.25%
2045-47	4.20%	4.20%	4.20%
2048-50	4.15%	4.15%	4.15%
↓	↓	↓	↓
2076+	3.45%	3.45%	3.45%

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ PEMHCA Minimum Increases		
■ AB 2544 Maximum $100 Annual Increase	■ Does not increase in the future	■ Same
■ Medical Cap Increases	■ Pre-Medicare Health Trend	■ Same

June 30, 2021 Valuation

Year	PEMHCA Minimum	Unequal Method
2021	$ 143.00	$ 135.85
2022	149.00	149.00
2023	151.00	151.00
2024+	Increases at CPI-U Medical (4.00%)	

June 30, 2023 Valuation

Year	PEMHCA Minimum	Unequal Method
2023	$ 151.00	$ 151.00
2024	157.00	147.00
2025	158.00	158.00
2026+	Increases at CPI-U Medical (3.50%)	

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Dental and Vision Increases	■ 2.50%	■ Same
■ Medicare B Premium Increases	Year Active Retiree 2022+ Increase with Post-Medicare Health Trend	Year Active Retiree 2024+ Increase with Post-Medicare Health Trend
■ PEMHCA Administration Fee	■ PEMHCA - 0.25% of retiree premium added to Normal Cost ■ PARS - 0.16% of assets added to Normal Cost	■ PEMHCA - 0.30% of retiree premium added to Normal Cost ■ PARS - 0.14% of assets added to Normal Cost
■ Non-County CalPERS Service	■ Actual CalPERS service	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Participation at Retirement	■ Supplemental benefit: • Currently covered: 100% • Currently waived: 90% ■ PEMHCA min only: • Currently with SLC or LTSC benefits: Year Participation 2008 50% 2009 52% 2010 54% 2011 56% 2012 58% : : 2022+ 80% New Retirees: 50%	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Benefit Coordination	■ Always elect lifetime benefit if eligible ■ SLC eligible participant always chooses medical coverage over dental coverage (more expensive benefit)	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Medical Plan at Retirement	■ Actives Medical Plan / Pre-65 / Post-65 Kaiser 75% 70% PERS Choice 20% 20% PERSCare 5% 10% ■ Retirees < 65: • Pre-65: Same as current election • Post 65: Post 65 assumptions for actives ■ Retirees ≥ 65: Same as current election	■ Actives Medical Plan / Pre-65 / Post-65 Kaiser 70% 70% PERS Gold 5% 0% PERS Platinum 25% 30% ■ Retirees < 65: • Pre-65: Same • Post 65: Same ■ Retirees ≥ 65: Same
■ Dental at Retirement	■ Delta Dental PPO	■ Same
■ Vision at Retirement	■ Current plan	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Waived retiree re-election (PEMHCA minimum only)	■ Currently over 65 – none ■ Currently under 65 – 20% re-elect at age 65	■ Same
■ Future Sick Leave Accrual	LE / Mgmt / PSE Hrs/Yr 96 / 98.8 / 98.8	■ Same
■ Sick Leave Usage	■ 60% ■ Based on current experience	■ Based on group: • Law Enforcement: 35% • Management: 40% • Public Service: 60% ■ Based on current experience
■ Marital Status	■ Currently covered: based on current coverage status ■ Currently waived: 80% married	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Spouse Age	■ Males 3 years older than females if birth date not available	■ Same
■ Surviving Spouse participation	■ 100%	■ Same
■ Dependents at Retirement	■ Pre-65: • Actives: 15% • Retirees: Current coverage ■ Post-65: 0%	■ Same
■ Medicare Participation Rate	■ Actives and pre-65 retirees:100% ■ Post-65 retirees: current status ■ Everyone eligible for Medicare will elect Part B coverage	■ Same

	June 30, 2023 Valuation
■ HMO Medical Claims Costs 2024 PEMHCA Implicit Subsidy Estimate	■ Sample estimated monthly claims costs

Region 1 - Non-Medicare Eligible

	BS Access+		Kaiser		Western Health	
Age	M	F	M	F	M	F
25	$391	$645	$371	$612	$293	$484
35	513	903	487	857	385	677
45	734	978	696	927	550	733
55	1,154	1,261	1,094	1,196	865	945
60	1,451	1,461	1,376	1,386	1,088	1,095
65	1,797	1,721	1,704	1,633	1,347	1,290
70	2,021	1,928	1,917	1,829	1,515	1,445
75	2,275	2,164	2,158	2,053	1,705	1,622
80	2,622	2,475	2,487	2,347	1,966	1,855

Region 1 - Medicare Eligible

	BS Access+		Kaiser		Western Health	
Age	M	F	M	F	M	F
65	n/a	n/a	n/a	n/a	n/a	n/a
70	n/a	n/a	n/a	n/a	n/a	n/a
75	n/a	n/a	n/a	n/a	n/a	n/a
80	n/a	n/a	n/a	n/a	n/a	n/a

	June 30, 2023 Valuation
■ PPO Medical Claims Costs 2024 PEMHCA Implicit Subsidy Estimate	■ Sample estimated monthly claims costs

Region 1 - NonMedicare Eligible

	PERS Gold		PERS Platinum		PORAC	
Age	M	F	M	F	M	F
25	$365	$595	$415	$676	$362	$603
35	476	827	541	941	478	846
45	674	894	767	1,017	686	917
55	1,052	1,149	1,197	1,307	1,083	1,184
60	1,320	1,329	1,503	1,513	1,364	1,373
65	1,632	1,564	1,858	1,780	1,691	1,619
70	1,808	1,725	2,058	1,964	1,952	1,861
75	2,013	1,916	2,292	2,181	2,235	2,125
80	2,319	2,189	2,640	2,492	2,578	2,432

Region 1 - Medicare Eligible

	PERS Gold		PERS Platinum		PORAC	
Age	M	F	M	F	M	F
65	$ 370	$ 354	$ 447	$ 428	$ 408	$ 391
70	401	384	484	463	442	423
75	427	410	516	495	471	452
80	440	425	532	514	486	469

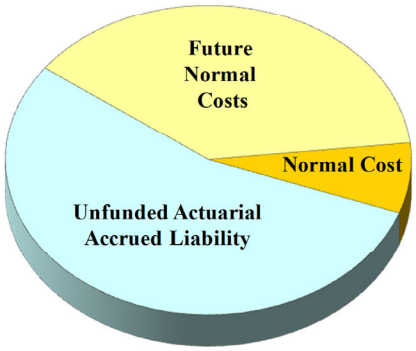
ACTUARIAL ASSUMPTIONS

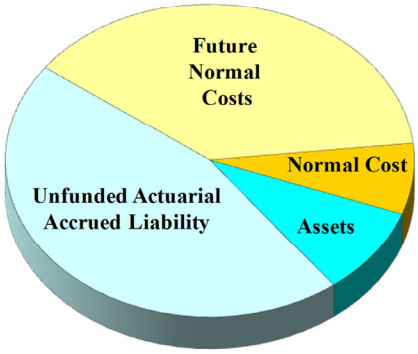
	June 30, 2023 Valuation
■ Basis for Assumptions	■ No experience study performed for this Plan ■ CalPERS 2021 experience study covering 2000 to 2019 experience was used ■ Mortality improvement is a Society of Actuaries table ■ Inflation based on our estimate for the Plan's long time horizon ■ Capital market assumptions based on 2021 Foster & Foster stochastic analysis, taking into account capital market assumptions of investment advisory firms ■ Age-based claims costs were developed based on demographic data provided by CalPERS and Society of Actuaries studies ■ Medical trends were based on expectations over the short-term blended into long-term medical trends developed using the Society of Actuaries Getzen Model of Long-Run Medical Cost Trends ■ Medical coverage and participation based in part on Plan experience

ACTUARIAL METHODS

Method	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Cost Method	■ Entry Age Normal	■ Same
■ Data Quality	■ Our valuation used census data provided by the County and CalPERS OPEB data extract. We reviewed the data for reasonableness and resolved any questions with the County. We believe the resulting data can be relied on for all purposes of this valuation without limitation.	
■ Actuarial Modeling	■ Our valuation was performed using and relying on ProVal, an actuarial model leased from WinTech. Our use of ProVal is consistent with its intended purpose. We have reviewed and understand ProVal and its operation, sensitivities and dependencies.	

Present Value of Benefits





- **AAL - Actuarial Accrued Liability / Actuarial Obligation**
  - Discounted value at measurement date (valuation date) of benefits "earned" through measurement date based on actuarial cost method
  - Portion of PVB "earned" at measurement
- **NC - Normal Cost**
  - Value of benefits "earned" during current year
  - Portion of PVB allocated to current year
- **Actuarial Cost Method**
  - Determines how benefits are "earned" or allocated to each year of service
  - Has no effect on PVB
  - Has significant effect on Actuarial Obligations and Normal Cost
- **Pay-As-You-Go Cost (PayGo)**
  - Cash Subsidy – Actual cash benefit payments to retirees
  - Implicit Subsidy – Difference between cost of retiree benefits and retiree premiums
  - PayGo is the expected retiree benefit payments for the year while Normal Cost is the cost of benefits accrued by active employees during the year.