

Executive Summary

Highlights of the Actuarial Valuation

- **Inactive Mortality:**

The actuarial valuation assumes that each inactive plan member has a particular probability of becoming deceased in each year. An individual (gain) or loss is generated based on whether the plan member actually dies during the year. The gain shown for the Police Officers and Firefighters' and Teachers' Plans is driven by plan members in pay status dying at an earlier age and in greater number than expected in the past year. For the Judges' Plan there were four deaths since the prior year, which was less than expected, resulting in a loss. Smaller populations are expected to experience larger deviations from expected year-over-year than a larger population, as individual deaths or survivorship have a more significant relative impact on the liability than in a larger population. Long-term gains and losses are expected to offset each other with experience aligning to the assumed mortality probabilities.

- **Salary Increase:**

The actuarial valuation assumes that salaries for active plan members will increase by a certain amount. An individual (gain) or loss is generated for each plan member based on their actual salary amount reported in the current valuation. A gain is reported when a plan member's actual salary is lower than the expected amount, and a loss is reported when a plan member's actual salary is higher than the expected amount. The gain for the Police Officers and Firefighters' and Teachers' Plans is due in part to the fact that there was no collectively bargained pay increase.

- **New Entrants:**

The actuarial valuation incurs a loss whenever new members enter the plan with past service. The Police Officers and Firefighters' and Teachers' Plans are closed and will never incur a gain or loss due to this reason. The Judges' Plan did have one new entrant but the individual did not join with past service, therefore there is no (gain) or loss.

- **COLA Different Than Expected:**

The actuarial valuation assumes that retirement benefits for inactive plan members that are receiving benefits will increase by a certain amount. An individual (gain) or loss is generated for each plan member based on their actual benefit amount reported in the current valuation. The Police Officers and Firefighters' and Teachers' Plans had a gain due to lower actual COLA percentages than expected. The Judges' Plan had a gain due to lower COLA than expected.