

# **West Contra Costa Unified School District OPEB Plan**

**Governmental Accounting Standards Board  
(GASB) Statement 75**

**Actuarial Valuation Date: June 30, 2016**

**Measurement Date: June 30, 2017**

**Fiscal Year End: June 30, 2018**

**July 9, 2018**

July 9, 2018

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Mr. Christopher Mount-Benites  
Associate Superintendent for Business Services  
West Contra Costa Unified School District  
1108 Bissell Avenue  
Richmond, CA 94801-3135

**Re: West Contra Costa Unified School District GASB 75 Report for Fiscal Year Ended  
June 30, 2018**

Dear Mr. Mount-Benites,

West Contra Costa Unified School District ("The District") has retained Nicolay Consulting Group to complete this valuation of the District's postemployment medical program (the "Plan") as of June 30, 2017 measurement date compliant under Governmental Accounting Standards Board (GASB) Statement 75.

The purpose of this valuation is to determine the value of the expected postretirement benefits for current and future retirees and the Net OPEB Liability and OPEB Benefit Cost for the fiscal year ending June 30, 2018. The amounts reported herein are not necessarily appropriate for use for a different fiscal year without adjustment.

Based on the foregoing, the cost results and actuarial exhibits presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures. We believe they fully and fairly disclose the actuarial position of the Plan based on the plan provisions, employee and plan cost data submitted.

The actuarial calculations were completed under the supervision of Gary Cline, ASA, MAAA, FCA, Enrolled Actuary. A member of the American Academy of Actuaries whom meets 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. In our opinion, assumptions as approved by the plan sponsor are reasonably related to the experience of and expectations for the Plan.

We would be pleased to answer any questions on the material contained in this report or to provide explanation or further detail as may be appropriate.

Respectfully submitted,

NICOLAY CONSULTING GROUP



Gary E. Cline, ASA, MAAA, FCA, EA  
Vice President & Chief Operation Officer



Eddie Lee, ASA, MAAA, FCA, EA  
Senior Actuary

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## Section I Management Summary

### A) Highlights

#### Summary of Key Valuation Results

	2017
<b>Disclosure elements as of measurement period ending June 30:</b>	
<u>Present Value of Future Benefits:</u>	
Active	\$102,133,403
Retiree	<u>168,951,060</u>
Total	\$271,084,463
<u>Actuarial Accrued Liability or Total OPEB Liability (TOL)</u>	
Active	\$82,930,521
Retiree	<u>168,951,060</u>
Total	\$251,881,581
Plan Fiduciary Net Position (i.e Fair Value of Assets)	<u>20,349,880</u>
Net OPEB Liability (NOL)	\$231,531,701
Plan Fiduciary Net Position as a percentage of the TOL	8%
Aggregate OPEB Expense (Exhibit 3)	\$19,720,612
Covered Payroll	\$134,739,411
<b>Schedule of contributions for plan year ending June 30:</b>	
Actuarially determined contributions (Exhibit 6)	\$20,963,662
Actual contributions <sup>(1)</sup>	36,777,273
Contribution deficiency (excess)	(\$15,813,611)
Pay-As-You-Go Premiums	\$16,777,273
<b>Demographic data for fiscal year ending June 30<sup>(2)</sup>:</b>	
Number of active members	2,288
Number of retired members and beneficiaries	<u>2,239</u>
Total	4,527
<b>Key assumptions as of June 30:</b>	
Discount rate	7.28%
<u>Initial Trend Rate</u>	
Pre-65	8.00%
Post-65	5.50%
Ultimate Rate	5.00%
Year Ultimate Rate is Reached	2030

<sup>(1)</sup> Includes payments to trust and amounts paid directly by the plan sponsor

<sup>(2)</sup> Census data as of June 30, 2016 is used in the measurement of the TOL as of June 30, 2017. See Section III for additional details on the demographic data.

## Section I Management Summary

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### B) Gap Analysis

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The Total OPEB Liability has increased \$4,500,122 from \$247,381,459 as of June 30, 2016 to \$251,881,581 as of June 30, 2017. The increase is primarily due to expected benefits earned and interest on the total OPEB liability, offset by the expected benefit payments during the year.

#### Interim Valuation

This report presents liabilities as of the measurement date that are based on an interim valuation.

GASB 75 allows plan sponsors to perform valuations biennially, meaning the results for a valuation can be rolled forward to up to two GASB 75 measurement dates. The valuation date can precede a GASB 75 measurement date as long as the results would not be materially different had an updated census been collected as of the measurement date. Therefore, if the City has had a significant shift in participant demographics between the valuation date and a GASB 75 measurement date, an updated census must be collected and a full valuation performed.

When a full valuation is performed the inputs to the valuation (participant census, plan provisions, assets, and actuarial assumptions and methods) are reviewed and updated.

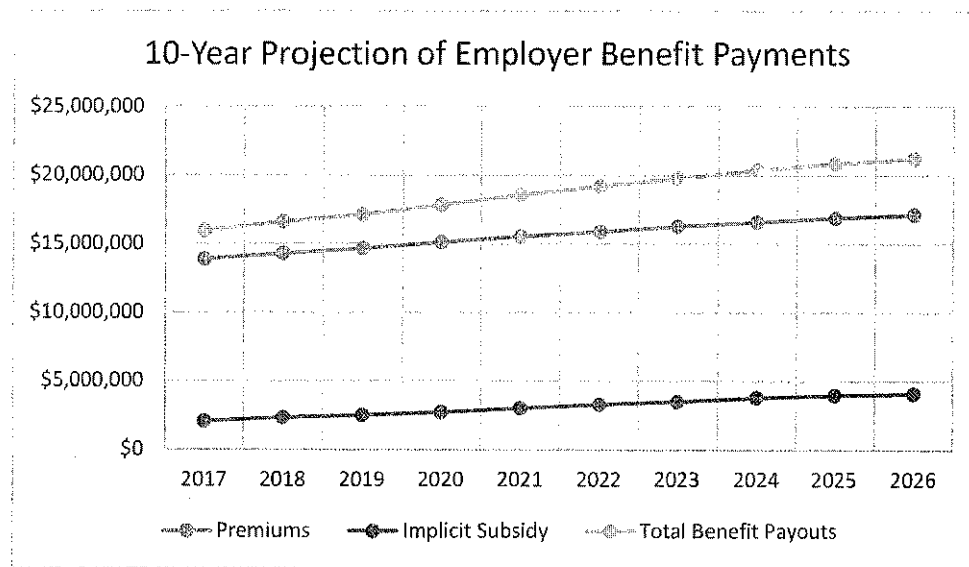
When an interim valuation is performed, both the census data and the assumptions and methods do not need to be updated. What does need to be updated in an interim valuation are assets, plan provision changes materially impacting the results, and the discount rate to the extent that it is based on a yield or index rate for a 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

## Section I Management Summary

### C) 10-Year Projection of Employer Benefit Payments

In this table we show the projected pay-as-you-go costs (employer's share of premiums), the implicit subsidy, and total expected benefit payments. The implicit subsidy reflects the shortfall of premiums versus the true cost of coverage. The shortfall exists because claims for active employees are combined with claims of retirees (who generally are older and cost more) to develop a single flat premium paid by both groups.

Fiscal Year Beginning 7/1	Premiums	Implicit Subsidy	Total
2017	\$13,883,857	\$2,064,063	\$15,947,920
2018	\$14,295,508	\$2,327,638	\$16,623,146
2019	\$14,651,197	\$2,492,011	\$17,143,208
2020	\$15,093,737	\$2,732,350	\$17,826,087
2021	\$15,525,504	\$3,026,322	\$18,551,826
2022	\$15,894,992	\$3,286,392	\$19,181,384
2023	\$16,285,088	\$3,501,310	\$19,786,398
2024	\$16,600,062	\$3,789,391	\$20,389,453
2025	\$16,896,913	\$3,965,934	\$20,862,847
2026	\$17,134,711	\$4,079,383	\$21,214,094



## Section I Management Summary

### D) Breakdown of Explicit and Implicit Liabilities

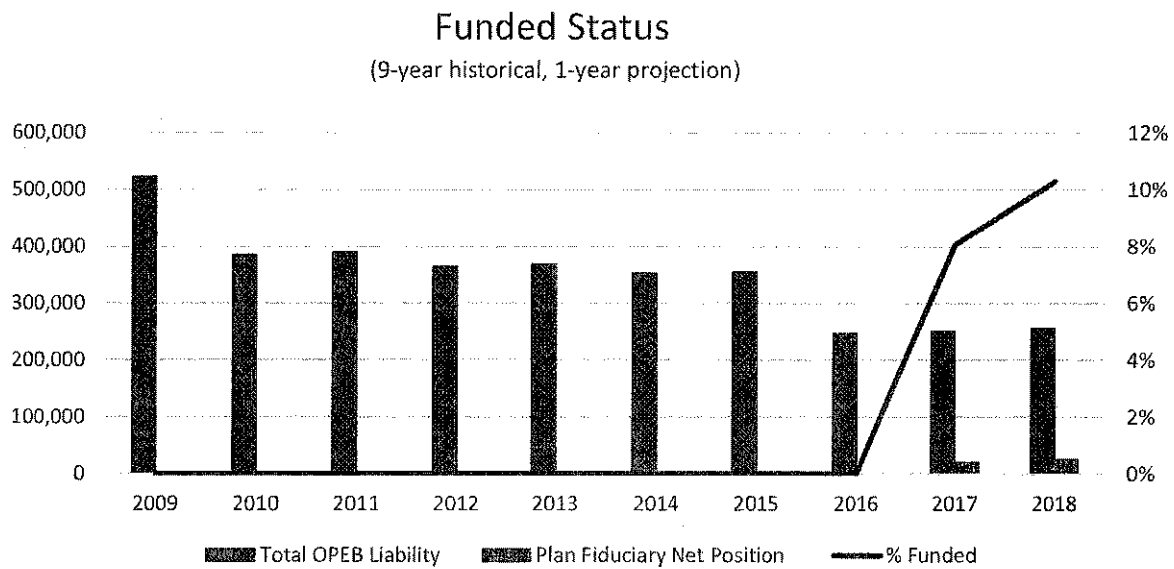
	Explicit	Implicit	Total
<b>Present Value of Future Benefits</b>			
Actives	\$65,113,960	\$37,019,443	\$102,133,403
Retirees	<u>149,724,264</u>	<u>19,226,796</u>	<u>168,951,060</u>
Total	\$214,838,224	\$56,246,239	\$271,084,463
<b>Actuarial Accrued Liability</b>			
Actives	\$54,709,853	\$28,220,668	\$82,930,521
Retirees	<u>149,724,264</u>	<u>19,226,796</u>	<u>168,951,060</u>
Total	\$204,434,117	\$47,447,464	\$251,881,581
<b>Normal Cost (boy)</b>	\$1,596,173	\$1,124,956	\$2,721,129



## Section I Management Summary

### E) Funding Progress

Below is an illustration of the funded status of the Plan for the past 9 years, and a projection of the next year looking forward:



## Section II GASB 75 Exhibits

### A) Schedule of Changes in Net OPEB Liability (Exhibit 1)

2017

#### Total OPEB Liability

Service cost	\$2,721,129
Interest	17,607,503
Change of benefit terms	0
Differences between expected and actual experience	948,763
Changes of assumptions	0
Benefit payments, including refunds of employee contributions	<u>(16,777,273)</u>
<b>Net change in Total OPEB Liability</b>	<b>\$4,500,122</b>
<b>Total OPEB Liability – beginning (a)</b>	<b><u>247,381,459</u></b>
<b>Total OPEB Liability – ending (b)</b>	<b>\$251,881,581</b>

#### Plan Fiduciary Net Position

Contributions – employer	\$36,777,273
Contributions – employee	0
Net investment income	351,530
Benefit payments, including refunds of employee contributions	(16,777,273)
Administrative expense	(1,650)
Other	<u>0</u>
<b>Net change in Plan Fiduciary Net Position</b>	<b>\$20,349,880</b>
 <b>Plan Fiduciary Net Position – beginning (c)</b>	 <b>\$0</b>
<b>Plan Fiduciary Net Position – ending (d)</b>	<b>\$20,349,880</b>

<b>Net OPEB Liability - beginning (a) – (c)</b>	<b>\$247,381,459</b>
<b>Net OPEB Liability – ending (b) – (d)</b>	<b>\$231,531,701</b>

<b>Plan Fiduciary Net Position as a percentage of the Total OPEB Liability</b>	<b>8%</b>
<b>Covered employee payroll</b>	<b>\$134,739,411</b>
<b>Plan Net OPEB Liability as percentage of covered employee payroll<sup>(1)</sup></b>	<b>172%</b>

## Section II GASB 75 Exhibits

### B) Derivation of Significant Actuarial Assumptions

**Long-term Expected Rate of Return** – As of June 30, 2017, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return <sup>1</sup>
Equity	60.00%	7.75%
Fixed Income	32.00%	4.29%
REITs	8.00%	5.75%

<sup>1</sup>JPMorgan arithmetic Long Term Capital Market assumptions and expected inflation of 2.26%.

The above table shows the target asset allocation in the CERBT Strategy 1 investment policy.

**Discount rate** – The discount rate is based on a blend of (a) the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

	June 30, 2016	June 30, 2017
Discount Rate	7.28%	7.28%
Bond Buyer 20-Bond GO Index	2.85%	3.58%

## Section II GASB 75 Exhibits

### C) Sensitivity Analysis (Exhibit 2)

**Sensitivity of the Net OPEB Liability to changes in the discount rate** – The following presents the District's Net OPEB Liability if it were calculated using a discount rate that is 1% point lower (6.28%) or 1% point higher (8.28%) than the current rate:

**Sensitivity of the Net OPEB Liability to changes in the Trend rate** – The following presents the District's Net OPEB Liability if it were calculated using a trend table that is 1% point lower or 1% point higher than the current rate:

**Net OPEB Liability as of June 30, 2017 measurement date: \$231,531,701**

#### Sensitivity Analysis:

	NOL	\$ Change	%Change
<b>Discount Rate</b>			
+1%	\$205,193,420	(\$26,338,281)	(11%)
Base	\$231,531,701	-	-
-1%	\$256,667,828	\$25,136,127	11%
<b>Trend Rate</b>			
+1%	\$249,602,505	\$18,070,804	8%
Base	\$231,531,701	-	-
-1%	\$210,547,157	(\$20,984,544)	(9%)

## Section II GASB 75 Exhibits

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### D) Schedule of OPEB Expense for Fiscal Year Ended June 30, 2018 (Exhibit 3)

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#### Components of OPEB Expense

Service Cost	\$2,721,129
Interest on the Total OPEB Liability (Exhibit 4)	17,607,503
Changes on Benefit Terms	0
Recognized Differences between Expected and Actual Experience	166,450
Recognized Changes of Assumptions	0
Employee Contributions	0
Projected Earnings on OPEB Plan Investments (Exhibit 5)	(715,154)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	72,725
Administrative Expense	1,650
Other Changes in Fiduciary Net Position	0
Aggregate OPEB Expense	<u>\$19,854,303</u>

## Section II GASB 75 Exhibits

### E) Interest on the Total OPEB Liability (Exhibit 4)

	Amount for Period a	Portion of Period b	Interest Rate c	Interest on the Total OPEB Liability a*b*c
Beginning Total OPEB Liability	\$247,381,459	100%	7.28%	\$18,009,370
Service Cost	\$2,721,129	100%	7.28%	198,098
Benefit payments, including refunds of employee contribution	(\$16,777,273)	50%	7.28%	(599,965)
Total Interest on the total OPEB liability				\$17,607,503

## Section II GASB 75 Exhibits

### F) Earnings on Plan Fiduciary Net Position (Exhibit 5)

Total Projected Earnings	Amount for Period a	Portion of Period b	Projected Rate of Return c	Projected Earnings a*b*c
Beginning Plan Fiduciary Net Position	\$0	100%	7.28%	\$0
Employer Contributions	\$36,777,273	50%	7.28%	1,315,178
Employee Contributions	\$0	50%	7.28%	0
Benefits payments, (including refunds of employee contributions)	(\$16,777,273)	50%	7.28%	(599,965)
Administrative Expense and Other	(\$1,650)	50%	7.28%	(59)
<b>Total Projected Earnings</b>				<b>\$715,154</b>

Comparison of Projected and Actual Earnings On Investments	
Total Projected Earnings	\$715,154
Actual Net Investment Income	<u>351,530</u>
Net Difference Between Projected and Actual Earnings On Investments	\$363,624

## Section II GASB 75 Exhibits

### G) Schedule of Contributions<sup>1</sup> (Exhibit 6)

	Plan Year 2016 - 2017
Actuarially Determined Contribution <sup>2</sup>	\$20,963,662
Covered-employee payroll <sup>3</sup>	\$134,739,411
Contributions as a percentage of covered-employee payroll <sup>3</sup>	27%
Contributions to the Trust	20,000,000
Pay-go Payments by Employer Unreimbursed by the Trust	16,777,273
Active Implicit Rate Subsidy Transferred to OPEB	0
Total OPEB Contributions <sup>1</sup>	\$36,777,273

<sup>1</sup> ADC and Contributions are for the measurement period July 1, 2016 to June 30, 2017.

<sup>2</sup> Employers setting a discount rate based on the assumption that assets will be sufficient to cover all future benefit payments under the plan are assumed to annually make contributions equal to the actuarially determined contribution. Annual contributions made that are substantially less than the ADC would require additional support for use of a discount rate equal to the long-term expected return on trust assets. The ADC is based on the actuarial valuation as of the July 1, 2016 report

<sup>3</sup> Covered-Employee Payroll represented above is based on covered-employee payroll provided by the employer. GASB 75 defines covered-employee payroll as the total payroll of employees that are provided OPEBs through the OPEB plan. Accordingly, if OPEB covered-employee payroll shown above is different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.



## Section II GASB 75 Exhibits

### H) Deferred Inflows/Outflows of Resources (Exhibit 7)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the TOL	\$782,313	\$0
Changes in assumptions	0	0
Net difference between projected and actual earnings of OPEB plan investments	290,898	0
Contribution to OPEB plan after measurement date <sup>1</sup>	<u>0</u>	<u>0</u>
Total	\$1,073,211	\$0

<sup>1</sup> To be determined as of the fiscal year ending 2018

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2019	\$239,175
2020	239,175
2021	239,175
2022	239,173
2023	116,513
Thereafter	<u>0</u>
	\$1,073,211

## Section II GASB 75 Exhibits

### I) Schedule of Deferred Inflows/Outflows of Resources (Exhibit 8)

Fiscal Year Established	Initial Amount	Deferred Outflows of Resources as of 06/30/17	Deferred Inflows of Resources as of 06/30/17	Initial Years	Years Left	Deferred Outflows/(Inflows) Recognized in Fiscal 2018
Changes in Assumption						
2017	\$0	\$0	\$0	5.8	4.8	\$0
Total	\$0	\$0	\$0			\$0
Difference Between Expected and Actual Plan Experience						
2017	\$948,763	\$782,313	\$0	5.8	4.8	\$166,450
Total	\$948,763	\$782,313	\$0			\$166,450
Net Difference Between Projected and Actual Earnings On Investments						
2017	\$363,623	\$290,898	\$0	5.0	4.0	\$72,725
Total	\$363,623	\$290,898	\$0			\$72,725
Changes in Benefit Terms						
2017	\$0	\$0	\$0	1.0	0.0	\$0
Total	\$0	\$0	\$0			\$0
<hr/>						
Total Balance:		\$1,073,211	\$0			\$239,175

## Section II GASB 75 Exhibits

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### J) Journal Entry to Record the NOL for FYE June 30, 2018 (Exhibit 9)

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	DR	CR
Net Position	\$230,458,490	\$0
DO-Experience	782,313	0
DO-Investment	290,898	0
DO-Contributions	0	0
DO-Assumptions	0	0
DI-Experience	0	0
DI-Investment	0	0
DI-Assumptions	0	0
NOL	0	231,531,701
	<u>\$231,531,701</u>	<u>\$231,531,701</u>

## Section III Data

### A) Summary of Demographic Information

The participant data used in the valuation was provided by The District as of June 30, 2016. It is assumed that this data is representative of the population as of June 30, 2016. While the participant data was checked for reasonableness, the data was not audited, and the valuation results presented in this report are dependent upon the accuracy of the participant data provided. The table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

	Total
<u>Actives</u>	
Total Counts	2,288
Average Age	57
Average Service	12
<u>Retirees</u>	
Counts	
Under age 65	238
Age 65 and over	<u>2,001</u>
Total Counts	2,239
Average Age	75
Total Participants	4,527
<u>Covered Dependents of Retirees</u>	
Counts	
Spouses / Domestic Partners	845
Children	<u>0</u>
Total	845
Grand Total	5,372

## Section III Data

### B) Distribution of Participants by Age and Service

Total Distribution of Service Groups by Age Groups								
Age Group	Retired <sup>1</sup> Participants	Active Participant – Years of Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
< 25	1	40	0	0	0	0	0	40
25 - 29	0	144	11	0	0	0	0	155
30 - 34	0	115	71	11	0	0	0	197
35 - 39	1	74	80	58	6	0	0	218
40 - 44	0	74	70	60	38	5	0	247
45 - 49	1	75	70	80	75	19	6	325
50 - 54	5	55	57	72	69	27	32	312
55 - 59	52	44	60	77	80	29	65	355
60 - 64	178	29	39	64	68	22	46	268
65 - 69	474	7	19	21	38	8	33	126
> 70	1527	2	6	8	14	7	8	45
<b>Total</b>	<b>2,239*</b>	<b>659</b>	<b>483</b>	<b>451</b>	<b>388</b>	<b>117</b>	<b>190</b>	<b>2,288</b>

\* 440 retirees and surviving spouses are enrolled in medical and dental plans, 1,751 are enrolled in medical but not dental, and 48 are enrolled in dental but not medical.

\* In addition, 855 spouses of retirees are receiving postemployment medical and/or dental benefits.

## Section III Data

### B) Distribution of Participants by Age and Service (continued)

#### Distribution of Certificated UTR Employees Service Groups by Age Groups

Age Group	Retired <sup>1</sup> Participants	Active Participant – Years of Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
< 25	0	28	0	0	0	0	0	28
25 - 29	0	111	4	0	0	0	0	115
30 - 34	0	80	37	9	0	0	0	126
35 - 39	0	47	49	40	3	0	0	139
40 - 44	0	36	34	44	22	0	0	136
45 - 49	1	43	30	45	54	6	0	178
50 - 54	3	32	19	40	39	18	15	163
55 - 59	14	16	26	42	51	17	36	188
60 - 64	82	15	18	34	46	14	35	162
65 - 69	292	4	7	16	31	5	20	83
> 70	943	1	3	7	11	6	6	34
<b>Total</b>	<b>1,335</b>	<b>413</b>	<b>227</b>	<b>277</b>	<b>257</b>	<b>66</b>	<b>112</b>	<b>1,352</b>

#### Distribution of Classified Supervisors (SSA) Employees Service Groups by Age Groups

Age Group	Retired <sup>1</sup> Participants	Active Participant – Years of Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
< 25	0	0	0	0	0	0	0	0
25 - 29	0	2	0	0	0	0	0	2
30 - 34	0	5	2	0	0	0	0	7
35 - 39	0	4	1	3	1	0	0	9
40 - 44	0	4	3	0	1	1	0	9
45 - 49	0	1	2	1	6	4	1	15
50 - 54	0	2	2	6	3	0	3	16
55 - 59	4	2	0	9	4	1	5	21
60 - 64	10	2	0	6	4	1	0	13
65 - 69	15	0	1	1	1	0	0	3
> 70	34	0	0	0	0	0	0	0
<b>Total</b>	<b>63</b>	<b>22</b>	<b>11</b>	<b>26</b>	<b>20</b>	<b>7</b>	<b>9</b>	<b>95</b>

## Section III Data

### B) Distribution of Participants by Age and Service (continued)

#### Distribution of Certificated Administrators (WCCAA) Employees Service Groups by Age Groups

Age Group	Retired <sup>1</sup> Participants	Active Participant – Years of Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
< 25	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0
30 - 34	0	0	10	0	0	0	0	10
35 - 39	0	3	5	6	0	0	0	14
40 - 44	0	2	5	5	0	0	0	12
45 - 49	0	3	2	6	1	2	0	14
50 - 54	0	2	5	2	1	1	0	11
55 - 59	1	7	4	1	2	0	2	16
60 - 64	4	0	2	1	2	0	2	7
65 - 69	18	0	1	0	0	1	0	2
> 70	26	0	0	0	0	0	0	0
<b>Total</b>	<b>49</b>	<b>17</b>	<b>34</b>	<b>21</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>86</b>

#### Distribution of Classified Local #1 Employees Service Groups by Age Groups

Age Group	Retired <sup>1</sup> Participants	Active Participant – Years of Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
< 25	0	12	0	0	0	0	0	12
25 - 29	0	31	6	0	0	0	0	37
30 - 34	0	30	22	2	0	0	0	54
35 - 39	1	17	25	9	2	0	0	53
40 - 44	0	28	25	11	14	4	0	82
45 - 49	0	24	36	26	13	6	5	110
50 - 54	2	16	27	24	22	8	12	109
55 - 59	32	13	30	25	23	10	21	122
60 - 64	74	10	19	20	14	6	7	76
65 - 69	127	2	8	4	5	2	11	32
> 70	418	0	3	1	3	1	2	10
<b>Total</b>	<b>654</b>	<b>183</b>	<b>201</b>	<b>122</b>	<b>96</b>	<b>37</b>	<b>58</b>	<b>697</b>

## Section III Data

### B) Distribution of Participants by Age and Service (continued)

#### Distribution of Unrepresented Management, Confidential, Superintendent's Cabinet and Board Members Service Groups by Age Groups

Age Group	Retired <sup>1</sup> Participants	Active Participant – Years of Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
< 25	1	0	0	0	0	0	0	0
25 - 29	0	0	1	0	0	0	0	1
30 - 34	0	0	0	0	0	0	0	0
35 - 39	0	3	0	0	0	0	0	3
40 - 44	0	4	3	0	1	0	0	8
45 - 49	0	4	0	2	1	1	0	8
50 - 54	0	3	4	0	4	0	2	13
55 - 59	1	6	0	0	0	1	1	8
60 - 64	8	2	0	3	2	1	2	10
65 - 69	22	1	2	0	1	0	2	6
> 70	106	1	0	0	0	0	0	1
<b>Total</b>	<b>138</b>	<b>24</b>	<b>10</b>	<b>5</b>	<b>9</b>	<b>3</b>	<b>7</b>	<b>58</b>



## Section IV Plan Provision Summary

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### A) Plan Description

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#### Retiree Coverage Overview

##### Medical

Eligible retirees may enroll in any plan offered through the CalPERS medical program. Retirees who are eligible must enroll in Medicare Part A & B coverage in order for their coverage to continue beyond 65. If an eligible retiree does not qualify for premium free Part A they will remain enrolled in the basic plan.

District provided medical benefits continue throughout the lifetime of the retiree. A surviving spouse of the retiree must receive a monthly allowance from either CalPERS or CalSTRS to continue their health benefits.

##### Dental (Local One only)

Dental benefits are provided by Delta Dental. District employees who have a minimum of 10 years of service with the District, and whose age plus years of service is 75 or more, retire from the District and begin receiving a PERS or STRS pension are eligible for postemployment dental benefits.

Dental benefits continue throughout the lifetime of the retiree. However, surviving spouses are not eligible for postemployment dental coverage.

The District contributes 100% of the composite cost of retiree dental coverage.

##### Eligibility and Benefits - Medical

Described on the following pages.

#### Plan Provision Changes

There have been no plan amendments since the last measurement date.

## Section IV Plan Provision Summary

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### A) Plan Description - (UTR)

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#### United Teachers of Richmond (UTR)

##### UTR employees who retired prior to January 1, 2007

The District pays the cost of medical coverage for retirees, spouses and surviving spouses up to the higher of the BlueShield Bay Area or Kaiser Bay Area premium rates.

As of January 2017, CalPERS will only offer BlueShield Basic coverage plans for non-Medicare (basic) subscribers. As a result BlueShield rates do not exist for Supplemental Medicare and Supplemental Medicare/Basic Combination coverage plans. Therefore, as of January 2017, basic coverage plan caps are based on BlueShield HMO Bay Area premium rates and all other coverage plan caps are based on United Healthcare HMO Bay Area premium rates.

##### UTR employees who retired between January 1, 2007 and June 30, 2010

The District pays the cost of medical coverage for retirees, their spouses and surviving spouse up to a specified cap on the District's contribution.

The District will contribute up to 100% of the cost of CalPERS Bay Area Kaiser coverage based on each retiree's enrollment category. Retirees who enroll in a more expensive plan must pay the difference.

##### UTR employees hired prior to January 1, 2007 who retire after June 30, 2010

The District contributes up the following maximum annual contributions to eligible retirees:

Continuous years of service with the District	Maximum monthly District Contribution
0-9	\$0
10 or more	\$450
20 or more (if accrued before June 30, 2010)	\$750

##### UTR employees hired on, or after, January 1, 2007

Years of Service under CalPERS rules	Maximum monthly District Contribution
0-9	\$0
10 or more	

## Section IV Plan Provision Summary

The CalPERS Health Benefits  
Program Minimum Employer  
Contribution

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### A) Plan Description - (UTR)

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#### UTR employees hired after July 1, 2016

Years of Service under CalPERS rules	Maximum monthly District Contribution
0-14	\$0
15 or more	The CalPERS Health Benefits Program Minimum Employer Contribution

#### UTR employees hired after July 1, 2017

Years of Service under CalPERS rules	Maximum monthly District Contribution
0-24	\$0
25 or more	The CalPERS Health Benefits Program Minimum Employer Contribution

## Section IV Plan Provision Summary

### A) Plan Description - (SSA)

#### School Supervisors Association (SSA)

##### SSA employees who retired prior to January 1, 2007

The District pays the cost of medical coverage for retirees, spouses and surviving spouses up to the higher of the BlueShield Bay Area or Kaiser Bay Area premium rates.

As of January 2017, CalPERS will only offer BlueShield Basic coverage plans for non-Medicare (basic) subscribers. As a result BlueShield rates do not exist for Supplemental Medicare and Supplemental Medicare/Basic Combination coverage plans. Therefore, as of January 2017, basic coverage plan caps are based on BlueShield HMO Bay Area premium rates and all other coverage plan caps are based on United Healthcare HMO Bay Area premium rates.

##### SSA employees who retired between January 1, 2007 and June 30, 2010

The District pays the cost of medical coverage for retirees, their spouses and surviving spouse up to a specified cap on the District's contribution.

The District will contribute up to 110% of the cost of CalPERS Bay Area Blue Shield coverage based on each retiree's enrollment category. Retirees who enroll in a more expensive plan must pay the difference.

##### SSA employees hired prior to January 1, 2007 who retire after June 30, 2010

The District contributes up the following maximum annual contributions to eligible retirees:

Continuous years of service with the District	Maximum monthly District Contribution
0-4	\$0
5 or more	\$450
20 or more (if accrued before June 30, 2010)	\$550

##### SSA employees hired after January 1, 2007 but prior to July 15, 2009

Continuous years of service with the District	Maximum monthly District Contribution
0-9	\$0
10 or more	\$450

## Section IV Plan Provision Summary

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### A) Plan Description - (SSA)

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SSA employees hired on, or after, July 15, 2009.

Years of Service under CalPERS rules	Maximum monthly District Contribution
0-4	\$0
5-24	The CalPERS Health Benefits Program Minimum Employer Contribution
25 or more	\$450 per month until the retiree reaches age 65. Thereafter, the CalPERS Health Benefits Program Minimum Employer Contribution.

## Section IV Plan Provision Summary

### A) Plan Description - (WCCAA)

#### West Contra Costa Administrators Association (WCCAA)

##### WCCAA employees who retired prior to January 1, 2007

The District pays the cost of medical coverage for retirees, spouses and surviving spouses up to the higher of the BlueShield Bay Area or Kaiser Bay Area premium rates.

As of January 2017, CalPERS will only offer BlueShield Basic coverage plans for non-Medicare (basic) subscribers. As a result BlueShield rates do not exist for Supplemental Medicare and Supplemental Medicare/Basic Combination coverage plans. Therefore, as of January 2017, basic coverage plan caps are based on BlueShield HMO Bay Area premium rates and all other coverage plan caps are based on United Healthcare HMO Bay Area premium rates.

##### WCCAA employees who retired between January 1, 2007 and June 30, 2010

The District pays the cost of medical coverage for retirees, their spouses and surviving spouse up to a specified cap on the District's contribution.

The District will contribute up to 110% of the cost of CalPERS Bay Area Blue Shield coverage based on each retiree's enrollment category. Retirees who enroll in a more expensive plan must pay the difference.

##### WCCAA employees hired prior to January 1, 2007 who retire after June 30, 2010

The District contributes up the following maximum annual contributions:

Continuous years of service with the District	Maximum monthly District Contribution
0-4	\$0
5-9	\$250
10 or more	\$450
20 or more (if accrued before June 30,2010)	\$550
25 or more (if accrued before June 30,2010)	\$750

## Section IV Plan Provision Summary

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### A) Plan Description - (WCCAA)

---

WCCAA employees hired on, or after, January 1, 2007

Years of Service under CalPERS rules	Maximum monthly District Contribution
0-4	\$0
5-24	The CalPERS Health Benefits Program Minimum Employer Contribution
25 or more	\$450 per month until the retiree reaches age 65. Thereafter, the CalPERS Health Benefits Program Minimum Employer Contribution.

## Section IV Plan Provision Summary

### A) Plan Description - (Local 1)

#### Public Employees, Local 1

##### Local 1 employees who retired prior to January 1, 2007

The District pays the cost of medical coverage for retirees, spouses and surviving spouses up to the higher of the BlueShield Bay Area or Kaiser Bay Area premium rates.

As of January 2017, CalPERS will only offer BlueShield Basic coverage plans for non-Medicare (basic) subscribers. As a result BlueShield rates do not exist for Supplemental Medicare and Supplemental Medicare/Basic Combination coverage plans. Therefore, as of January 2017, basic coverage plan caps are based on BlueShield HMO Bay Area premium rates and all other coverage plan caps are based on United Healthcare HMO Bay Area premium rates.

##### Local 1 employees who retired between January 1, 2007 and June 30, 2010

The District pays the cost of medical coverage for retirees, their spouses and surviving spouse up to a specified cap on the District's contribution.

The District will contribute up to 110% of the cost of CalPERS Bay Area Blue Shield coverage based on each retiree's enrollment category. Retirees who enroll in a more expensive plan must pay the difference.

##### Local 1 employees hired prior to January 1, 2007 who retire after June 30, 2010

The District contributes up the following maximum annual contributions to eligible retirees:

Continuous years of service with the District	Maximum monthly District Contribution
0-4	\$0
5 or more	\$450
20 or more (if accrued before June 30,2010)	\$550

##### Local 1 employees hired after January 1, 2007 but prior to July 15, 2009

Continuous years of service with the District	Maximum monthly District Contribution
0-9	\$0
10 or more	\$450



## Section IV Plan Provision Summary

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### A) Plan Description - (Local 1)

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Local 1 employees hired on, or after, July 15, 2009

Years of Service under CalPERS rules	Maximum monthly District Contribution
0-4	\$0
5-24	The CalPERS Health Benefits Program Minimum Employer Contribution
25 or more	\$450 per month until the retiree reaches age 65. Thereafter, the CalPERS Health Benefits Program Minimum Employer Contribution.

## **Section IV Plan Provision Summary**

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### **A) Plan Description - (Miscellaneous Employees)**

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#### **Unrepresented Certificated Employees**

##### **Unrepresented Certificated employees who retired prior to January 1, 2007**

The District pays the cost of medical coverage for retirees, spouses and surviving spouses up to the higher of the BlueShield Bay Area or Kaiser Bay Area premium rates.

As of January 2017, CalPERS will only offer BlueShield Basic coverage plans for non-Medicare (basic) subscribers. As a result BlueShield rates do not exist for Supplemental Medicare and Supplemental Medicare/Basic Combination coverage plans. Therefore, as of January 2017, basic coverage plan caps are based on BlueShield HMO Bay Area premium rates and all other coverage plan caps are based on United Healthcare HMO Bay Area premium rates.

##### **Unrepresented Certificated employees who retired between January 1, 2007 and December 31, 2007**

The District pays the cost of medical coverage for retirees, their spouses and surviving spouse up to a specified cap on the District's contribution.

The District will contribute up to 110% of the cost of CalPERS Bay Area Blue Shield coverage based on each retiree's enrollment category. Retirees who enroll in a more expensive plan must pay the difference.

##### **Unrepresented Certificated employees who retired between January 1, 2008 and July 1, 2010**

The District pays the cost of medical coverage for retirees, their spouses and surviving spouse up to a specified cap on the District's contribution.

The District will contribute a maximum annual contribution of \$5,400 for a single retiree, \$11,040 for a retiree and spouse and \$14,400 for a retiree and family.

## Section IV Plan Provision Summary

### A) Plan Description - (Miscellaneous Employees)

Unrepresented Certificated employees hired prior to July 1, 2009 who retire after June 30, 2010

The District contributes up the following maximum annual contributions:

Continuous years of service with the District	Maximum monthly District Contribution
0-4	\$0
5-9	\$250
10 or more	\$450
20 or more (if accrued before June 30,2010)	\$550
25 or more (if accrued before June 30,2010)	\$750

Unrepresented Certificated employees hired on, or after, July 1, 2009

Years of Service under CalPERS rules	Maximum monthly District Contribution
0-4	\$0
5-24	The CalPERS Health Benefits Program Minimum Employer Contribution
25 or more	\$450 per month until the retiree reaches age 65. Thereafter, the CalPERS Health Benefits Program Minimum Employer Contribution.

## Section IV Plan Provision Summary

### A) Plan Description - (Miscellaneous Employees)

#### Unrepresented Classified Employees

##### Unrepresented Classified employees who retired prior to January 1, 2007

The District pays the cost of medical coverage for retirees, spouses and surviving spouses up to the higher of the BlueShield Bay Area or Kaiser Bay Area premium rates.

As of January 2017, CalPERS will only offer BlueShield Basic coverage plans for non-Medicare (basic) subscribers. As a result BlueShield rates do not exist for Supplemental Medicare and Supplemental Medicare/Basic Combination coverage plans. Therefore, as of January 2017, basic coverage plan caps are based on BlueShield HMO Bay Area premium rates and all other coverage plan caps are based on United Healthcare HMO Bay Area premium rates.

##### Unrepresented Classified employees who retired between January 1, 2007 and December 31, 2007

The District pays the cost of medical coverage for retirees, their spouses and surviving spouse up to a specified cap on the District's contribution.

The District will contribute up to 110% of the cost of CalPERS Bay Area Blue Shield coverage based on each retiree's enrollment category. Retirees who enroll in a more expensive plan must pay the difference.

##### Unrepresented Classified employees who retired between January 1, 2008 and July 1, 2010

The District pays the cost of medical coverage for retirees, their spouses and surviving spouse up to a specified cap on the District's contribution.

The District will contribute a maximum annual contribution of \$5,400 for a single retiree, \$11,040 for a retiree and spouse and \$14,400 for a retiree and family.

##### Unrepresented Classified employees hired prior to July 1, 2009 who retire after June 30, 2010

The District contributes up the following maximum annual contributions to eligible retirees:

Continuous years of service with the District	Maximum monthly District Contribution
0-4	\$0
5 or more	\$450
20 or more (if accrued before June 30, 2010)	\$550

## Section IV Plan Provision Summary

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### A) Plan Description - (Miscellaneous Employees)

---

Unrepresented Classified employees hired on, or after, July 1, 2009

Years of Service under CalPERS rules	Maximum monthly District Contribution
0-4	\$0
5-24	The CalPERS Health Benefits Program Minimum Employer Contribution
25 or more	\$450 per month until the retiree reaches age 65. Thereafter, the CalPERS Health Benefits Program Minimum Employer Contribution.

## Section IV Plan Provision Summary

### A) Plan Description - (Miscellaneous Employees)

#### Confidential Employees

##### Confidential employees who retired prior to January 1, 2007

The District pays the cost of medical coverage for retirees, spouses and surviving spouses up to the higher of the BlueShield Bay Area or Kaiser Bay Area premium rates.

As of January 2017, CalPERS will only offer BlueShield Basic coverage plans for non-Medicare (basic) subscribers. As a result BlueShield rates do not exist for Supplemental Medicare and Supplemental Medicare/Basic Combination coverage plans. Therefore, as of January 2017, basic coverage plan caps are based on BlueShield HMO Bay Area premium rates and all other coverage plan caps are based on United Healthcare HMO Bay Area premium rates.

##### Confidential employees who retired between January 1, 2007 and June 30, 2010

The District pays the cost of medical coverage for retirees, their spouses and surviving spouse up to a specified cap on the District's contribution.

The District will contribute up to 110% of the cost of CalPERS Bay Area Blue Shield coverage based on each retiree's enrollment category. Retirees who enroll in a more expensive plan must pay the difference.

##### Confidential employees hired prior to January 1, 2007 who retire after June 30, 2010

The District contributes up the following maximum annual contributions to eligible retirees:

Continuous years of service with the District	Maximum monthly District Contribution
0-4	\$0
5 or more	\$450
20 or more (if accrued before June 30,2010)	\$550

##### Confidential employees hired after January 1, 2007 but prior to July 1, 2009

Continuous years of service with the District	Maximum monthly District Contribution
0-9	\$0
10 or more	\$450

## Section IV Plan Provision Summary

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### A) Plan Description - (Miscellaneous Employees)

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Confidential employees hired on, or after, July 1, 2009

Years of Service under CalPERS rules	Maximum monthly District Contribution
0-4	\$0
5-24	The CalPERS Health Benefits Program Minimum Employer Contribution
25 or more	\$450 per month until the retiree reaches age 65. Thereafter, the CalPERS Health Benefits Program Minimum Employer Contribution.

## Section V Actuarial Assumption, Methods, & Considerations

### A) Actuarial Assumptions

Discount Rate	7.28%, based on CERBT Strategy 1 investment policy
Net Investment Return	7.28%, based on CERBT Strategy 1 investment policy
Inflation	We assumed 2.0% annual inflation.
Payroll increases	3.25% annual increases.

#### Health Care Trend

Year Beginning	Increase in Premium Rates	
	Pre-65	Post-65
2018	8.00%	5.50%
2019	7.75%	5.25%
2020	7.50%	5.00%
2021	7.25%	5.00%
2022	7.00%	5.00%
2023	6.75%	5.00%
2024	6.50%	5.00%
2025	6.25%	5.00%
2026	6.00%	5.00%
2027	5.75%	5.00%
2028	5.50%	5.00%
2029	5.25%	5.00%
2030 and later	5.00%	5.00%



## Section V Actuarial Assumption, Methods, & Considerations

### A) Actuarial Assumptions (continued)

Plan Distribution for Calculating  
PPO Baseline Cost

Plan	Pre-Medicare	Post-Medicare
PERS Care	33%	38%
PERS Choice	67%	59%
PERS Select	0%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

PPO Baseline Cost

Pre-Medicare: \$10,158 per year  
Post-Medicare: \$4,497 per year

Plan Distribution for Calculating  
HMO Baseline Cost

Plan	Pre-Medicare	Post-Medicare
Kaiser	75%	75%
United Healthcare HMO	25%	25%
<b>Total</b>	<b>100%</b>	<b>100%</b>

HMO Baseline Cost

Pre-Medicare: \$9,685 per year  
Post-Medicare: \$3,657 per year

Administrative Expenses

We assumed administrative expenses of 1.48% of medical benefit payouts.

Health & Dental Plan  
Participation

We assumed that 100% of eligible participants will participate.

Medicare Coverage

We assumed that all PERS employees and retirees and their spouses will qualify for Medicare coverage and enroll in Part A and Part B when they reach age 65.

We assumed that all STRS employees and retirees and their spouses who are currently younger than age 65 will either qualify for Medicare coverage and enroll in Part A and Part B when they reach age 65, or if they are not qualified for Medicare coverage they will pay the required Medicare Part B premium and enroll.

Morbidity Factors

CalPERS 2013 study

Population for Curving

CalPERS 2013 study

Age-Weighted Claims Costs<sup>1</sup>

Age	HMO		PPO	
	Male	Female	Male	Female
50	\$9,303	\$10,493	\$8,485	\$10,272
55	\$12,465	\$12,037	\$11,440	\$11,761
60	\$15,430	\$13,178	\$14,203	\$12,988
65	\$3,862	\$4,053	\$4,561	\$5,050
70	\$3,463	\$3,207	\$3,916	\$3,865
75	\$3,816	\$3,815	\$4,590	\$4,468
80	\$4,099	\$4,302	\$5,171	\$4,978
85	\$4,205	\$4,496	\$5,422	\$5,238

## Section V Actuarial Assumption, Methods, & Considerations

### A) Actuarial Assumptions (continued)

#### Mortality

Certificated and classified employees were treated separately; their mortality tables are described below.

The mortality rates used for certificated employees are those used in the 2012 CalSTRS valuations.

**Pre-Retirement:** CalSTRS 2012 Mortality pre-retirement

**Post-Retirement:** CalSTRS 2012 Mortality post-retirement

Sample Mortality Rates of Base Table				
Age	Active Employees		Retired Employees	
	Male	Female	Male	Female
55	0.14%	0.09%	0.16%	0.12%
60	0.24%	0.18%	0.30%	0.25%
65	0.44%	0.37%	0.60%	0.47%
70	0.91%	0.67%	1.09%	0.86%
75	1.49%	1.19%	1.89%	1.45%
80	2.82%	2.15%	3.77%	2.76%
85	5.85%	4.18%	7.62%	5.60%
90	11.06%	8.82%	14.21%	11.70%

The mortality rates used for classified employees are those used in the most recent CalPERS valuations, projected forward with the MP-2014 Projection scale. Sample rates the base table are shown below.

**Pre-Retirement:** CalPERS 2014 Mortality pre-retirement, projected forward with the MP-2014 Projection scale.

**Post-Retirement:** CalPERS 2014 Mortality post-retirement, projected forward with the MP-2014 Projection scale.

Sample Mortality Rates				
Age	Active Employees		Retired Employees	
	Male	Female	Male	Female
55	0.23%	0.14%	0.60%	0.42%
60	0.31%	0.18%	0.71%	0.44%
65	0.40%	0.26%	0.83%	0.59%
70	0.52%	0.37%	1.31%	0.99%
75	0.71%	0.53%	2.21%	1.72%
80	0.99%	0.81%	3.90%	2.90%
85	0.00%	0.00%	6.97%	5.24%
90	0.00%	0.00%	12.97%	9.89%

#### Disability

Because of the anticipated low incidence of disability retirements we did not value disability.

## Section V Actuarial Assumption, Methods, & Considerations

### A) Actuarial Assumptions (continued)

#### Retirement

Certificated and classified employees were treated separately; their retirement tables are described below.

Certificated employees were evaluated using the Cal STRS retirement rates. The rates shown below are based on a retirement study over the interval from July 1, 2008, to July 1, 2014. We compared the expected number of retirements, from one valuation to the next, with the actual number of retirements, based on the census files for all the valuations from 2008 to 2014. As a result, we multiplied all CalSTRS assumed retirement rates by 1.127 to match the actual experience of the District.

Cal STRS 2012  
Retirement Rates  
(Male)  
scaled by a factor of  
1.127

Age	Years of Service					
	5	10	15	20	25	30+
50	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%
55	3.0%	3.0%	3.0%	3.0%	6.1%	9.0%
60	7.1%	7.1%	7.1%	7.1%	14.2%	30.4%
65	15.2%	15.2%	15.2%	15.2%	30.4%	36.6%
70	12.2%	12.2%	12.2%	12.2%	24.3%	33.8%
75	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Cal STRS 2012  
Retirement Rates  
(Female)  
scaled by a factor of  
1.127

Age	Years of Service					
	5	10	15	20	25	30+
50	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%
55	5.1%	5.1%	5.1%	5.1%	10.1%	10.1%
60	10.1%	10.1%	10.1%	10.1%	20.3%	30.4%
65	16.2%	16.2%	16.2%	16.2%	32.5%	36.6%
70	15.2%	15.2%	15.2%	15.2%	30.4%	33.8%
75	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Classified employees were evaluated using CalPERS retirement rates. Our retirement study showed no significant differences between PERS school employee retirement rates and actual experience for the District.

CalPERS school  
employees retirement  
rate

Age	Years of Service				
	5	10	15	20	25
50	0.5%	0.9%	1.3%	1.5%	1.6%
55	2.4%	4.8%	6.7%	7.9%	8.8%
60	3.7%	7.3%	10.2%	12.1%	13.4%
65	9.1%	18.0%	25.1%	29.7%	33.1%
70	6.6%	13.1%	18.3%	21.6%	24.1%
75	5.5%	10.8%	15.1%	17.9%	19.9%

## Section V Actuarial Assumption, Methods, & Considerations

### A) Actuarial Assumptions (continued)

#### Withdrawal

Sample withdrawal rates are shown below. These rates are based on a withdrawal study over the interval from July 1, 2008, to July 1, 2014. We compared the expected number of withdrawals, from one valuation to the next, with the actual number of withdrawals, based on the census files for all the valuations from 2008 to 2014, and on prior withdrawal rates. PERS school employees' withdrawal rates have been increased by 50% for employees with more than 10 years of service; STRS rates have been given separate multipliers for 5 years of service or less, 6 to 10 years of service, and more than 10 years of service, to match with the actual experience of the District

#### STRS Withdrawal Rates

Service	Male	Female
0	30.5%	28.6%
5	7.4%	7.4%
10	4.3%	4.3%
15	3.0%	3.0%
20	1.7%	1.7%
25	1.0%	1.0%

#### CalPERS School employees Withdrawal Rates w/ 50% increase for 10+ service

Age	Years of Service				
	0	5	10	15	20
20	17.3%	12.0%	0.0%	0.0%	0.0%
25	16.3%	10.9%	13.8%	0.0%	0.0%
30	15.3%	9.8%	12.0%	11.5%	0.0%
35	14.2%	8.7%	10.3%	9.8%	9.2%
40	13.2%	7.6%	8.6%	8.0%	7.4%
45	12.2%	6.5%	6.9%	6.3%	5.6%
50	11.1%	1.4%	1.1%	0.8%	0.6%

#### Percent Married

Eligible retirees are allowed to enroll their dependents. The District contributes some, or all, of the cost of dependent coverage. Based on the enrollment pattern of retirees who are younger than age 65, we assumed that 50% of future certified retirees will enroll a spouse and 60% of non-certified future retirees will enroll a spouse. Female spouses are assumed to be three years younger than male spouses.

#### Assumption Changes

There have been no assumption changes since the last measurement date.

## Section V Actuarial Assumption, Methods, & Considerations

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### B) Actuarial Methods

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#### Actuarial Cost Method

##### Entry Age Normal

An actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in the 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 Normal Cost.

#### Amortization Methodology

We used straight-line amortization. For assumption changes and experience gains/losses, we assumed Average Future Working Lifetime, averages over all actives and retirees (retirees are assumed to have no future working years). For asset gains and losses, we assumed 5 years.

#### Financial and Census Data

The District provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness, but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate, and knows of no further information that is essential to the preparation of the actuarial valuation.

#### Plan Fiduciary Net Position

Market value of assets as of the measurement date

#### Measurement Date

June 30, 2017

#### Valuation Date

June 30, 2017

#### Funding Policy

The District intends to contribute \$1 million annually to the trust and pay ongoing benefits without reimbursement from the trust until the plan is fully funded.

## Section V Actuarial Assumption, Methods, & Considerations

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### C) Actuarial Considerations

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#### Health Care Reform

Health care delivery is going through an evolution due to enactment of Health Care Reform. The Patient Protection and Affordable Care Act (PPACA), was signed March 23, 2010, with further changes enacted by the Health Care and Education Affordability Reconciliation Act (HCEARA), signed March 30, 2010. This valuation uses various assumptions that may have been modified based on considerations under PPACA. This section discusses particular legislative changes that were reflected in our assumptions. We have not identified any other specific provision of PPACA that would be expected to have a significant impact on the measured obligation. As additional guidance on the Act continues to be issued, we'll continue to monitor impacts.

#### Individual Mandate

Under PPACA, individuals (whether actively employed or otherwise) must be covered by health insurance or else pay a penalty tax to the government. While it is not anticipated that the Act will result in universal coverage, it is expected to increase the overall portion of the population with coverage. We believe this will result in an increased demand on health care providers, resulting in higher trend for medical services for non-Medicare eligible retirees. (Medicare costs are constrained by Medicare payment mechanisms already in place, plus additional reforms added by PPACA and HCEARA.) While we believe that the mandate may result in somewhat higher participation overall, this issue would have a marginal impact since we assume 100% participation upon retirement.

#### Employer Mandate

Health Care Reform includes various provisions mandating employer coverage for active employees, with penalties for non-compliance. Those provisions do not directly apply to the postemployment coverage included in this valuation.

## Section V Actuarial Assumption, Methods, & Considerations

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### C) Actuarial Considerations (continued)

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Medicare Advantage Plans	Effective January 1, 2011, the Law provides for reductions to the amounts that would be provided to Medicare Advantage plans starting in 2011. We considered the effect of these reductions in federal payments to Medicare Advantage plans when setting our trend assumption.
Expansion of Child Coverage to Age 26	Health Care Reform mandates that coverage be offered to any child, dependent or not, through age 26, consistent with coverage for any other dependent. We assume that this change has been reflected in current premium rates. While this plan covers dependents, we do not currently assume non-spouse dependent coverage other than for firefighters. We believe the impact this assumption has on the valuation is immaterial due to the lack of retirees that have had or are expected to have non-spouse dependents for any significant amount of time during retirement.
Elimination of Annual or Lifetime Maximums	Health Care Reform provides that annual or lifetime maximums have to be eliminated for all "essential services." We assume that current premium rates already reflect the elimination of any historic maximums.
Cadillac Tax (High Cost Plan Excise Tax)	<p>The PPACA legislation added a new High-Cost Plan Excise Tax (also known as the "Cadillac Tax") starting in calendar year 2022. For valuation purposes, we assumed that the value of the tax will be passed back to the plan in higher premium rates.</p> <ul style="list-style-type: none"><li>• The tax is 40% of the excess of (a) the cost of coverage over (b) the limit. We modeled the cost of the tax by calculating (a) using the working rates projected with trend. We calculated (b) starting with the statutory limits (\$10,200 single and \$27,500 family), adjusted for the following:<ul style="list-style-type: none"><li>○ Limits will increase from 2018 to 2019 by 4.25% (CPI plus 1%);</li><li>○ Limits will increase after 2019 by 3.25% (CPI); and</li><li>○ For retirees over age 55 and not on Medicare, the limit is increased by an additional dollar amount of \$1,650 for single coverage and \$3,450 for family coverage.</li></ul></li><li>• Based on the above assumptions, we estimate that the tax will apply as early as 2028 for some of the District's pre-Medicare plans. In addition, we estimate that the tax will not apply for the District's post-Medicare plans.</li></ul>

## Section VI Appendix

### A) Breakdown of Present Value of Benefits

#### Total OPEB Liability

	Certificated UTR	Certificated WCCAA	Classified Local #1	Classified SSA	Unrep. Mgt., Confidential, Cabinet, Retired Board	Total
<b>Medical</b>						
Actives	\$29,490,235	\$1,352,467	\$15,664,849	\$2,518,467	\$1,336,301	\$50,362,319
Retirees	<u>80,315,299</u>	<u>3,692,118</u>	<u>46,065,040</u>	<u>4,927,961</u>	<u>8,455,806</u>	<u>143,456,225</u>
Total	\$109,805,534	\$5,044,585	\$61,729,889	\$7,446,428	\$9,792,107	\$193,818,544
<b>Dental</b>						
Actives	\$0	\$0	\$4,347,534	\$0	\$0	\$4,347,534
Retirees	<u>0</u>	<u>0</u>	<u>6,268,039</u>	<u>0</u>	<u>0</u>	<u>6,268,039</u>
Total	\$0	\$0	\$10,615,573	\$0	\$0	\$10,615,573
<b>Subsidy</b>						
Actives	\$14,397,637	\$1,076,728	\$10,317,483	\$1,638,679	\$790,141	\$28,220,669
Retirees	<u>10,166,796</u>	<u>394,666</u>	<u>6,915,829</u>	<u>626,946</u>	<u>1,122,559</u>	<u>19,226,796</u>
Total	\$24,564,433	\$1,471,394	\$17,233,313	\$2,265,626	\$1,912,700	\$47,447,465
<b>Total</b>						
Actives	\$43,887,872	\$2,429,195	\$30,329,866	\$4,157,146	\$2,126,442	\$82,930,522
Retirees	<u>90,482,095</u>	<u>4,086,784</u>	<u>59,248,909</u>	<u>5,554,907</u>	<u>9,578,365</u>	<u>168,951,060</u>
Total	\$134,369,967	\$6,515,979	\$89,578,775	\$9,712,053	\$11,704,807	\$251,881,581



## Section VI Appendix

### A) Breakdown of Present Value of Benefits (continued)

#### Present Value of Benefits Due to Future Service

	Certificated UTR	Certificated WCCAA	Classified Local #1	Classified SSA	Unrep. Mgt., Confidential, Cabinet, Retired Board	Total
<b>Medical</b>						
Actives	\$4,401,682	\$354,918	\$3,931,568	\$516,362	\$374,910	\$9,579,440
Retirees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$4,401,682	\$354,918	\$3,931,568	\$516,362	\$374,910	\$9,579,440
<b>Dental</b>						
Actives	\$0	\$0	\$824,667	\$0	\$0	\$824,667
Retirees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$0	\$0	\$824,667	\$0	\$0	\$824,667
<b>Subsidy</b>						
Actives	\$4,020,975	\$371,148	\$3,611,400	\$425,231	\$370,022	\$8,798,775
Retirees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$4,020,975	\$371,148	\$3,611,400	\$425,231	\$370,022	\$8,798,775
<b>Total</b>						
Actives	\$8,422,656	\$726,066	\$8,367,635	\$941,593	\$744,932	\$19,202,882
Retirees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$8,422,656	\$726,066	\$8,367,635	\$941,593	\$744,932	\$19,202,882

## Section VI Appendix

### A) Breakdown of Present Value of Benefits (continued)

#### Total Present Value of Benefits

	Certificated UTR	Certificated WCCAA	Classified Local #1	Classified SSA	Unrep. Mgt., Confidential, Cabinet, Retired Board	Total
<b>Medical</b>						
Actives	\$33,891,917	\$1,707,385	\$19,596,417	\$3,034,829	\$1,711,212	\$59,941,759
Retirees	80,315,299	3,692,118	46,065,040	4,927,961	8,455,806	143,456,225
Total	\$114,207,216	\$5,399,503	\$65,661,458	\$7,962,790	\$10,167,018	\$203,397,984
<b>Dental</b>						
Actives	\$0	\$0	\$5,172,201	\$0	\$0	\$5,172,201
Retirees	0	0	6,268,039	0	0	6,268,039
Total	\$0	\$0	\$11,440,240	\$0	\$0	\$11,440,240
<b>Subsidy</b>						
Actives	\$18,418,611	\$1,447,876	\$13,928,883	\$2,063,911	\$1,160,162	\$37,019,444
Retirees	10,166,796	394,666	6,915,829	626,946	1,122,559	19,226,796
Total	\$28,585,407	\$1,842,542	\$20,844,712	\$2,690,857	\$2,282,721	\$56,246,240
<b>Total</b>						
Actives	\$52,310,528	\$3,155,261	\$38,697,501	\$5,098,739	\$2,871,374	\$102,133,404
Retirees	90,482,095	4,086,784	59,248,909	5,554,907	9,578,365	168,951,060
Total	\$142,792,623	\$7,242,045	\$97,946,410	\$10,653,646	\$12,449,739	\$271,084,463

## Section VI Appendix

### B) Breakdown of 10 Year Projected Benefit Payments

#### 10 Year Projection of Premiums (Explicit Subsidy)

Fiscal Year Beginning 7/1	Certificated UTR	Certificated WCCAA	Classified Local #1	Classified SSA	Unrep. Mgt., Confidential, Cabinet, Retired Board	Total
2017	\$7,503,256	\$301,294	\$4,815,886	\$477,735	\$785,686	\$13,883,857
2018	\$7,765,064	\$310,217	\$4,940,507	\$483,228	\$796,492	\$14,295,508
2019	\$8,065,662	\$318,564	\$5,004,741	\$477,273	\$784,957	\$14,651,197
2020	\$8,323,129	\$329,610	\$5,150,149	\$496,374	\$794,475	\$15,093,737
2021	\$8,622,639	\$347,011	\$5,239,530	\$515,143	\$801,181	\$15,525,504
2022	\$8,824,856	\$367,920	\$5,378,155	\$516,773	\$807,288	\$15,894,992
2023	\$9,050,835	\$386,324	\$5,503,099	\$538,811	\$806,019	\$16,285,088
2024	\$9,244,489	\$392,102	\$5,601,794	\$552,399	\$809,278	\$16,600,062
2025	\$9,383,832	\$405,793	\$5,728,786	\$568,327	\$810,175	\$16,896,913
2026	\$9,481,686	\$417,846	\$5,843,681	\$589,769	\$801,729	\$17,134,711

## Section VI Appendix

### B) Breakdown of 10 Year Projected Benefit Payments (continued)

#### 10 Year Projection of Implicit Subsidy

Fiscal Year Beginning 7/1	Certificated UTR	Certificated WCCAA	Classified Local #1	Classified SSA	Unrep. Mgt., Confidential, Cabinet, Retired Board	Total
2017	\$866,262	\$31,115	\$918,708	\$125,575	\$122,403	\$2,064,063
2018	\$996,510	\$38,997	\$1,027,269	\$136,243	\$128,619	\$2,327,638
2019	\$1,131,289	\$44,389	\$1,069,113	\$129,612	\$117,608	\$2,492,011
2020	\$1,223,368	\$55,446	\$1,182,345	\$141,758	\$129,433	\$2,732,350
2021	\$1,429,344	\$70,642	\$1,233,997	\$159,919	\$132,420	\$3,026,322
2022	\$1,548,664	\$93,222	\$1,335,732	\$162,462	\$146,312	\$3,286,392
2023	\$1,674,437	\$109,365	\$1,378,847	\$177,903	\$160,758	\$3,501,310
2024	\$1,836,122	\$121,030	\$1,462,153	\$191,894	\$178,192	\$3,789,391
2025	\$1,917,718	\$115,744	\$1,528,242	\$209,540	\$194,690	\$3,965,934
2026	\$1,979,165	\$113,408	\$1,575,444	\$199,738	\$211,628	\$4,079,383

## Section VI Appendix

### B) Breakdown of 10 Year Projected Benefit Payments (continued)

#### 10 Year Projection of Total Benefit Payments

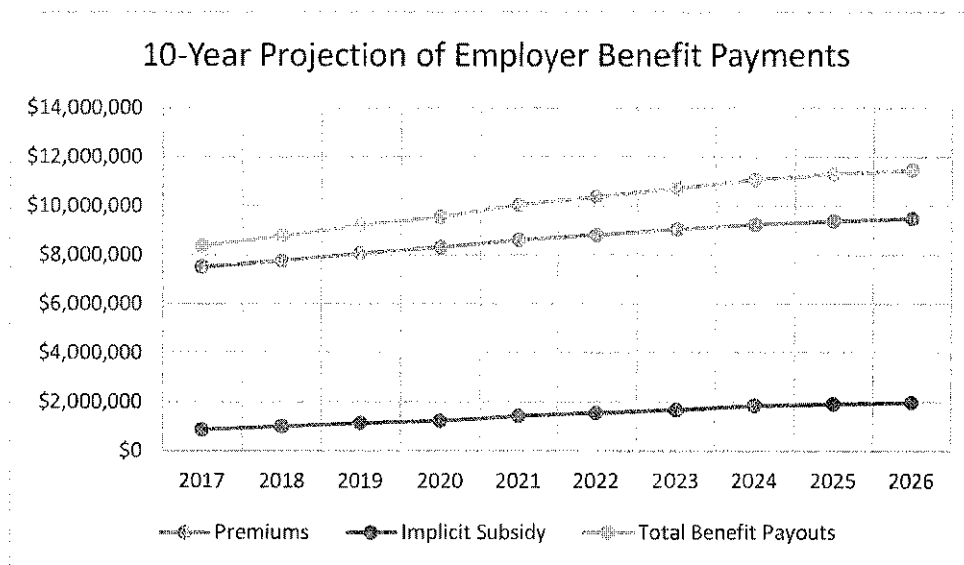
Fiscal Year Beginning 7/1	Certificated UTR	Certificated WCCAA	Classified Local #1	Classified SSA	Unrep. Mgt., Confidential, Cabinet, Retired Board	Total
2017	\$8,369,518	\$332,409	\$5,734,594	\$603,310	\$908,089	\$15,947,920
2018	\$8,761,574	\$349,214	\$5,967,776	\$619,471	\$925,111	\$16,623,146
2019	\$9,196,951	\$362,953	\$6,073,854	\$606,885	\$902,565	\$17,143,208
2020	\$9,546,497	\$385,056	\$6,332,494	\$638,132	\$923,908	\$17,826,087
2021	\$10,051,983	\$417,653	\$6,473,527	\$675,062	\$933,601	\$18,551,826
2022	\$10,373,520	\$461,142	\$6,713,887	\$679,235	\$953,600	\$19,181,384
2023	\$10,725,272	\$495,689	\$6,881,946	\$716,714	\$966,777	\$19,786,398
2024	\$11,080,611	\$513,132	\$7,063,947	\$744,293	\$987,470	\$20,389,453
2025	\$11,301,550	\$521,537	\$7,257,028	\$777,867	\$1,004,865	\$20,862,847
2026	\$11,460,851	\$531,254	\$7,419,125	\$789,507	\$1,013,357	\$21,214,094

## Section VI Appendix

### C) Benefit Payments by Employee Group (UTR)

In this table we show the projected pay-as-you-go costs (employer's share of premiums), the implicit subsidy, and total expected benefit payments for the United Teachers of Richmond employee group. The implicit subsidy reflects the shortfall of premiums versus the true cost of coverage. The shortfall exists because claims for active employees are combined with claims of retirees (who generally are older and cost more) to develop a single flat premium paid by both groups.

Fiscal Year Beginning 7/1	Premiums	Implicit Subsidy	Total
2017	\$7,503,256	\$866,262	\$8,369,518
2018	\$7,765,064	\$996,510	\$8,761,574
2019	\$8,065,662	\$1,131,289	\$9,196,951
2020	\$8,323,129	\$1,223,368	\$9,546,497
2021	\$8,622,639	\$1,429,344	\$10,051,983
2022	\$8,824,856	\$1,548,664	\$10,373,520
2023	\$9,050,835	\$1,674,437	\$10,725,272
2024	\$9,244,489	\$1,836,122	\$11,080,611
2025	\$9,383,832	\$1,917,718	\$11,301,550
2026	\$9,481,686	\$1,979,165	\$11,460,851

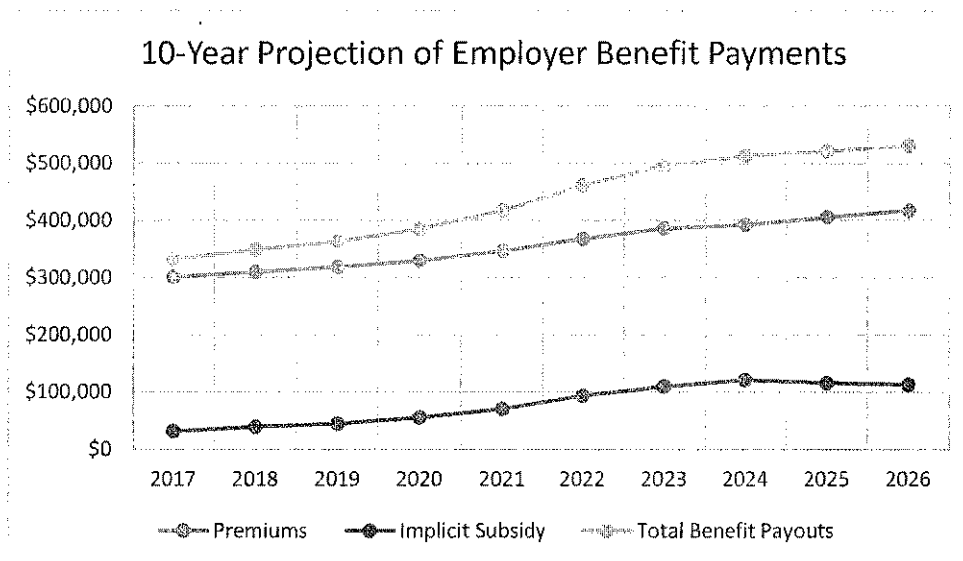


## Section VI Appendix

### C) Benefit Payments by Employee Group (WCCAA)

In this table we show the projected pay-as-you-go costs (employer's share of premiums), the implicit subsidy, and total expected benefit payments for the West Contra Costa Administrators Association employee group. The implicit subsidy reflects the shortfall of premiums versus the true cost of coverage. The shortfall exists because claims for active employees are combined with claims of retirees (who generally are older and cost more) to develop a single flat premium paid by both groups.

Fiscal Year Beginning 7/1	Premiums	Implicit Subsidy	Total
2017	\$301,294	\$31,115	\$332,409
2018	\$310,217	\$38,997	\$349,214
2019	\$318,564	\$44,389	\$362,953
2020	\$329,610	\$55,446	\$385,056
2021	\$347,011	\$70,642	\$417,653
2022	\$367,920	\$93,222	\$461,142
2023	\$386,324	\$109,365	\$495,689
2024	\$392,102	\$121,030	\$513,132
2025	\$405,793	\$115,744	\$521,537
2026	\$417,846	\$113,408	\$531,254

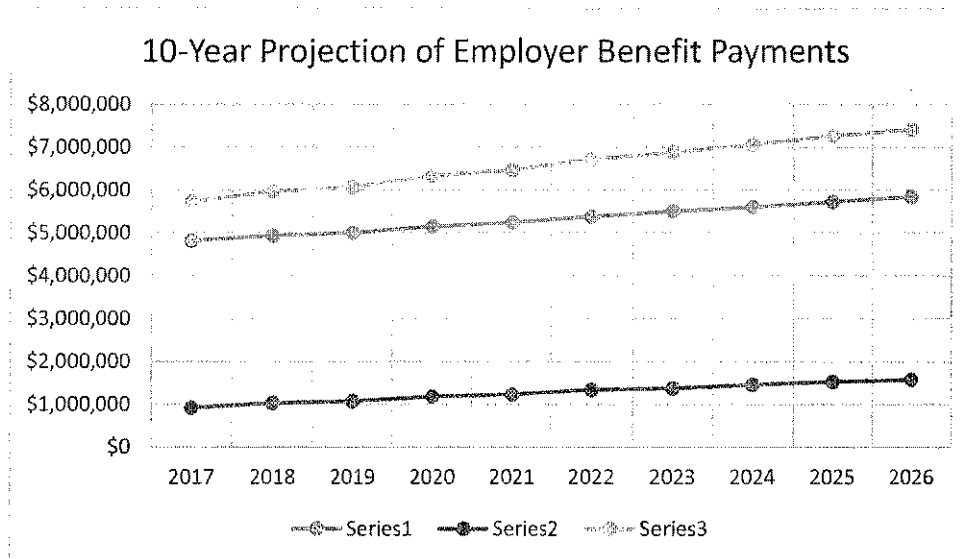


## Section VI Appendix

### C) Benefit Payments by Employee Group (Local 1)

In this table we show the projected pay-as-you-go costs (employer's share of premiums), the implicit subsidy, and total expected benefit payments for the Local 1 employee group. The implicit subsidy reflects the shortfall of premiums versus the true cost of coverage. The shortfall exists because claims for active employees are combined with claims of retirees (who generally are older and cost more) to develop a single flat premium paid by both groups.

Fiscal Year Beginning 7/1	Premiums	Implicit Subsidy	Total
2017	\$4,815,886	\$918,708	\$5,734,594
2018	\$4,940,507	\$1,027,269	\$5,967,776
2019	\$5,004,741	\$1,069,113	\$6,073,854
2020	\$5,150,149	\$1,182,345	\$6,332,494
2021	\$5,239,530	\$1,233,997	\$6,473,527
2022	\$5,378,155	\$1,335,732	\$6,713,887
2023	\$5,503,099	\$1,378,847	\$6,881,946
2024	\$5,601,794	\$1,462,153	\$7,063,947
2025	\$5,728,786	\$1,528,242	\$7,257,028
2026	\$5,843,681	\$1,575,444	\$7,419,125



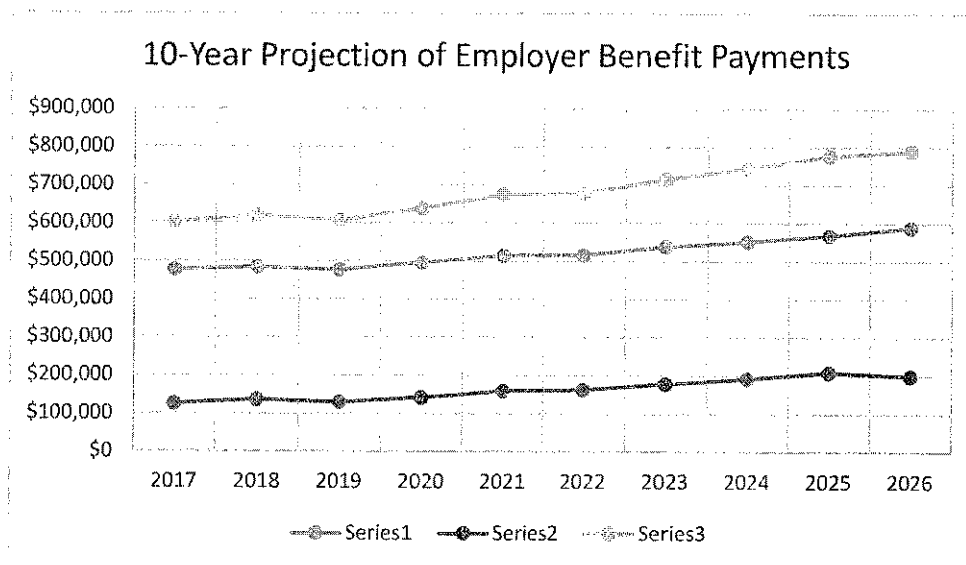


## Section VI Appendix

### C) Benefit Payments by Employee Group (SSA)

In this table we show the projected pay-as-you-go costs (employer's share of premiums), the implicit subsidy, and total expected benefit payments for the School Supervisors Association employee group. The implicit subsidy reflects the shortfall of premiums versus the true cost of coverage. The shortfall exists because claims for active employees are combined with claims of retirees (who generally are older and cost more) to develop a single flat premium paid by both groups.

Fiscal Year Beginning 7/1	Premiums	Implicit Subsidy	Total
2017	\$477,735	\$125,575	\$603,310
2018	\$483,228	\$136,243	\$619,471
2019	\$477,273	\$129,612	\$606,885
2020	\$496,374	\$141,758	\$638,132
2021	\$515,143	\$159,919	\$675,062
2022	\$516,773	\$162,462	\$679,235
2023	\$538,811	\$177,903	\$716,714
2024	\$552,399	\$191,894	\$744,293
2025	\$568,327	\$209,540	\$777,867
2026	\$589,769	\$199,738	\$789,507

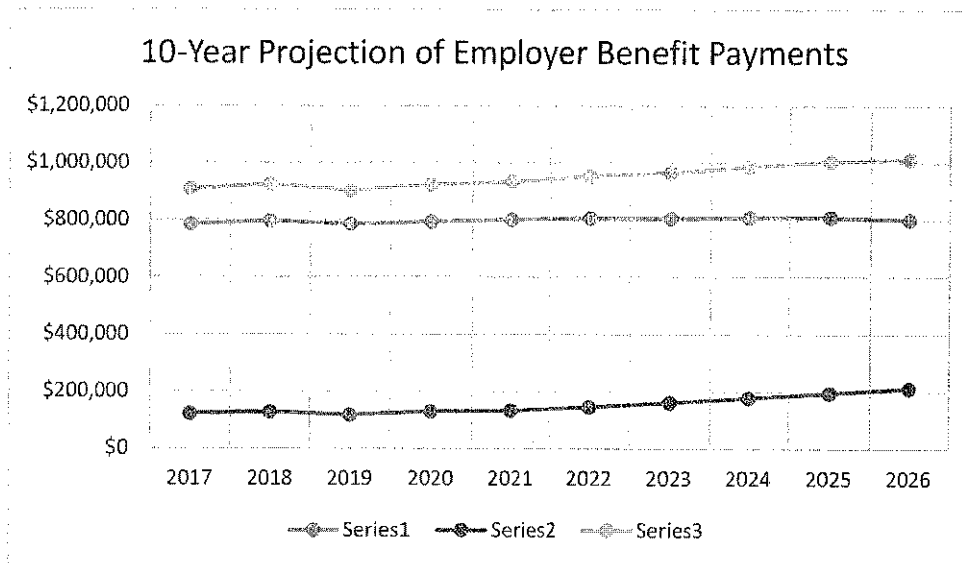


## Section VI Appendix

### C) Benefit Payments by Employee Group (Unrepresented Employees)

In this table we show the projected pay-as-you-go costs (employer's share of premiums), the implicit subsidy, and total expected benefit payments for the unrepresented employees. This group includes unrepresented employees who are classified, certificated, or from management. The implicit subsidy reflects the shortfall of premiums versus the true cost of coverage. The shortfall exists because claims for active employees are combined with claims of retirees (who generally are older and cost more) to develop a single flat premium paid by both groups.

Fiscal Year Beginning 7/1	Premiums	Implicit Subsidy	Total
2017	\$785,686	\$122,403	\$908,089
2018	\$796,492	\$128,619	\$925,111
2019	\$784,957	\$117,608	\$902,565
2020	\$794,475	\$129,433	\$923,908
2021	\$801,181	\$132,420	\$933,601
2022	\$807,288	\$146,312	\$953,600
2023	\$806,019	\$160,758	\$966,777
2024	\$809,278	\$178,192	\$987,470
2025	\$810,175	\$194,690	\$1,004,865
2026	\$801,729	\$211,628	\$1,013,357



## Section VII Glossary

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### A) Key Terms

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Annual OPEB Expense	The amount recognized by an employer in each accounting period for contributions to a defined benefit OPEB plan on the modified accrual basis of accounting.
Deferred outflows and inflows of resources related to OPEB	Deferred outflows of resources and deferred inflows of resources related to OPEB arising from certain changes in the collective net OPEB liability or collective total OPEB liability
Covered Payroll	Annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate.
Net OPEB Liability (NOL)	The liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria of the GASB Statements.
Normal Cost or Service Cost	The portion of the Total Present Value of Future Benefits attributed to employee service during the current fiscal year by the actuarial cost method. These terms are used interchangeably.
Other Postemployment Benefits (OPEB)	Retiree health care benefits and post-employment benefits provided separately from a pension plan (excluding termination offers and benefits).
Plan Fiduciary Net Position (FNP)	Set equal to the market value of assets as of the measurement date.
Present Value of Future Benefits (PVFB)	The value, as of the valuation date, of the projected benefits payable to all members for their accrued service and their expected future service, discounted to reflect the time value (present value) of money and adjusted for the probabilities of retirement, withdrawal, death and disability.
Total OPEB Liability (TOL)	The portion of the actuarial present value of projected benefit payments that is attributed to past period of member service in conformity with the GASB Statements. The total OPEB liability is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria of the GASB Statements.